### Guidewire Software, Inc. and Subsidiaries Condensed Consolidated Statement of Operations - GAAP

(unaudited, in thousands except share and per share amounts)

Second Subscription and support   Seco	Description	July III tille	01 2020	02 2020	02 2020	04 2020	FY 2020	Q1 2021	Q2 2021	Q3 2021
Subscription and support         \$49,031         \$49,031         \$49,030         \$50,072         \$14,120         \$20,075         \$13,056         \$37,965         \$69,836         \$69,83	Description		Q1 2020	Q2 2020	Q3 2020	Q4 2020	F1 2020	Q1 2021	Q2 2021	Q3 2021
Services			ć 40.021	¢ 40.550	¢ 50.773	¢ 54.120	ć 202.472	¢ 57,066	¢	¢ 64.926
Services			. ,			•				
State   Stat										
Subscription and support   24,933	11 111								<u> </u>	
Subscription and support			157,010	1/3,458	108,105	243,074	742,307	169,802	180,062	103,908
Part										
Services         53,366         52,480         52,660         50,781         20,981         51,024         48,910         48,920           rotal cot of revenue         80,856         83,596         83,792         87,811         338,015         90,907         91,902         92,005           ross profit         24,098         21,338         20,250         20,629         86,345         20,909         19,405         23,532           Kervices         51,806         75,161         60,538         134,028         30,908         62,345         75,078         48,946           Kervices         76,14         89,802         82,413         15,868         40,492         78,835         83,600         71,933           Kervices         76,14         89,802         82,413         15,868         40,892         78,835         82,602         75,835         83,600         71,933           Kervices         76,154         89,952         82,803         52,222         20,055         78,815         53,194         54,155           Sales and marketing         33,016         37,393         35,223         20,052         22,612         52,165         53,194         54,155           Goer paral marketing         33,016				•		•			•	
Section   Sect										
Subscription and support			•	•		· ·	-	,	<u> </u>	
Subscription and support         24,098         21,338         20,250         20,629         86,315         20,960         19,405         23,552           License         51,806         73,616         60,538         134,028         319,988         62,346         75,788         48,946           Services         250         (5,092)         16,552         1,205         40,201         (4,471)         (6,323)         51,903           Departing expenses:         76,154         89,862         82,413         155,863         404,925         78,835         88,160         71,903           Departing expenses:         46,496         49,954         51,893         52,232         200,575         52,615         53,194         54,155           Sales and marketing         33,016         37,339         35,233         36,830         142,402         36,644         39,216         40,879           General and administrative         21,233         20,599         20,885         22,406         85,183         21,180         22,800         23,695           Interest expense         100,751         107,892         108,013         111,522         428,178         110,439         115,230         118,729           Interest expense         10,245	Total cost of revenue		80,856	83,596	85,752	87,811	338,015	90,967	91,902	92,065
Services   S1,806   S73,616   S0,528   S14,028   S19,988   G2,346   T5,078   A8,946   Services   S250   S0,502   S1,625   S1,206   C1,011   C4,471   C6,323   C595   C1001	Gross profit:									
Services   250   5,092   1,625   1,206   1,206   1,207   1,207   1,208   1,2	Subscription and support		24,098	21,338	20,250	20,629	86,315	20,960	19,405	23,552
Total gross profit  Total	License		51,806	73,616	60,538	134,028	319,988	62,346	75,078	48,946
Page	Services		250	(5,092)	1,625	1,206	(2,011)	(4,471)	(6,323)	(595)
Research and development         46,496         49,954         51,893         52,232         200,575         52,615         53,194         54,155           Sales and marketing         33,016         37,339         35,235         36,830         142,420         36,644         39,216         40,879           General and administrative         21,239         20,599         20,885         22,460         85,183         21,180         22,820         23,695           Total operating expenses         100,751         107,892         108,013         111,522         428,788         110,439         115,230         118,729           Income (loss) from operations         (24,597)         (18,030)         (25,600)         44,341         (23,886)         (31,604)         (27,070)         (46,829)           Interest income         7,636         6,958         6,072         4,039         24,705         2,789         2,015         1,559           Interest expense         (4,429)         (4,462)         (4,505)         (4,549)         (17,945)         (4,620)         (4,651)         (4,698)           Other income (loss) before provision for (benefit from) income taxes         (21,641)         (15,716)         (36,389)         49,415         (24,331)         (30,667)         (	Total gross profit		76,154	89,862	82,413	155,863	404,292	78,835	88,160	71,903
Sales and marketing         33,016         37,339         35,235         36,830         142,420         36,644         39,216         40,879           General and administrative         21,239         20,599         20,885         22,600         85,183         21,180         22,820         23,695           Total operating expenses         100,751         107,892         108,013         111,522         428,178         110,439         115,230         118,729           Interest income         7,636         6,958         6,072         44,341         22,886         31,604         27,070         46,826           Interest expense         (4,429)         (4,462)         (4,505)         (4,549)         24,705         2,789         2,015         1,559           Interest expense         (4,429)         (4,462)         (4,505)         4,549         (4,620)         2,568         6,005         5,259           Interest expense, net         (251)         (182)         (12,561)         36,389         49,415         24,331         30,867         22,901         4(4,669)           Provision for (benefit from) income taxes         (6,650)         4,228         (5,351)         1,064         2,867         1,0677         14,249         8,6633	Operating expenses:									
Concert   Conc	Research and development		46,496	49,954	51,893	52,232	200,575	52,615	53,194	54,155
100,751   107,892   108,013   111,522   428,178   110,439   115,230   118,729   118,729   118,000   (10ss) from operations   (24,597)   (18,030)   (25,600)   44,341   (23,886)   (31,604)   (27,070)   (46,826)   (10terest income   7,636   6,958   6,072   4,039   24,705   2,789   2,015   1,559   (10terest expense   (4,429)   (4,462)   (4,505)   (4,549)   (17,945)   (4,620)   (4,620)   (4,651)   (4,698)   (10terest expense), net   (21,641)   (15,716)   (36,389)   49,415   (24,331)   (30,867)   (22,901)   (44,706)   (44,706)   (4,698)   (4,69	Sales and marketing		33,016	37,339	35,235	36,830	142,420	36,644	39,216	40,879
18,000   1	General and administrative		21,239	20,599	20,885	22,460	85,183	21,180	22,820	23,695
Interest income	Total operating expenses		100,751	107,892	108,013	111,522	428,178	110,439	115,230	118,729
Interest expense   (4,429)   (4,462)   (4,505)   (4,505)   (4,505)   (4,504)   (17,945)   (4,620)   (4,621)   (4,698)   (4,6	Income (loss) from operations		(24,597)	(18,030)	(25,600)	44,341	(23,886)	(31,604)	(27,070)	(46,826)
Other income (expense), net         (251)         (182)         (12,356)         5,584         (7,205)         2,568         6,805         5,259           Income (loss) before provision for (benefit from) income taxes         (21,641)         (15,716)         (36,389)         49,415         (24,331)         (30,867)         (22,901)         (44,706)           Provision for (benefit from) income taxes         (6,650)         4,228         (5,351)         10,640         2,867         (10,677)         (14,249)         (8,073)           Vet income (loss)         (14,991)         (19,944)         (31,038)         38,775         (27,198)         (20,190)         (8,652)         (36,633)           Vet income (loss)         (14,991)         (19,944)         (31,038)         38,775         (27,198)         (20,190)         (8,652)         (36,633)           Variantings per share:         883ic         (0.18)         (0.24)         (0.37)         0.46         (0.33)         (0.24)         (0.10)         (0.44)           Valued         (0.18)         (0.24)         (0.37)         0.46         (0.33)         (0.24)         (0.10)         (0.44)           Valued         (0.10)         (0.10)         (0.10)         (0.10)         (0.10)         (0.10) <td< td=""><td>Interest income</td><td></td><td>7,636</td><td>6,958</td><td>6,072</td><td>4,039</td><td>24,705</td><td>2,789</td><td>2,015</td><td>1,559</td></td<>	Interest income		7,636	6,958	6,072	4,039	24,705	2,789	2,015	1,559
Canal   Cana	Interest expense		(4,429)	(4,462)	(4,505)	(4,549)	(17,945)	(4,620)	(4,651)	(4,698)
Provision for (benefit from) income taxes  (6,650) 4,228 (5,351) 10,640 2,867 (10,677) (14,249) (8,073)    (14,991) \$ (19,944) \$ (31,038) \$ 38,775 \$ (27,198) \$ (20,190) \$ (8,652) \$ (36,633) \$ (32,435) \$ (34,633) \$ (34,441) \$ (34,44	Other income (expense), net		(251)	(182)	(12,356)	5,584	(7,205)	2,568	6,805	5,259
Set income (loss)   \$ (14,991) \$ (19,944) \$ (31,038) \$ 38,775   \$ (27,198) \$ (20,190) \$ (8,652) \$ (36,633) \$ (37,198) \$ (31,038) \$	Income (loss) before provision for (benefit from) income taxes		(21,641)	(15,716)	(36,389)	49,415	(24,331)	(30,867)	(22,901)	(44,706)
Basic \$ (0.18) \$ (0.24) \$ (0.37) \$ 0.46 \$ (0.33) \$ (0.24) \$ (0.10) \$ (0.44) \$ (0.44) \$ (0.10) \$ (0.44)	Provision for (benefit from) income taxes		(6,650)	4,228	(5,351)	10,640	2,867	(10,677)	(14,249)	(8,073)
Sasic   \$ (0.18) \$ (0.24) \$ (0.37) \$ 0.46 \$ (0.33) \$ (0.24) \$ (0.10) \$ (0.44) \$ (0	Net income (loss)		\$ (14,991)	\$ (19,944)	\$ (31,038)	\$ 38,775	\$ (27,198)	\$ (20,190)	\$ (8,652) \$	\$ (36,633)
Sasic   \$ (0.18) \$ (0.24) \$ (0.37) \$ 0.46 \$ (0.33) \$ (0.24) \$ (0.10) \$ (0.44) \$ (0	Earnings per share:									
Shares used in computing net earnings per share:  Basic  82,360,891 82,725,641 83,024,291 83,314,410 82,855,392 83,613,287 83,830,624 83,600,327  Diluted  82,360,891 82,725,641 83,024,291 83,947,187 82,855,392 83,613,287 83,830,624 83,600,327  mpairment of equity in strategic investment  \$ - \$ - \$ 10,672 \$ - \$ 10,672 \$ - \$ 0	Basic		\$ (0.18)	\$ (0.24)	\$ (0.37)	\$ 0.46	\$ (0.33)	\$ (0.24)	\$ (0.10) \$	\$ (0.44)
Basic       82,360,891       82,725,641       83,024,291       83,314,410       82,855,392       83,613,287       83,830,624       83,600,327         Diluted       82,360,891       82,725,641       83,024,291       83,947,187       82,855,392       83,613,287       83,830,624       83,600,327         Impairment of equity in strategic investment       \$ - \$ - \$ 10,672       \$ - \$ 10,672       \$ - \$ - \$ 0	Diluted		\$ (0.18)	\$ (0.24)	\$ (0.37)	\$ 0.46	\$ (0.33)	\$ (0.24)	\$ (0.10) \$	\$ (0.44)
Basic       82,360,891       82,725,641       83,024,291       83,314,410       82,855,392       83,613,287       83,830,624       83,600,327         Diluted       82,360,891       82,725,641       83,024,291       83,947,187       82,855,392       83,613,287       83,830,624       83,600,327         Impairment of equity in strategic investment       \$ - \$ - \$ 10,672       \$ - \$ 10,672       \$ - \$ - \$ 0	Shares used in computing net earnings per share:									
Diluted       82,360,891       82,725,641       83,024,291       83,947,187       82,855,392       83,613,287       83,830,624       83,600,327         Impairment of equity in strategic investment       \$ - \$ - \$ 10,672       \$ - \$ - \$ 0			82,360,891	82,725,641	83,024,291	83,314,410	82,855,392	83,613,287	83,830,624	83,600,327
mpairment of equity in strategic investment \$ - \$ - \$ 10,672 \$ - \$ - \$ 0	Diluted		82,360,891							83,600,327
tock-based compensation \$ 24,558 \$ 26,736 \$ 24,781 \$ 25,742 \$ 101,817 \$ 28,084 \$ 29,896 \$ 28,223	Impairment of equity in strategic investment		\$ <b>–</b>	\$ <b>–</b>	\$ 10,672	\$ <b>–</b>			ş — <u>:</u>	\$ 0
	Stock-based compensation		\$ 24,558	\$ 26,736	\$ 24,781	\$ 25,742	\$ 101,817	\$ 28,084	\$ 29,896 \$	\$ 28,223

These schedules have been derived from, and should be read in conjunction with, our financial statements in our reports on Forms 10-Q and 10-K which are filed with the SEC. Our Forms 10-Q and 10-K may be found to the statements in our reports on Forms 10-Q and 10-K may be found to the statement of the statement	nd o
our website at http://ir.guidewire.com/phoenix.zhtml?c=248177&p=irol-sec.	

#### **Guidewire Software, Inc. and Subsidiaries**

### **Condensed Consolidated Statement of Operations - Non-GAAP Adjustments**

(unaudited, in thousands)

		-						
Description	Q1 2020	Q2 2020	Q3 2020	Q4 2020	FY 2020	Q1 2021	Q2 2021	Q3 2021
Amortization of intangibles	\$ 4,545	\$ 4,545	\$ 4,405	\$ 4,126	\$ 17,621	\$ 4,126	\$ 4,126	\$ 1,903
Stock-based compensation	1,633	1,886	1,986	2,070	7,575	2,602	2,954	2,780
COVID-19 Canada Emergency Wage Subsidy benefit (1)	_		_	_	_	_	(770)	(768)
Total adjustment to cost of revenue - subscription and support	6,178	6,431	6,391	6,196	25,196	6,728	6,310	3,915
Amortization of intangibles	400	400	400	400	1,600	400	400	400
Stock-based compensation	180	188	177	224	769	251	145	183
Total adjustment to cost of revenue - license	580	588	577	624	2,369	651	545	583
Stock-based compensation	5,332	5,469	4,862	5,153	20,816	5,543	5,578	5,395
COVID-19 Canada Emergency Wage Subsidy benefit (1)	_	_	_	_	_	-	(198)	(183)
Total adjustment to cost of revenue - services	5,332	5,469	4,862	5,153	20,816	5,543	5,380	5,212
Stock-based compensation	6,181	6,668	6,500	6,975	26,324	7,247	7,604	6,930
COVID-19 Canada Emergency Wage Subsidy benefit (1)	_	_	_	_	_	-	(593)	(556)
Total adjustment to research and development	6,181	6,668	6,500	6,975	26,324	7,247	7,011	6,374
Stock-based compensation	5,157	5,996	4,990	5,117	21,260	5,977	6,806	6,587
Amortization of intangibles	2,222	1,797	1,797	1,797	7,613	1,797	1,797	1,618
COVID-19 Canada Emergency Wage Subsidy benefit (1)	_	_			_	_	(104)	(97)
Total adjustment to sales and marketing	7,379	7,793	6,787	6,914	28,873	7,774	8,499	8,108
Stock-based compensation	6,075	6,529	6,266	6,203	25,073	6,464	6,809	6,348
COVID-19 Canada Emergency Wage Subsidy benefit (1)	_	_	_	_	_	-	(21)	(19)
Total adjustment to general and administrative	6,075	6,529	6,266	6,203	25,073	6,464	6,788	6,329
Amortization of debt discount and issuance costs	3,156	3,198	3,244	3,288	12,886	3,335	3,379	3,429
Total adjustment to interest expense	3,156	3,198	3,244	3,288	12,886	3,335	3,379	3,429
Changes in fair value of strategic investment	_	_	10,672	_	10,672	_	_	_
Total adjustment to other income (expense), net	_	_	10,672	_	10,672	_	_	
Non-GAAP tax impact	(8,912)	826	(6,559)	(4,598)	(19,243)	(3,143)	(20,232)	(10,532)
Total adjustment to provision for (benefit from) income taxes	(8,912)	826	(6,559)	(4,598)	(19,243)	(3,143)	(20,232)	(10,532)

<sup>(1)</sup> Effective the second fiscal quarter of 2021, the COVID-19 Canada Emergency Wage Subsidy benefit was included as a non-GAAP adjustment.

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

Description		Q1 2020	(	Q2 2020		Q3 2020	Q	Q4 2020		FY 2020	C	Q1 2021		Q2 2021	(	Q3 2021
Reconciliation of GAAP to Non-GAAP earnings per share:																
GAAP diluted earnings per share	\$	(0.18)	\$	(0.24)	\$	(0.37)	\$	0.46	\$	(0.33)	\$	(0.24)	\$	(0.10)	\$	(0.44)
Amortization of intangibles		0.09		0.08		0.08		0.08		0.33		0.08		0.08		0.05
Stock-based compensation		0.30		0.32		0.30		0.31		1.23		0.34		0.36		0.34
Amortization of debt discount and issuance costs		0.04		0.04		0.04		0.04		0.16		0.04		0.04		0.04
Changes in fair value of strategic investment		-		_		0.13		_		0.13		_		_		_
COVID-19 Canada Emergency Wage Subsidy benefit (1)		_		_		_		_		_		_		(0.02)		(0.02)
Non-GAAP tax impact		(0.11)		0.01		(0.08)		(0.05)		(0.23)		(0.04)		(0.24)		(0.13)
Non-GAAP dilutive shares excluded from GAAP EPS calculation (2)		(0.01)		_		(0.01)		(0.01)		(0.03)		(0.01)		(0.01)		_
Non-GAAP diluted earnings per share	\$	0.13	\$	0.21	\$	0.09	\$	0.83	\$	1.26	\$	0.17	\$	0.11	\$	(0.16)
Diluted weighted average shares outstanding		82,360,891	82	,725,641	8	33,024,291	83,	947,187	8	2,855,392	83,	,613,287	83	3,830,624	83	,600,327
Non-GAAP dilutive shares excluded from GAAP EPS calculation (2)	_	788,902		842,001		486,398				834,002		586,287		1,007,573		_
Diluted weighted average shares outstanding	Ŀ	83,149,793	83	,567,642	8	33,510,689	83,	947,187	8	3,689,394	84,	,199,574	84	1,838,197	83	,600,327
Gross margin:																
Subscription and support:																
GAAP gross margin		49.1 %	6	43.0 %	6	39.9 %		38.2 %		42.4 %		36.2 %	)	32.6 %		36.3 %
Stock-based compensation		3.3 %	6	3.8 %	6	3.9 %	•	3.8 %	5	3.7 %		4.5 %	•	5.0 %		4.3 %
Amortization of intangibles		9.3 %	6	9.2 %	6	8.7 %		7.6 %		8.7 %		7.1 %	)	6.9 %		2.9 %
COVID-19 Canada Emergency Wage Subsidy benefit (1)	L	<u> </u>	6	<b>– %</b>	6	<b>– %</b>	•	<b>–</b> %		<b>–</b> %		<b>– %</b>	<u> </u>	(1.3)%		(1.2)%
Non-GAAP gross margin		61.7 %	6	56.0 %	6	52.5 %	,	49.6 %		54.8 %		47.8 %	<u> </u>	43.2 %		42.3 %
License:																
GAAP gross margin		95.3 %	6	96.3 %	6	95.9 %		97.4 %	5	96.5 %		95.5 %	•	96.4 %		96.1 %
Stock-based compensation		0.3 %	6	0.2 %	6	0.3 %		0.2 %		0.2 %		0.4 %	)	0.2 %		0.4 %
Amortization of intangibles	L	0.8 %	6	0.5 %	6	0.6 %	,	0.3 %	,	0.5 %		0.6 %	·	0.5 %		0.8 %
Non-GAAP gross margin		96.4 %	6	97.0 %	6	96.8 %		97.9 %		97.2 %		96.5 %	•	97.1 %		97.3 %
Sandicac																
Services:		0.4.0	,	(10.7)0	,	2.0.0		2.2.0/		(0.0)0(		(0.6)00		(1.4.0)0/		(4.3)00
GAAP gross margin	I	0.4 %	o	(10.7)%	o o	2.9 %	)	2.3 %		(0.9)%	l	(9.6)%	)	(14.8)%		(1.2)%

Non-GAAP gross margin	56.2 %	59.0 %	56.0 %	68.9 %	61.0 %	54.0 %	55.8 %	50.0 %
COVID-19 Canada Emergency Wage Subsidy benefit (1)	- %	- %	- %	<b>–</b> %	— %	- %	(0.5)%	(0.4)%
Stock-based compensation	4.6 %	4.3 %	4.1 %	3.1 %	3.9 %	4.9 %	4.8 %	5.1 %
Amortization of intangibles	3.1 %	2.9 %	2.9 %	1.9 %	2.6 %	2.7 %	2.5 %	1.4 %
GAAP gross margin	48.5 %	51.8 %	49.0 %	63.9 %	54.5 %	46.4 %	49.0 %	43.9 %
Overall:								
Non-GAAP gross margin	10.4 %	0.8 %	11.9 %	12.2 %	9.1 %	2.3 %	(2.2)%	9.6 %
COVID-19 Canada Emergency Wage Subsidy benefit (1)	<b>–</b> %	- %	- %	<b>–</b> %	— %	- %	(0.5)%	(0.4)%
Stock-based compensation	10.0 %	11.5 %	9.0 %	9.9 %	10.0 %	11.9 %	13.1 %	11.2 %

<sup>(1)</sup> Effective the second fiscal quarter of 2021, the COVID-19 Canada Emergency Wage Subsidy benefit was included as a non-GAAP adjustment.

<sup>(2)</sup> Due to the occurrence of a net loss on a GAAP basis, potentially dilutive securities were excluded from the calculation of GAAP net income (loss) per share, as they would have an anti-dilutive effect. However, these shares have a dilutive effect on non-GAAP net income (loss) per share and, therefore, are included in the non-GAAP net income (loss) per share calculation

# Guidewire Software, Inc. and Subsidiaries Condensed Consolidated Statement of Operations - Key Metrics

(unaudited, in thousands)

Description	C	<b>1 2020</b>	Q	2 2020	C	Q3 2020	Q4 20	20	FY 2020		Q1 2021	Q	2 2021	Q3	2021
Annual recurring revenue (in millions):															
Annual recurring revenue (1)	\$	463	\$	474	\$	483	\$	509	\$ 514	\$	513	\$	520	\$	538
Subscription and support revenue breakdown:															
Subscription revenue		28,060		28,434		30,078	33,	086	119,658		37,230		38,278		44,553
Support revenue		20,971		21,116		20,694	21,	034	83,815		20,736		21,285		20,283
Total subscription and support revenue	\$	49,031	\$	49,550	\$	50,772	\$ 54,	120	\$ 203,473	\$	57,966	\$	59,563	\$	64,836
License revenue breakdown:															
Term license revenue	\$	54,314	\$	74,478	\$	62,656	\$ 137,	041	\$ 328,489	\$	65,225	\$	77,864	\$	50,688
Perpetual license revenue		49		2,042		448		526	3,065		58		48		249
Total license revenue	\$	54,363	\$	76,520	\$	63,104	\$ 137,	567	\$ 331,554	\$	65,283	\$	77,912	\$	50,937
Adjusted free cash flow:										г					
Net cash provided by (used in) operating activities	\$	(18,138)	\$	19,474	\$	4,571	\$ 107,	159	\$ 113,066	\$	(15,707)	\$	13,329	\$	5,611
Purchases of property and equipment		(9,625)		(1,629)		(7,712)	(2,	411)	(21,377	')	(1,907)		(3,610)		(6,895)
Capitalized software development costs		(1,346)		(864)		(1,063)	(1,	010)	(4,283	3)	(2,581)		(2,303)		(2,735)
Total free cash flow	\$	(29,109)	\$	16,981	\$	(4,204)	\$ 103,	738	\$ 87,406	\$	(20,195)	\$	7,416	\$	(4,019)
Build out of San Mateo headquarters	\$	(7,947)	\$	314	\$	(5,254)	\$ 1,	756	\$ (11,131	) \$	_	\$	_	\$	_
Total adjusted free cash flow	\$	(21,162)	\$	16,667	\$	1,050	\$ 101,	982	\$ 98,537	\$	(20,195)	\$	7,416	\$	(4,019)

<sup>(1)</sup> ARR for Fiscal year 2021 is based on actual currency rates at the end of fiscal year 2020, held constant throughout the year.

#### **Guidewire Software, Inc. and Subsidiaries**

### Condensed Consolidated Statement of Operations - Non-GAAP Gross Profit Reconciliations

(unaudited, in thousands except percentage)

Description	(	Q1 2020		Q2 2020		Q3 2020		Q4 2020	FY 2020		Q1 2021		Q2 2021		Q3 2021
Gross profit reconciliation:															
GAAP gross profit	\$	76,154	\$	89,862	\$	82,413	\$	155,863	\$ 404,292	\$	78,835	\$	88,160	\$	71,903
Non-GAAP adjustments:										L					
Stock-based compensation		7,145		7,543		7,025		7,447	29,160		8,396		8,677		8,358
Amortization of intangibles		4,945		4,945		4,805		4,526	19,221		4,526		4,526		2,303
COVID-19 Canada Emergency Wage Subsidy benefit (1)		_		_		_		_	_		_		(968)		(951)
Non-GAAP gross profit	\$	88,244	\$	102,350	\$	94,243	\$	167,836	\$ 452,673	\$	91,757	\$	100,395	\$	81,613
Non-GAAP gross margin		56.2 %	6	59.0 %	6	56.0 %	6	68.9 %	61.0 9	%	54.0 %	6	55.8 %	6	49.8 %
Gross profit reconciliation - subscription and support:															
GAAP gross profit - subscription and support	\$	24,098	\$	21,338	\$	20,250	\$	20,629	\$ 86,315	\$	20,960	\$	19,405	\$	23,552
Non-GAAP adjustments:										L					
Stock-based compensation		1,633		1,886		1,986		2,070	7,575		2,602		2,954		2,780
Amortization of intangibles		4,545		4,545		4,405		4,126	17,621		4,126		4,126		1,903
COVID-19 Canada Emergency Wage Subsidy benefit (1)		_		_		_		_	_		_		(770)		(768)
Non-GAAP gross profit - subscription and support	\$	30,276	\$	27,769	\$	26,641	\$	26,825	\$ 111,511	\$	27,688	\$	25,715	\$	27,467
Non-GAAP gross margin - subscription and support		61.7 %	6	56.0 %	6	52.5 %	6	49.6 %	54.8 9	%	47.8 %	6	43.2 %	6	42.4 %
Gross profit reconciliation - license:										Г					
GAAP gross profit - license <sup>(1)</sup>	\$	51,806	\$	73,616	\$	60,538	\$	134,028	\$ 319,988	\$	62,346	\$	75,078	\$	48,946
Non-GAAP adjustments:															
Stock-based compensation		180		188		177		224	769		251		145		183
Amortization of intangibles		400		400		400		400	1,600		400		400		400
Non-GAAP gross profit - license	\$	52,386	\$	74,204	\$	61,115	\$	134,652	\$ 322,357	\$	62,997	\$	75,623	\$	49,529
Non-GAAP gross margin - license		96.4 %	6	97.0 %	6	96.8 %	6	97.9 %	97.2 9	%	96.5 %	6	97.1 %	6	97.2 %
Gross profit reconciliation - services:															
GAAP gross profit - services	\$	250	\$	(5,092)	\$	1,625	\$	1,206	\$ (2,011)	\$	(4,471)	\$	(6,323)	\$	(595)
Non-GAAP adjustments:															
Stock-based compensation		5,332		5,469		4,862		5,153	20,816		5,543		5,578		5,395
Amortization of intangibles		-		_		_		_	_		_		_		_
COVID-19 Canada Emergency Wage Subsidy benefit (1)		_							_				(198)		(183)
Non-GAAP gross profit - services	\$	5,582	\$	377	\$	6,487	\$	6,359	\$ 18,805	\$	1,072	\$	(943)	\$	4,617

Non-GAAP gross margin - services	10.4 %	0.8 %	11.9 %	12.2 %	9.1 %	2.3 %	(2.2)%	9.6 %

(1) Effective the second fiscal quarter of 2021, the COVID-19 Canada Emergency Wage Subsidy benefit was included as a non-GAAP adjustment.

# Guidewire Software, Inc. and Subsidiaries Condensed Consolidated Statement of Operations - Non-GAAP Reconciliations

(unaudited, in thousands)

Description	Q	1 2020	Q2 2020	Q3 2020	Q4 2	2020	FY 2020	Q1 2021	Q2 2021	Q3 2021
Income (loss) from operations reconciliation:										
GAAP income (loss) from operations	\$	(24,597) \$	(18,030) \$	(25,600	\$ 4	4,341	\$ (23,886)	\$ (31,604)	\$ (27,070) \$	(46,826)
Non-GAAP adjustments:										
Stock-based compensation		24,558	26,736	24,781	2	5,742	101,817	28,084	29,896	28,223
Amortization of intangibles		7,167	6,742	6,602		6,323	26,834	6,323	6,323	3,921
COVID-19 Canada Emergency Wage Subsidy benefit (1)		_	_	_			_	ı	(1,686)	(1,623)
Non-GAAP income (loss) from operations	\$	7,128 \$	15,448	5,783	\$ 7	6,406	\$ 104,765	\$ 2,803	\$ 7,463 \$	(16,305)
Net income (loss) reconciliation:										
GAAP net income (loss)	\$	(14,991) \$	(19,944) \$	(31,038	\$ 3	8,775	\$ (27,198)	\$ (20,190)	\$ (8,652) \$	(36,633)
Non-GAAP adjustments:										
Stock-based compensation		24,558	26,736	24,781	2	5,742	101,817	28,084	29,896	28,223
Amortization of intangibles		7,167	6,742	6,602		6,323	26,834	6,323	6,323	3,921
Amortization of debt discount and issuance costs		3,156	3,198	3,244		3,288	12,886	3,335	3,379	3,429
Changes in fair value of strategic investment		_	-	10,672		-	10,672	_	_	_
COVID-19 Canada Emergency Wage Subsidy benefit (1)		_	_	_		-1	_	_	(1,686)	(1,623)
Non-GAAP tax impact		(8,912)	826	(6,559	(	(4,598)	(19,243)	(3,143)	(20,232)	(10,532)
Non-GAAP net income (loss)	\$	10,978 \$	17,558	7,702	\$ 6	9,530	\$ 105,768	\$ 14,409	\$ 9,028	(13,215)

<sup>(1)</sup> Effective the second fiscal quarter of 2021, the COVID-19 Canada Emergency Wage Subsidy benefit was included as a non-GAAP adjustment.