

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

Description	Q1 2025	Q2 2025	Q3 2025	Q4 2025	FY 2025	Q1 2026
<b>Revenue:</b>						
Subscription and support	\$ 169,742	\$ 177,838	\$ 181,823	\$ 201,893	\$ 731,296	\$ 222,203
License	37,370	63,694	57,233	93,638	251,935	41,967
Services	55,789	47,948	54,452	61,039	219,228	68,469
<b>Total revenue</b>	<b>262,901</b>	<b>289,480</b>	<b>293,508</b>	<b>356,570</b>	<b>1,202,459</b>	<b>332,639</b>
<b>Cost of revenue:</b>						
Subscription and support	54,024	59,096	57,411	64,575	235,106	63,927
License	881	942	892	909	3,624	644
Services	49,604	50,290	52,507	59,275	211,676	58,546
<b>Total cost of revenue</b>	<b>104,509</b>	<b>110,328</b>	<b>110,810</b>	<b>124,759</b>	<b>450,406</b>	<b>123,117</b>
<b>Gross profit:</b>						
Subscription and support	115,718	118,742	124,412	137,318	496,190	158,276
License	36,489	62,752	56,341	92,729	248,311	41,323
Services	6,185	(2,342)	1,945	1,764	7,552	9,923
<b>Total gross profit</b>	<b>158,392</b>	<b>179,152</b>	<b>182,698</b>	<b>231,811</b>	<b>752,053</b>	<b>209,522</b>
<b>Operating expenses:</b>						
Research and development	68,880	70,268	72,915	84,097	296,160	78,317
Sales and marketing	51,478	55,452	57,768	65,648	230,346	64,258
General and administrative	42,754	41,709	47,547	52,469	184,479	48,469
<b>Total operating expenses</b>	<b>163,112</b>	<b>167,429</b>	<b>178,230</b>	<b>202,214</b>	<b>710,985</b>	<b>191,044</b>
<b>Income (loss) from operations</b>	<b>(4,720)</b>	<b>11,723</b>	<b>4,468</b>	<b>29,597</b>	<b>41,068</b>	<b>18,478</b>
Interest income	13,606	15,722	13,794	13,503	56,625	14,650
Interest expense	(2,062)	(4,183)	(3,668)	(3,298)	(13,211)	(3,312)
Other income (expense), net	(4,055)	(66,289)	34,074	1,183	(35,087)	(5,314)
<b>Income (loss) before provision for (benefit from) income taxes</b>	<b>2,769</b>	<b>(43,027)</b>	<b>48,668</b>	<b>40,985</b>	<b>49,395</b>	<b>24,502</b>
Provision for (benefit from) income taxes	(6,370)	(5,750)	2,677	(10,966)	(20,409)	(6,806)
<b>Net income (loss)</b>	<b>\$ 9,139</b>	<b>\$ (37,277)</b>	<b>\$ 45,991</b>	<b>\$ 51,951</b>	<b>\$ 69,804</b>	<b>\$ 31,308</b>

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

Description	Q1 2025	Q2 2025	Q3 2025	Q4 2025	FY 2025	Q1 2026
<b>Earnings per share:</b>						
Basic	\$ 0.11	\$ (0.45)	\$ 0.55	\$ 0.62	\$ 0.83	\$ 0.37
Diluted	\$ 0.11	\$ (0.45)	\$ 0.54	\$ 0.60	\$ 0.81	\$ 0.36
<b>Shares used in computing net earnings per share:</b>						
Basic	83,276,236	83,705,700	84,044,661	84,366,889	83,846,793	84,780,201
Diluted	85,960,868	83,705,700	85,880,643	86,267,658	85,911,653	86,451,737
<b>Stock-based compensation</b>	<b>\$ 38,060</b>	<b>\$ 40,948</b>	<b>\$ 40,357</b>	<b>\$ 42,191</b>	<b>\$ 161,556</b>	<b>\$ 43,316</b>

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

Description	Q1 2025	Q2 2025	Q3 2025	Q4 2025	FY 2025	Q1 2026
Amortization of intangibles	\$ 485	\$ 485	\$ 485	\$ 800	\$ 2,255	\$ 808
Stock-based compensation	3,140	3,773	3,598	3,442	13,953	3,450
<b>Total adjustment to cost of revenue - subscription and support</b>	<b>\$ 3,625</b>	<b>\$ 4,258</b>	<b>\$ 4,083</b>	<b>\$ 4,242</b>	<b>\$ 16,208</b>	<b>\$ 4,258</b>
Stock-based compensation	\$ 36	\$ 36	\$ 32	\$ 32	\$ 136	\$ —
<b>Total adjustment to cost of revenue - license</b>	<b>\$ 36</b>	<b>\$ 36</b>	<b>\$ 32</b>	<b>\$ 32</b>	<b>\$ 136</b>	<b>\$ —</b>
Stock-based compensation	\$ 4,802	\$ 5,361	\$ 5,055	\$ 5,541	\$ 20,759	\$ 5,700
<b>Total adjustment to cost of revenue - services</b>	<b>\$ 4,802</b>	<b>\$ 5,361</b>	<b>\$ 5,055</b>	<b>\$ 5,541</b>	<b>\$ 20,759</b>	<b>\$ 5,700</b>
Stock-based compensation	\$ 9,824	\$ 10,469	\$ 10,267	\$ 11,200	\$ 41,760	\$ 11,259
Acquisition consideration holdback	—	—	—	116	116	116
<b>Total adjustment to research and development</b>	<b>\$ 9,824</b>	<b>\$ 10,469</b>	<b>\$ 10,267</b>	<b>\$ 11,316</b>	<b>\$ 41,876</b>	<b>\$ 11,375</b>
Stock-based compensation	\$ 9,688	\$ 10,880	\$ 10,832	\$ 11,870	\$ 43,270	\$ 11,822
Amortization of intangibles	882	793	749	765	3,189	647
Acquisition consideration holdback	—	—	—	61	61	61
<b>Total adjustment to sales and marketing</b>	<b>\$ 10,570</b>	<b>\$ 11,673</b>	<b>\$ 11,581</b>	<b>\$ 12,696</b>	<b>\$ 46,520</b>	<b>\$ 12,530</b>
Stock-based compensation	\$ 10,570	\$ 10,429	\$ 10,573	\$ 10,106	\$ 41,678	\$ 11,085
<b>Total adjustment to general and administrative</b>	<b>\$ 10,570</b>	<b>\$ 10,429</b>	<b>\$ 10,573</b>	<b>\$ 10,106</b>	<b>\$ 41,678</b>	<b>\$ 11,085</b>
Amortization of debt issuance costs	\$ 545	\$ 1,179	\$ 1,058	\$ 976	\$ 3,758	\$ 980
<b>Total adjustment to interest expense</b>	<b>\$ 545</b>	<b>\$ 1,179</b>	<b>\$ 1,058</b>	<b>\$ 976</b>	<b>\$ 3,758</b>	<b>\$ 980</b>
Changes in fair value of strategic investment	\$ (53)	\$ 291	\$ 103	\$ 1,789	\$ 2,130	\$ 60
Retirement of debt	300	53,265	—	—	53,565	—
Gain on sale of strategic investment	—	(3,671)	—	—	(3,671)	—
<b>Total adjustment to other income (expense), net</b>	<b>\$ 247</b>	<b>\$ 49,885</b>	<b>\$ 103</b>	<b>\$ 1,789</b>	<b>\$ 52,024</b>	<b>\$ 60</b>
Non-GAAP tax impact	\$ (12,667)	\$ (12,084)	\$ (13,576)	\$ (26,561)	\$ (64,888)	\$ (20,335)
<b>Total adjustment to provision for (benefit from) income taxes</b>	<b>\$ (12,667)</b>	<b>\$ (12,084)</b>	<b>\$ (13,576)</b>	<b>\$ (26,561)</b>	<b>\$ (64,888)</b>	<b>\$ (20,335)</b>

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

Description	Q1 2025	Q2 2025	Q3 2025	Q4 2025	FY 2025	Q1 2026
<b>Reconciliation of GAAP to Non-GAAP earnings per share:</b>						
<b>GAAP diluted earnings per share</b>	\$ 0.11	\$ (0.45)	\$ 0.54	\$ 0.60	\$ 0.81	\$ 0.36
Amortization of intangibles	0.02	0.02	0.01	0.02	0.06	0.02
Stock-based compensation	0.44	0.49	0.47	0.49	1.89	0.51
Amortization of debt issuance costs	0.01	0.01	0.01	0.01	0.04	0.01
Retirement of debt	—	0.64	—	—	0.63	—
Changes in fair value of strategic investment	—	—	—	0.02	0.02	—
Acquisition consideration holdback	—	—	—	—	—	—
Gain on sale of strategic investment	—	(0.04)	—	—	(0.04)	—
Non-GAAP tax impact	(0.15)	(0.14)	(0.15)	(0.30)	(0.76)	(0.24)
Non-GAAP dilutive shares excluded from GAAP EPS calculation	—	(0.02)	—	—	—	—
<b>Non-GAAP diluted earnings per share</b>	<b>\$ 0.43</b>	<b>\$ 0.51</b>	<b>\$ 0.88</b>	<b>\$ 0.84</b>	<b>\$ 2.65</b>	<b>\$ 0.66</b>
<b>Diluted weighted average shares outstanding</b>	<b>85,960,868</b>	<b>83,705,700</b>	<b>85,880,643</b>	<b>86,267,658</b>	<b>85,911,653</b>	<b>86,451,737</b>
Non-GAAP dilutive shares excluded from GAAP EPS calculation	—	2,510,517	—	—	—	—
<b>Pro forma weighted average shares – diluted</b>	<b>85,960,868</b>	<b>86,216,217</b>	<b>85,880,643</b>	<b>86,267,658</b>	<b>85,911,653</b>	<b>86,451,737</b>
<b>Gross margin:</b>						
<b>Subscription and support:</b>						
<b>GAAP gross margin</b>	<b>68.2 %</b>	<b>66.8 %</b>	<b>68.4 %</b>	<b>68.0 %</b>	<b>67.9 %</b>	<b>71.2 %</b>
Stock-based compensation	1.8 %	2.1 %	1.9 %	1.8 %	1.9 %	1.6 %
Amortization of intangibles	0.3 %	0.3 %	0.3 %	0.4 %	0.3 %	0.4 %
<b>Non-GAAP gross margin</b>	<b>70.3 %</b>	<b>69.2 %</b>	<b>70.6 %</b>	<b>70.2 %</b>	<b>70.1 %</b>	<b>73.2 %</b>
<b>License:</b>						
<b>GAAP gross margin</b>	<b>97.6 %</b>	<b>98.5 %</b>	<b>98.4 %</b>	<b>99.0 %</b>	<b>98.6 %</b>	<b>98.5 %</b>
Stock-based compensation	0.1 %	0.1 %	0.1 %	0.1 %	0.1 %	— %
<b>Non-GAAP gross margin</b>	<b>97.7 %</b>	<b>98.6 %</b>	<b>98.5 %</b>	<b>99.1 %</b>	<b>98.7 %</b>	<b>98.5 %</b>
<b>Services:</b>						
<b>GAAP gross margin</b>	<b>11.1 %</b>	<b>(4.9)%</b>	<b>3.6 %</b>	<b>2.9 %</b>	<b>3.4 %</b>	<b>14.5 %</b>
Stock-based compensation	8.6 %	11.2 %	9.3 %	9.1 %	9.5 %	8.3 %
<b>Non-GAAP gross margin</b>	<b>19.7 %</b>	<b>6.3 %</b>	<b>12.9 %</b>	<b>12.0 %</b>	<b>12.9 %</b>	<b>22.8 %</b>
<b>Overall:</b>						
<b>GAAP gross margin</b>	<b>60.2 %</b>	<b>61.9 %</b>	<b>62.3 %</b>	<b>65.0 %</b>	<b>62.5 %</b>	<b>63.0 %</b>
Amortization of intangibles	0.2 %	0.2 %	0.2 %	0.2 %	0.2 %	0.2 %
Stock-based compensation	3.1 %	3.1 %	3.0 %	2.5 %	2.9 %	2.8 %
<b>Non-GAAP gross margin</b>	<b>63.5 %</b>	<b>65.2 %</b>	<b>65.5 %</b>	<b>67.7 %</b>	<b>65.6 %</b>	<b>66.0 %</b>

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

Description	Q1 2025	Q2 2025	Q3 2025	Q4 2025	FY 2025	Q1 2026
<b>Annual recurring revenue (in millions):</b>						
Annual recurring revenue <sup>(1)</sup>	\$ 874	\$ 918	\$ 960	\$ 1,032	\$ 1,041	\$ 1,063
<b>Subscription and support revenue breakdown:</b>						
Subscription revenue	\$ 152,858	\$ 161,659	\$ 166,464	\$ 186,455	\$ 667,436	\$ 207,459
Support revenue	16,884	16,179	15,359	15,438	63,860	14,744
<b>Total subscription and support revenue</b>	<b>\$ 169,742</b>	<b>\$ 177,838</b>	<b>\$ 181,823</b>	<b>\$ 201,893</b>	<b>\$ 731,296</b>	<b>\$ 222,203</b>
<b>License revenue breakdown:</b>						
Term license revenue	\$ 37,370	\$ 63,694	\$ 57,115	\$ 93,638	\$ 251,817	\$ 41,967
Perpetual license revenue	—	—	118	—	118	—
<b>Total license revenue</b>	<b>\$ 37,370</b>	<b>\$ 63,694</b>	<b>\$ 57,233</b>	<b>\$ 93,638</b>	<b>\$ 251,935</b>	<b>\$ 41,967</b>
<b>Adjusted free cash flow:</b>						
Net cash provided by (used in) operating activities	\$ (62,305)	\$ 85,991	\$ 32,350	\$ 244,831	\$ 300,867	\$ (67,398)
Purchases of property and equipment	(843)	(790)	(703)	(3,405)	(5,741)	(4,878)
Capitalized software development costs	(4,233)	(2,923)	(3,816)	(3,742)	(14,714)	(5,088)
<b>Total free cash flow</b>	<b>\$ (67,381)</b>	<b>\$ 82,278</b>	<b>\$ 27,831</b>	<b>\$ 237,684</b>	<b>\$ 280,412</b>	<b>\$ (77,364)</b>

<sup>(1)</sup> ARR for the quarterly periods in fiscal year 2025 are based on actual currency rates at the end of fiscal year 2024, held constant throughout the year. ARR reflected in the FY 2025 column is based on the currency rates at the end of fiscal year 2025. ARR for the quarterly periods in fiscal year 2026 are based on actual currency rates at the end of fiscal year 2025, 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 2025	Q2 2025	Q3 2025	Q4 2025	FY 2025	Q1 2026
<b>Gross profit reconciliation:</b>						
<b>GAAP gross profit</b>	\$ 158,392	\$ 179,152	\$ 182,698	\$ 231,811	\$ 752,053	\$ 209,522
Non-GAAP adjustments:						
Stock-based compensation	7,978	9,170	8,685	9,015	34,848	9,150
Amortization of intangibles	485	485	485	800	2,255	808
<b>Non-GAAP gross profit</b>	<b>\$ 166,855</b>	<b>\$ 188,807</b>	<b>\$ 191,868</b>	<b>\$ 241,626</b>	<b>\$ 789,156</b>	<b>\$ 219,480</b>
<b>Non-GAAP gross margin</b>	63.5 %	65.2 %	65.4 %	67.8 %	65.6 %	66.0 %
<b>Gross profit reconciliation - subscription and support:</b>						
<b>GAAP gross profit - subscription and support</b>	\$ 115,718	\$ 118,742	\$ 124,412	\$ 137,318	\$ 496,190	\$ 158,276
Non-GAAP adjustments:						
Stock-based compensation	3,140	3,773	3,598	3,442	13,953	3,450
Amortization of intangibles	485	485	485	800	2,255	808
<b>Non-GAAP gross profit - subscription and support</b>	<b>\$ 119,343</b>	<b>\$ 123,000</b>	<b>\$ 128,495</b>	<b>\$ 141,560</b>	<b>\$ 512,398</b>	<b>\$ 162,534</b>
<b>Non-GAAP gross margin - subscription and support</b>	70.3 %	69.2 %	70.7 %	70.2 %	70.1 %	73.2 %
<b>Gross profit reconciliation - license:</b>						
<b>GAAP gross profit - license</b>	\$ 36,489	\$ 62,752	\$ 56,341	\$ 92,729	\$ 248,311	\$ 41,323
Non-GAAP adjustments:						
Stock-based compensation	36	36	32	32	136	—
<b>Non-GAAP gross profit - license</b>	<b>\$ 36,525</b>	<b>\$ 62,788</b>	<b>\$ 56,373</b>	<b>\$ 92,761</b>	<b>\$ 248,447</b>	<b>\$ 41,323</b>
<b>Non-GAAP gross margin - license</b>	97.7 %	98.6 %	98.5 %	99.1 %	98.7 %	98.5 %
<b>Gross profit reconciliation - services:</b>						
<b>GAAP gross profit - services</b>	\$ 6,185	\$ (2,342)	\$ 1,945	\$ 1,764	\$ 7,552	\$ 9,923
Non-GAAP adjustments:						
Stock-based compensation	4,802	5,361	5,055	5,541	20,759	5,700
<b>Non-GAAP gross profit - services</b>	<b>\$ 10,987</b>	<b>\$ 3,019</b>	<b>\$ 7,000</b>	<b>\$ 7,305</b>	<b>\$ 28,311</b>	<b>\$ 15,623</b>
<b>Non-GAAP gross margin - services</b>	19.7 %	6.3 %	12.9 %	12.0 %	12.9 %	22.8 %

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(unaudited, in thousands)

Description	Q1 2025	Q2 2025	Q3 2025	Q4 2025	FY 2025	Q1 2026
<b><u>Income (loss) from operations reconciliation:</u></b>						
<b>GAAP income (loss) from operations</b>	\$ (4,720)	\$ 11,723	\$ 4,468	\$ 29,597	\$ 41,068	\$ 18,478
Non-GAAP adjustments:						
Stock-based compensation	38,060	40,948	40,357	42,191	161,556	43,316
Amortization of intangibles	1,367	1,278	1,234	1,565	5,444	1,455
Acquisition consideration holdback	—	—	—	177	177	177
<b>Non-GAAP income (loss) from operations</b>	<b>\$ 34,707</b>	<b>\$ 53,949</b>	<b>\$ 46,059</b>	<b>\$ 73,530</b>	<b>\$ 208,245</b>	<b>\$ 63,426</b>
<b><u>Net income (loss) reconciliation:</u></b>						
<b>GAAP net income (loss)</b>	<b>\$ 9,139</b>	<b>\$ (37,277)</b>	<b>\$ 45,991</b>	<b>\$ 51,951</b>	<b>\$ 69,804</b>	<b>\$ 31,308</b>
Non-GAAP adjustments:						
Stock-based compensation	38,060	40,948	40,357	42,191	161,556	43,316
Amortization of intangibles	1,367	1,278	1,234	1,565	5,444	1,455
Acquisition consideration holdback	—	—	—	177	177	177
Amortization of debt issuance costs	545	1,179	1,058	976	3,758	980
Retirement of debt	300	53,265	—	—	53,565	—
Changes in fair value of strategic investment	(53)	291	103	1,789	2,130	60
Gain on sale of strategic investment	—	(3,671)	—	—	(3,671)	—
Non-GAAP tax impact	(12,667)	(12,084)	(13,576)	(26,561)	(64,888)	(20,335)
<b>Non-GAAP net income (loss)</b>	<b>\$ 36,691</b>	<b>\$ 43,929</b>	<b>\$ 75,167</b>	<b>\$ 72,088</b>	<b>\$ 227,875</b>	<b>\$ 56,961</b>

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