

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

Description	Q1 2023	Q2 2023	Q3 2023	Q4 2023	FY 2023	Q1 2024
<b>Revenue:</b>						
Subscription and support	\$ 99,068	\$ 105,754	\$ 107,499	\$ 117,346	\$ 429,667	\$ 127,627
License	40,952	73,115	50,602	100,924	265,593	34,025
Services	55,262	53,742	49,389	51,688	210,081	45,755
<b>Total revenue</b>	<b>195,282</b>	<b>232,611</b>	<b>207,490</b>	<b>269,958</b>	<b>905,341</b>	<b>207,407</b>
<b>Cost of revenue:</b>						
Subscription and support	55,691	48,924	52,281	53,611	210,507	48,054
License	1,873	1,845	1,243	1,527	6,488	1,219
Services	65,566	58,379	55,048	51,142	230,135	45,842
<b>Total cost of revenue</b>	<b>123,130</b>	<b>109,148</b>	<b>108,572</b>	<b>106,280</b>	<b>447,130</b>	<b>95,115</b>
<b>Gross profit:</b>						
Subscription and support	43,377	56,830	55,218	63,735	219,160	79,573
License	39,079	71,270	49,359	99,397	259,105	32,806
Services	(10,304)	(4,637)	(5,659)	546	(20,054)	(87)
<b>Total gross profit</b>	<b>72,152</b>	<b>123,463</b>	<b>98,918</b>	<b>163,678</b>	<b>458,211</b>	<b>112,292</b>
<b>Operating expenses:</b>						
Research and development	58,170	61,702	63,055	66,819	249,746	62,469
Sales and marketing	46,468	44,781	46,864	50,111	188,224	44,581
General and administrative	42,067	40,196	46,815	40,653	169,731	39,023
<b>Total operating expenses</b>	<b>146,705</b>	<b>146,679</b>	<b>156,734</b>	<b>157,583</b>	<b>607,701</b>	<b>146,073</b>
<b>Income (loss) from operations</b>	<b>(74,553)</b>	<b>(23,216)</b>	<b>(57,816)</b>	<b>6,095</b>	<b>(149,490)</b>	<b>(33,781)</b>
Interest income	4,638	5,392	6,627	7,732	24,389	10,613
Interest expense	(1,674)	(1,677)	(1,683)	(1,682)	(6,716)	(1,683)
Other income (expense), net	(13,824)	11,291	(3,356)	3,612	(2,277)	(13,742)
<b>Income (loss) before provision for (benefit from) income taxes</b>	<b>(85,413)</b>	<b>(8,210)</b>	<b>(56,228)</b>	<b>15,757</b>	<b>(134,094)</b>	<b>(38,593)</b>
Provision for (benefit from) income taxes	(16,095)	979	(10,660)	3,537	(22,239)	(11,522)
<b>Net income (loss)</b>	<b>\$ (69,318)</b>	<b>\$ (9,189)</b>	<b>\$ (45,568)</b>	<b>\$ 12,220</b>	<b>\$ (111,855)</b>	<b>\$ (27,071)</b>

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

Description	Q1 2023	Q2 2023	Q3 2023	Q4 2023	FY 2023	Q1 2024
<b>Earnings per share:</b>						
Basic and Diluted	\$ (0.83)	\$ (0.11)	\$ (0.56)	\$ 0.15	\$ (1.36)	\$ (0.33)
<b>Shares used in computing net earnings per share:</b>						
Basic	83,320,967	82,051,867	81,832,244	81,490,213	82,176,629	81,690,912
Diluted	83,320,967	82,051,867	81,832,244	82,135,106	82,176,629	81,690,912
<b>Impairment of equity in strategic investment</b>	\$ —	\$ —	\$ —	\$ 802	\$ 802	\$ —
<b>Stock-based compensation</b>	\$ 35,096	\$ 36,179	\$ 35,019	\$ 36,548	\$ 142,842	\$ 36,097

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

Description	Q1 2023	Q2 2023	Q3 2023	Q4 2023	FY 2023	Q1 2024
Amortization of intangibles	\$ 1,905	\$ 485	\$ 485	\$ 485	\$ 3,360	\$ 485
Stock-based compensation	3,468	3,440	3,580	3,585	14,073	3,462
<b>Total adjustment to cost of revenue - subscription and support</b>	<b>\$ 5,373</b>	<b>\$ 3,925</b>	<b>\$ 4,065</b>	<b>\$ 4,070</b>	<b>\$ 17,433</b>	<b>\$ 3,947</b>
Stock-based compensation	147	119	93	104	463	95
<b>Total adjustment to cost of revenue - license</b>	<b>\$ 147</b>	<b>\$ 119</b>	<b>\$ 93</b>	<b>\$ 104</b>	<b>\$ 463</b>	<b>\$ 95</b>
Stock-based compensation	\$ 5,349	\$ 4,397	\$ 4,631	\$ 4,880	\$ 19,257	\$ 4,789
<b>Total adjustment to cost of revenue - services</b>	<b>\$ 5,349</b>	<b>\$ 4,397</b>	<b>\$ 4,631</b>	<b>\$ 4,880</b>	<b>\$ 19,257</b>	<b>\$ 4,789</b>
Stock-based compensation	\$ 9,291	\$ 10,301	\$ 10,084	\$ 10,189	\$ 39,865	\$ 9,986
Acquisition consideration holdback	773	730	706	730	2,939	386
<b>Total adjustment to research and development</b>	<b>\$ 10,064</b>	<b>\$ 11,031</b>	<b>\$ 10,790</b>	<b>\$ 10,919</b>	<b>\$ 42,804</b>	<b>\$ 10,372</b>
Stock-based compensation	\$ 6,887	\$ 8,024	\$ 7,432	\$ 7,582	\$ 29,925	\$ 7,729
Amortization of intangibles	882	882	882	882	3,528	882
<b>Total adjustment to sales and marketing</b>	<b>\$ 7,769</b>	<b>\$ 8,906</b>	<b>\$ 8,314</b>	<b>\$ 8,464</b>	<b>\$ 33,453</b>	<b>\$ 8,611</b>
Stock-based compensation	\$ 9,954	\$ 9,898	\$ 9,199	\$ 10,208	\$ 39,259	\$ 10,036
Net impact of assignment of lease agreement <sup>(1)</sup>	—	—	8,502	—	\$ 8,502	—
<b>Total adjustment to general and administrative</b>	<b>\$ 9,954</b>	<b>\$ 9,898</b>	<b>\$ 17,701</b>	<b>\$ 10,208</b>	<b>\$ 47,761</b>	<b>\$ 10,036</b>
Amortization of debt issuance costs	\$ 423	\$ 425	\$ 426	\$ 429	\$ 1,703	\$ 430
<b>Total adjustment to interest expense</b>	<b>\$ 423</b>	<b>\$ 425</b>	<b>\$ 426</b>	<b>\$ 429</b>	<b>\$ 1,703</b>	<b>\$ 430</b>
Changes in fair value of strategic investment	\$ —	\$ —	\$ —	802	802	\$ —
<b>Total adjustment to other income (expense), net</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ 802</b>	<b>\$ 802</b>	<b>\$ —</b>
Non-GAAP tax impact	\$ 20,378	\$ (46,863)	\$ (6,824)	\$ 10,698	\$ (22,611)	\$ (11,493)
<b>Total adjustment to provision for (benefit from) income taxes</b>	<b>\$ 20,378</b>	<b>\$ (46,863)</b>	<b>\$ (6,824)</b>	<b>\$ 10,698</b>	<b>\$ (22,611)</b>	<b>\$ (11,493)</b>

<sup>(1)</sup> During the third quarter of fiscal year 2023, the Company recorded in general and administrative expenses a net loss of \$8.5 million related to the assignment of the lease agreement for the remaining lease term of the Company's previous headquarters. The loss is comprised of an \$18.4 million gain from the de-recognition of the operating lease asset of \$56.9 million, the de-recognition of the lease liability of \$75.5 million, and other expenses related to the lease assignment of \$0.2 million, offset by accelerated depreciation expense related to property and equipment, primarily consisting of leasehold improvements, at the previous headquarters of \$26.9 million. Prior to the third quarter of fiscal year 2023, there were no transactions similar to the lease assignment in any periods presented.

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**Guidewire Software, Inc. and Subsidiaries**  
**Condensed Consolidated Statement of Operations - Other Reconciliations**  
(unaudited)

Description	Q1 2023	Q2 2023	Q3 2023	Q4 2023	FY 2023	Q1 2024
<b>Reconciliation of GAAP to Non-GAAP earnings per share:</b>						
<b>GAAP diluted earnings per share</b>	\$ (0.83)	\$ (0.11)	\$ (0.56)	\$ 0.15	\$ (1.36)	\$ (0.33)
Amortization of intangibles	0.03	0.02	0.02	0.02	0.08	0.02
Stock-based compensation	0.42	0.44	0.43	0.44	1.74	0.44
Amortization of debt issuance costs	0.01	0.01	0.01	—	0.02	0.01
Changes in fair value of strategic investment	—	—	—	0.01	0.01	—
Acquisition consideration holdback	0.01	0.01	0.01	0.01	0.04	—
Net impact of assignment of lease agreement <sup>(1)</sup>	—	—	0.10	—	0.10	—
Non-GAAP tax impact	0.24	(0.58)	(0.09)	0.13	(0.28)	(0.14)
Interest expense on convertible debt <sup>(2)</sup>	—	—	—	0.01	—	—
Non-GAAP dilutive shares excluded from GAAP EPS calculation	—	—	—	(0.03)	—	—
<b>Non-GAAP diluted earnings per share</b>	\$ (0.12)	\$ (0.21)	\$ (0.08)	\$ 0.74	\$ 0.35	\$ —
<b>Diluted weighted average shares outstanding</b>	83,320,967	82,051,867	81,832,244	82,135,106	82,176,629	81,690,912
Non-GAAP dilutive shares excluded from GAAP EPS calculation	—	—	—	3,516,480	466,516	—
<b>Diluted weighted average shares outstanding</b>	83,320,967	82,051,867	81,832,244	85,651,586	82,643,145	81,690,912
<b>Gross margin:</b>						
<b>Subscription and support:</b>						
<b>GAAP gross margin</b>	43.8 %	53.7 %	51.4 %	54.3 %	51.0 %	62.3 %
Stock-based compensation	3.5 %	3.2 %	3.3 %	3.1 %	3.3 %	2.7 %
Amortization of intangibles	1.9 %	0.5 %	0.4 %	0.4 %	0.8 %	0.4 %
<b>Non-GAAP gross margin</b>	49.2 %	57.4 %	55.1 %	57.8 %	55.1 %	65.4 %
<b>License:</b>						
<b>GAAP gross margin</b>	95.4 %	97.5 %	97.5 %	98.5 %	97.6 %	96.4 %
Stock-based compensation	0.4 %	0.2 %	0.2 %	0.1 %	0.2 %	0.3 %
<b>Non-GAAP gross margin</b>	95.8 %	97.7 %	97.7 %	98.6 %	97.8 %	96.7 %
<b>Services:</b>						
<b>GAAP gross margin</b>	(18.7)%	(8.6)%	(11.5)%	1.1 %	(9.6)%	(0.2)%
Stock-based compensation	9.7 %	8.2 %	9.4 %	9.4 %	9.2 %	10.5 %
<b>Non-GAAP gross margin</b>	(9.0)%	(0.4)%	(2.1)%	10.5 %	(0.4)%	10.3 %
<b>Overall:</b>						
<b>GAAP gross margin</b>	36.9 %	53.1 %	47.7 %	60.6 %	50.6 %	54.1 %
Amortization of intangibles	1.0 %	0.2 %	0.2 %	0.2 %	0.4 %	0.2 %
Stock-based compensation	4.6 %	3.4 %	4.0 %	3.2 %	3.7 %	4.1 %
<b>Non-GAAP gross margin</b>	42.5 %	56.7 %	51.9 %	64.0 %	54.7 %	58.4 %

**Guidewire Software, Inc. and Subsidiaries**  
**Condensed Consolidated Statement of Operations - Other Reconciliations**  
**(unaudited)**

<sup>(1)</sup> During the third quarter of fiscal year 2023, the Company recorded in general and administrative expenses a net loss of \$8.5 million related to the assignment of the lease agreement for the remaining lease term of the Company's previous headquarters. The loss is comprised of an \$18.4 million gain from the de-recognition of the operating lease asset of \$56.9 million, the de-recognition of the lease liability of \$75.5 million, and other expenses related to the lease assignment of \$0.2 million, offset by accelerated depreciation expense related to property and equipment, primarily consisting of leasehold improvements, at the previous headquarters of \$26.9 million. Prior to the third quarter of fiscal year 2023, there were no transactions similar to the lease assignment in any periods presented.

<sup>(2)</sup> During the fourth quarter of fiscal year 2023, the Company's Convertible Notes were dilutive due to non-GAAP net income. Accordingly, \$1.0 million of interest expense related to the Convertible Notes was excluded from non-GAAP net income (loss) per share calculation under the "if-converted" method.

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

Description	Q1 2023	Q2 2023	Q3 2023	Q4 2023	FY 2023	Q1 2024
<b>Annual recurring revenue (in millions):</b>						
Annual recurring revenue <sup>(1)</sup>	\$ 673	\$ 707	\$ 722	\$ 761	\$ 763	\$ 770
<b>Subscription and support revenue breakdown:</b>						
Subscription revenue	78,977	86,015	89,091	98,062	352,145	109,597
Support revenue	20,091	19,739	18,408	19,284	77,522	18,030
<b>Total subscription and support revenue</b>	<b>\$ 99,068</b>	<b>\$ 105,754</b>	<b>\$ 107,499</b>	<b>\$ 117,346</b>	<b>\$ 429,667</b>	<b>\$ 127,627</b>
<b>License revenue breakdown:</b>						
Term license revenue	\$ 40,899	\$ 73,067	\$ 50,556	\$ 100,877	\$ 265,399	\$ 33,977
Perpetual license revenue	63	48	46	47	204	48
<b>Total license revenue</b>	<b>\$ 40,962</b>	<b>\$ 73,115</b>	<b>\$ 50,602</b>	<b>\$ 100,924</b>	<b>\$ 265,603</b>	<b>\$ 34,025</b>
<b>Adjusted free cash flow:</b>						
Net cash provided by (used in) operating activities	\$ (87,435)	\$ 1,220	\$ (48,627)	\$ 173,237	\$ 38,395	\$ (72,083)
Purchases of property and equipment	(604)	(1,333)	(677)	(3,207)	(5,821)	(998)
Capitalized software development costs	(3,697)	(2,421)	(2,759)	(2,729)	(11,606)	(3,692)
<b>Total free cash flow</b>	<b>\$ (91,736)</b>	<b>\$ (2,534)</b>	<b>\$ (52,063)</b>	<b>\$ 167,301</b>	<b>\$ 20,968</b>	<b>\$ (76,773)</b>

<sup>(1)</sup> ARR for the quarterly periods in fiscal year 2023 are based on actual currency rates at the end of fiscal year 2022, held constant throughout the year. ARR reflected in the FY 2023 column is based on the currency rates at the end of fiscal year 2023. ARR for the quarterly periods in fiscal year 2024 are based on actual currency rates at the end of fiscal year 2023, held constant throughout the year.

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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 2023	Q2 2023	Q3 2023	Q4 2023	FY 2023	Q1 2024
<b>Gross profit reconciliation:</b>						
<b>GAAP gross profit</b>	\$ 72,152	\$ 123,463	\$ 98,918	\$ 163,678	\$ 458,211	\$ 112,292
Non-GAAP adjustments:						
Stock-based compensation	8,964	7,956	8,304	8,569	33,793	8,346
Amortization of intangibles	1,905	485	485	485	3,360	485
<b>Non-GAAP gross profit</b>	<b>\$ 83,021</b>	<b>\$ 131,904</b>	<b>\$ 107,707</b>	<b>\$ 172,732</b>	<b>\$ 495,364</b>	<b>\$ 121,123</b>
<b>Non-GAAP gross margin</b>	42.5 %	56.7 %	51.9 %	64.0 %	54.7 %	58.4 %
<b>Gross profit reconciliation - subscription and support:</b>						
<b>GAAP gross profit - subscription and support</b>	\$ 43,377	\$ 56,830	\$ 55,218	\$ 63,735	\$ 219,160	\$ 79,573
Non-GAAP adjustments:						
Stock-based compensation	3,468	3,440	3,580	3,585	14,073	3,462
Amortization of intangibles	1,905	485	485	485	3,360	485
<b>Non-GAAP gross profit - subscription and support</b>	<b>\$ 48,750</b>	<b>\$ 60,755</b>	<b>\$ 59,283</b>	<b>\$ 67,805</b>	<b>\$ 236,593</b>	<b>\$ 83,520</b>
<b>Non-GAAP gross margin - subscription and support</b>	49.2 %	57.4 %	55.1 %	57.8 %	55.1 %	65.4 %
<b>Gross profit reconciliation - license:</b>						
<b>GAAP gross profit - license</b>	\$ 39,079	\$ 71,270	\$ 49,359	\$ 99,397	\$ 259,105	\$ 32,806
Non-GAAP adjustments:						
Stock-based compensation	147	119	93	104	463	95
<b>Non-GAAP gross profit - license</b>	<b>\$ 39,226</b>	<b>\$ 71,389</b>	<b>\$ 49,452</b>	<b>\$ 99,501</b>	<b>\$ 259,568</b>	<b>\$ 32,901</b>
<b>Non-GAAP gross margin - license</b>	95.8 %	97.7 %	97.7 %	98.6 %	97.8 %	96.7 %
<b>Gross profit reconciliation - services:</b>						
<b>GAAP gross profit - services</b>	\$ (10,304)	\$ (4,637)	\$ (5,659)	\$ 546	\$ (20,054)	\$ (87)
Non-GAAP adjustments:						
Stock-based compensation	5,349	4,397	4,631	4,880	19,257	4,789
<b>Non-GAAP gross profit - services</b>	<b>\$ (4,955)</b>	<b>\$ (240)</b>	<b>\$ (1,028)</b>	<b>\$ 5,426</b>	<b>\$ (797)</b>	<b>\$ 4,702</b>
<b>Non-GAAP gross margin - services</b>	(9.0)%	(0.4)%	(2.1)%	10.5 %	(0.4)%	10.3 %

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(unaudited, in thousands)

Description	Q1 2023	Q2 2023	Q3 2023	Q4 2023	FY 2023	Q1 2024
<b>Income (loss) from operations reconciliation:</b>						
<b>GAAP income (loss) from operations</b>	\$ (74,553)	\$ (23,216)	\$ (57,816)	\$ 6,095	\$ (149,490)	\$ (33,781)
Non-GAAP adjustments:						
Stock-based compensation	35,096	36,179	35,019	36,548	142,842	36,097
Amortization of intangibles	2,787	1,367	1,367	1,367	6,888	1,367
Acquisition consideration holdback	773	730	706	730	2,939	386
Net impact of assignment of lease agreement <sup>(1)</sup>	—	—	8,502	—	8,502	—
<b>Non-GAAP income (loss) from operations</b>	<b>\$ (35,897)</b>	<b>\$ 15,060</b>	<b>\$ (12,222)</b>	<b>\$ 44,740</b>	<b>\$ 11,681</b>	<b>\$ 4,069</b>
<b>Net income (loss) reconciliation:</b>						
<b>GAAP net income (loss)</b>	<b>\$ (69,318)</b>	<b>\$ (9,189)</b>	<b>\$ (45,568)</b>	<b>\$ 12,220</b>	<b>\$ (111,855)</b>	<b>\$ (27,071)</b>
Non-GAAP adjustments:						
Stock-based compensation	35,096	36,179	35,019	36,548	142,842	36,097
Amortization of intangibles	2,787	1,367	1,367	1,367	6,888	1,367
Acquisition consideration holdback	773	730	706	730	2,939	386
Amortization of debt issuance costs	423	425	426	429	1,703	430
Changes in fair value of strategic investment	—	—	—	802	802	—
Net impact of assignment of lease agreement <sup>(1)</sup>	—	—	8,502	—	8,502	—
Non-GAAP tax impact	20,378	(46,863)	(6,824)	10,698	(22,611)	(11,493)
<b>Non-GAAP net income (loss)</b>	<b>\$ (9,861)</b>	<b>\$ (17,351)</b>	<b>\$ (6,372)</b>	<b>\$ 62,794</b>	<b>\$ 29,210</b>	<b>\$ (284)</b>

<sup>(1)</sup> During the third quarter of fiscal year 2023, the Company recorded in general and administrative expenses a net loss of \$8.5 million related to the assignment of the lease agreement for the remaining lease term of the Company's previous headquarters. The loss is comprised of an \$18.4 million gain from the de-recognition of the operating lease asset of \$56.9 million, the de-recognition of the lease liability of \$75.5 million, and other expenses related to the lease assignment of \$0.2 million, offset by accelerated depreciation expense related to property and equipment, primarily consisting of leasehold improvements, at the previous headquarters of \$26.9 million. Prior to the third quarter of fiscal year 2023, there were no transactions similar to the lease assignment in any periods presented.

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