



Investor Presentation

June 2020

Legal Disclosure

This presentation and the accompanying oral presentations include forward-looking statements. All statements other than statements of historical facts, including statements regarding our future results of operations and financial position, customer lifetime value, strategy and plans, market size and opportunity, competitive position, industry environment, potential growth opportunities, business model, benefits from acquisitions, current and future products and product capabilities and our expectations for future operations, are forward-looking statements.

These forward-looking statements are subject to a number of risks, uncertainties and assumptions, including our limited operating history, which makes it difficult to predict future operating results; if we are unable to attract new customers, the growth of our revenues will be adversely affected; because our platform is sold to large enterprises with complex operating environments, we encounter long and unpredictable sales cycles; risks and liabilities related to breach of our security measures or unauthorized access to customer data; the markets in which we participate are intensely competitive; our business depends substantially on customers renewing their subscriptions and purchasing additional subscriptions; if we fail to develop widespread brand awareness cost-effectively, our business may suffer; if we fail to manage our recent rapid growth effectively, we may be unable to execute our business plan, maintain high levels of service, or adequately address competitive challenges; and the impact of foreign currency exchange rates and global economic conditions. These and other risks and uncertainties are described in “Risk Factors” and elsewhere in our most recently filed Form 10-K or 10-Q, which is available at www.investors.coupa.com and on the SEC’s website at www.sec.gov. In light of these risks, uncertainties and assumptions, the forward-looking events and circumstances discussed in this presentation may not occur and actual results could differ materially and adversely from those anticipated or implied in the forward-looking statements.

Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee that the future results, levels of activity, performance or events and circumstances reflected in the forward-looking statements will be achieved or occur. Moreover, except as required by law, neither we nor any other person assumes responsibility for the accuracy and completeness of the forward-looking statements. Forward-looking statements represent our management’s beliefs and assumptions only as of the date of this presentation. We undertake no obligation to update publicly any forward-looking statements for any reason after the date of this presentation to conform these statements to actual results or to changes in our expectations.

In addition to US GAAP financials, this presentation includes certain non-GAAP financial measures. These non-GAAP measures are in addition to, not a substitute for or superior to, measures of financial performance prepared in accordance with US GAAP. A reconciliation of historical non-GAAP measures to historical GAAP measures is contained in the Appendix. Coupa is not able at this time to provide a GAAP to non-GAAP reconciliation for certain business model measures because of the difficulty of estimating certain items excluded from these non-GAAP measures that cannot be reasonably predicted, such as charges related to stock-based compensation expense. The effect of these excluded items may be significant.

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Coupa is to BSM, what Salesforce is to CRM



SPEND

Procurement

Invoice

Expenses

Sourcing

Payments

Platform



SALES

Marketing

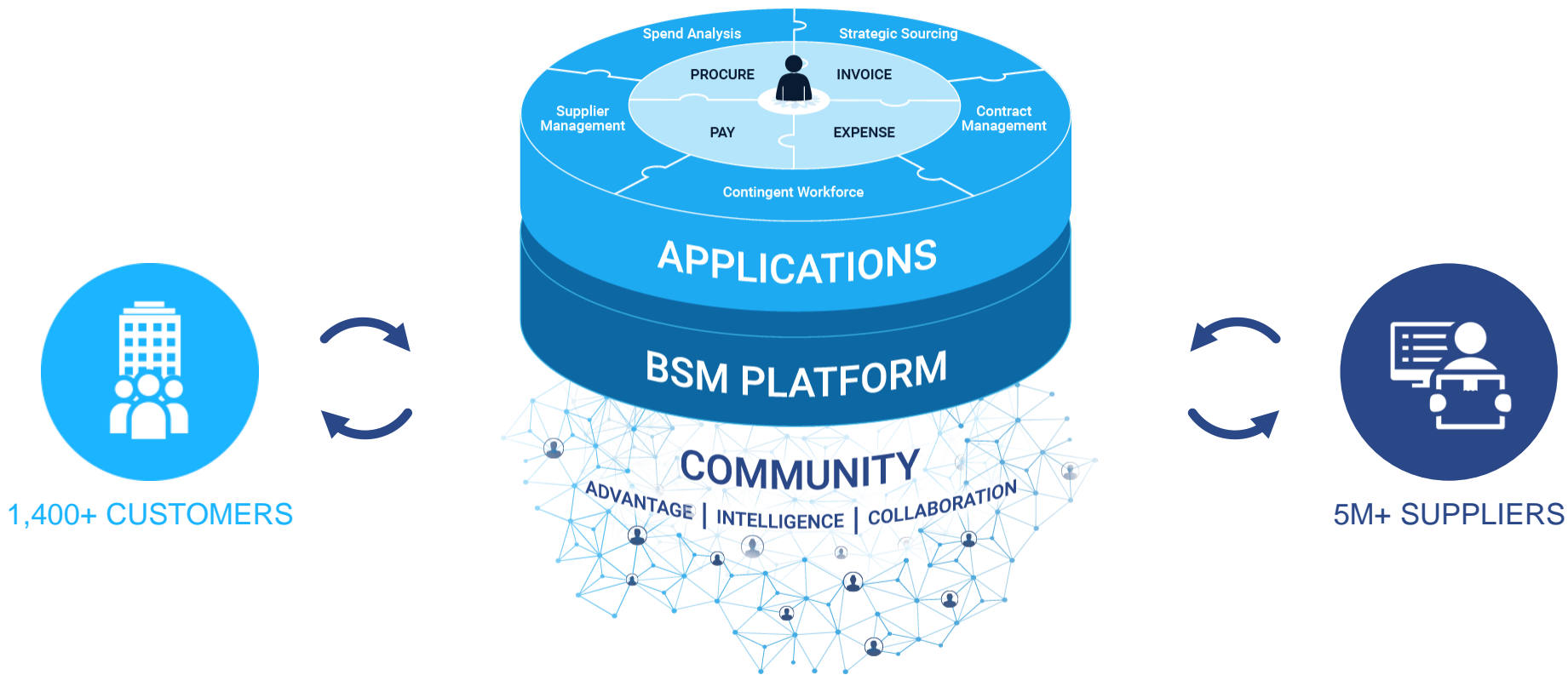
Services

Support

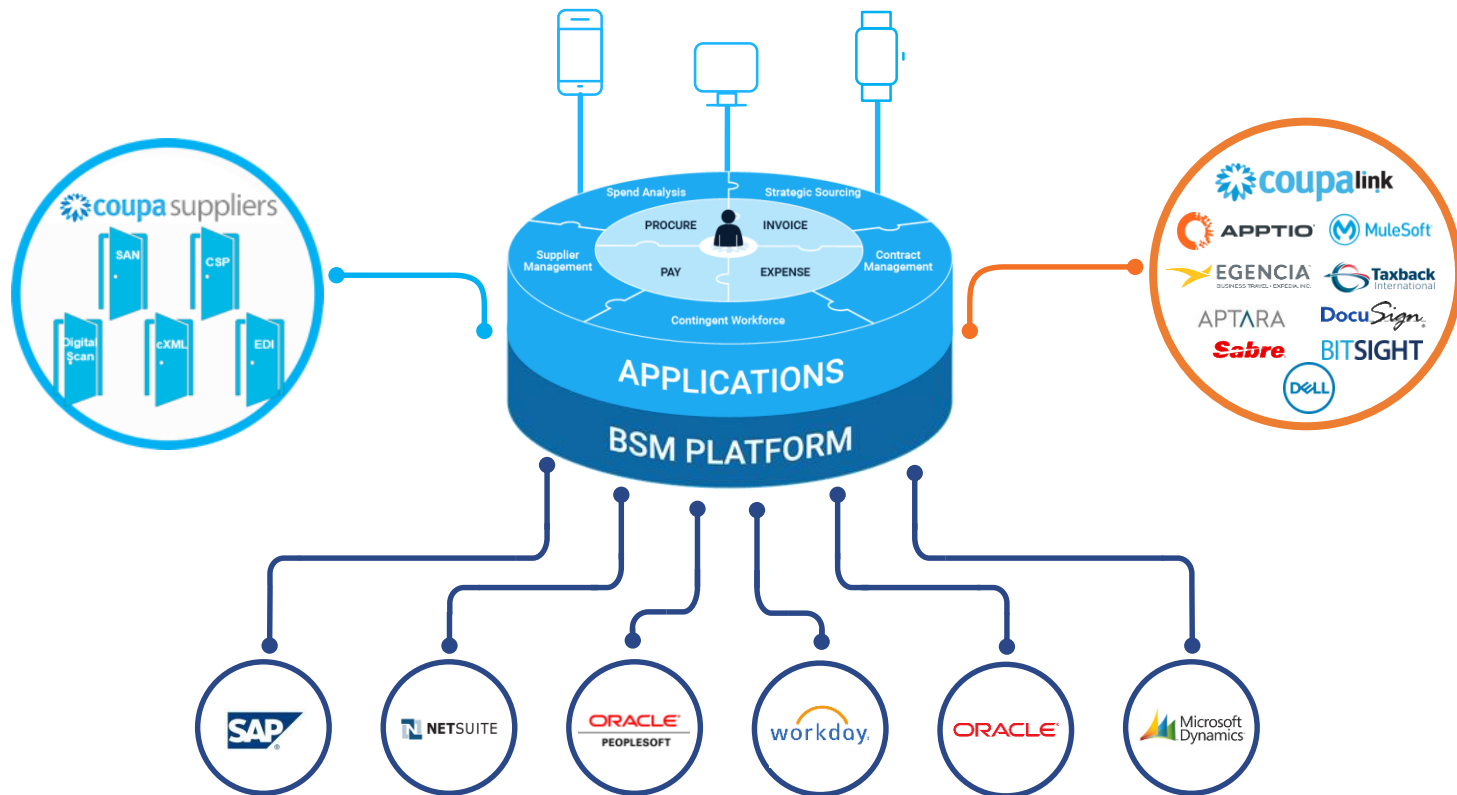
Web

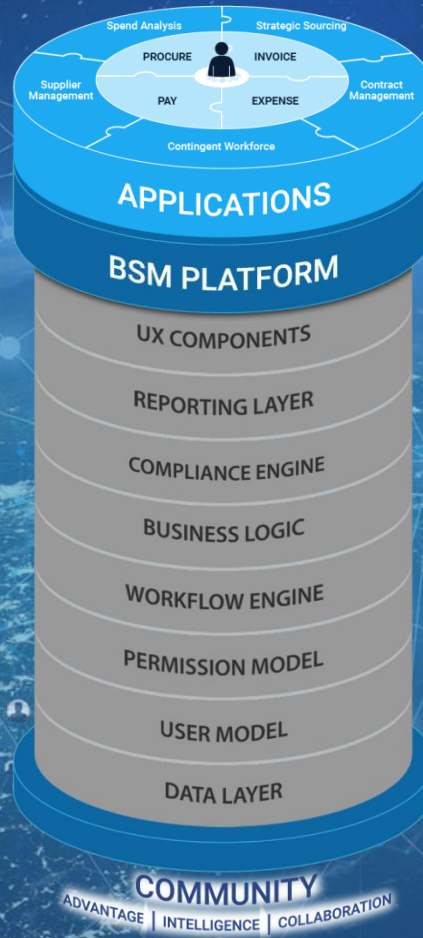
Platform

Unified Cloud Platform For All Business Spend



Widespread Adoption Driven by the Flywheel





Becoming the System of Record



Building our BSM Community of Spendsetters



Market Leader with Significant TAM

100,000+
Target
Customers⁽¹⁾

Customers as
of Jan. 31, 2019⁽²⁾

**~\$56 Billion
Opportunity**
(Excludes Coupa Pay)

Subscription Revenue⁽²⁾
~\$233M

"Expand" Opportunity⁽²⁾
~\$618M

All Solutions

(1) Source: Capital IQ

(2) Figures and analysis performed as of fiscal year ending January 31, 2019

Market Leading Solutions

November 2019

FORRESTER The Forrester Wave:
eProcurement Platforms (2019)

Highest Rating from both Analysts and Customers



“ Coupa continues to set the bar for customer success focus for the entire business applications industry, not only eProcurement. ”

November 2019

FORRESTER The Forrester Wave:
Source-to-Contract (2019)

Highest Rating in Strategy



“ Coupa worked hard to create communities of users ... and poured the feedback back into the products. ”

December 2019

Spend Matters Spend Matters SolutionMap:
Source-to-Pay (2019)

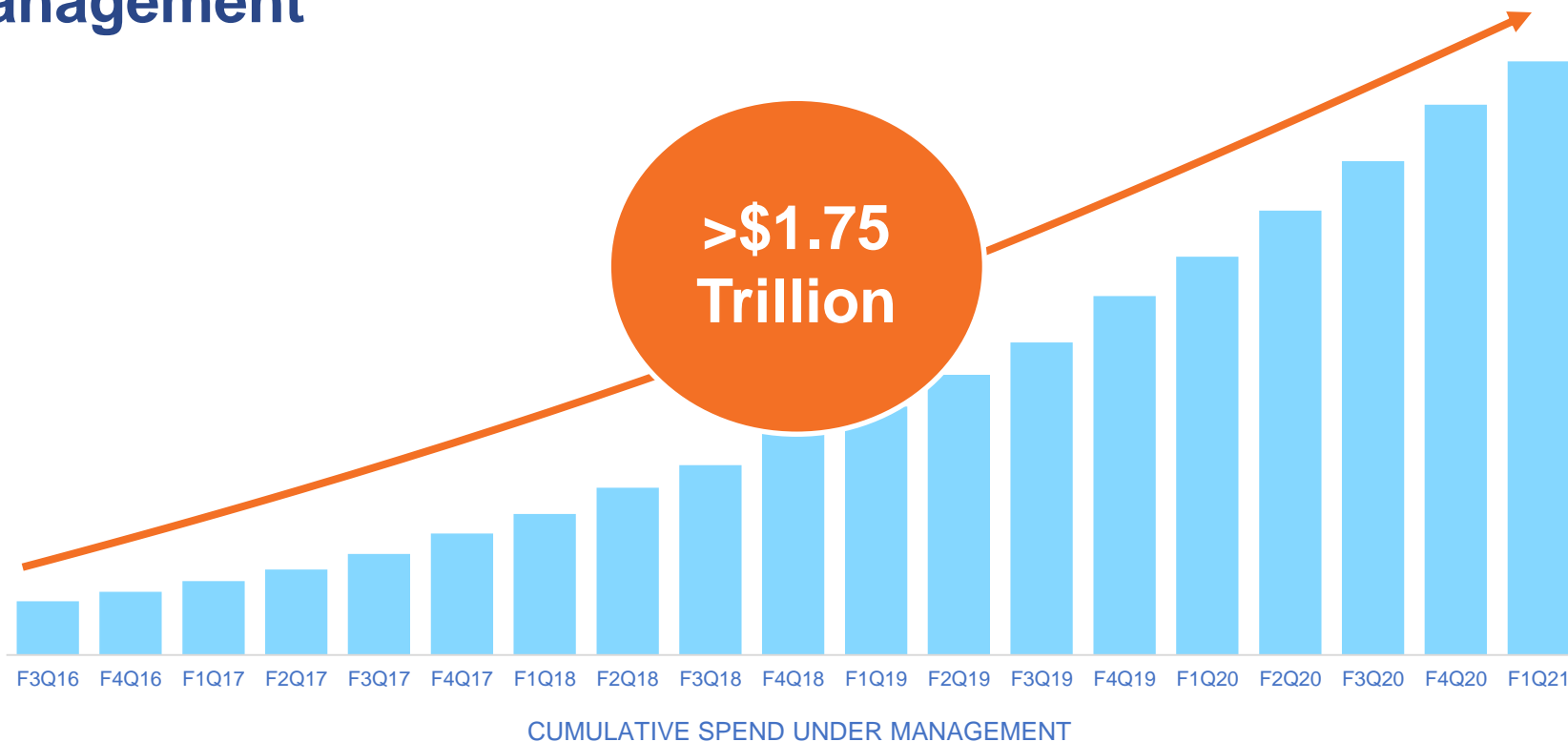
Highest Rating from both Analysts and Customers



“ Coupa has become the new benchmark by which other... spend management technology suite vendors must measure themselves.⁽¹⁾ ”

(1) Quote provided in Q4 2018 Spend Matters Technology Review

Continued Growth in Cumulative Spend Under Management

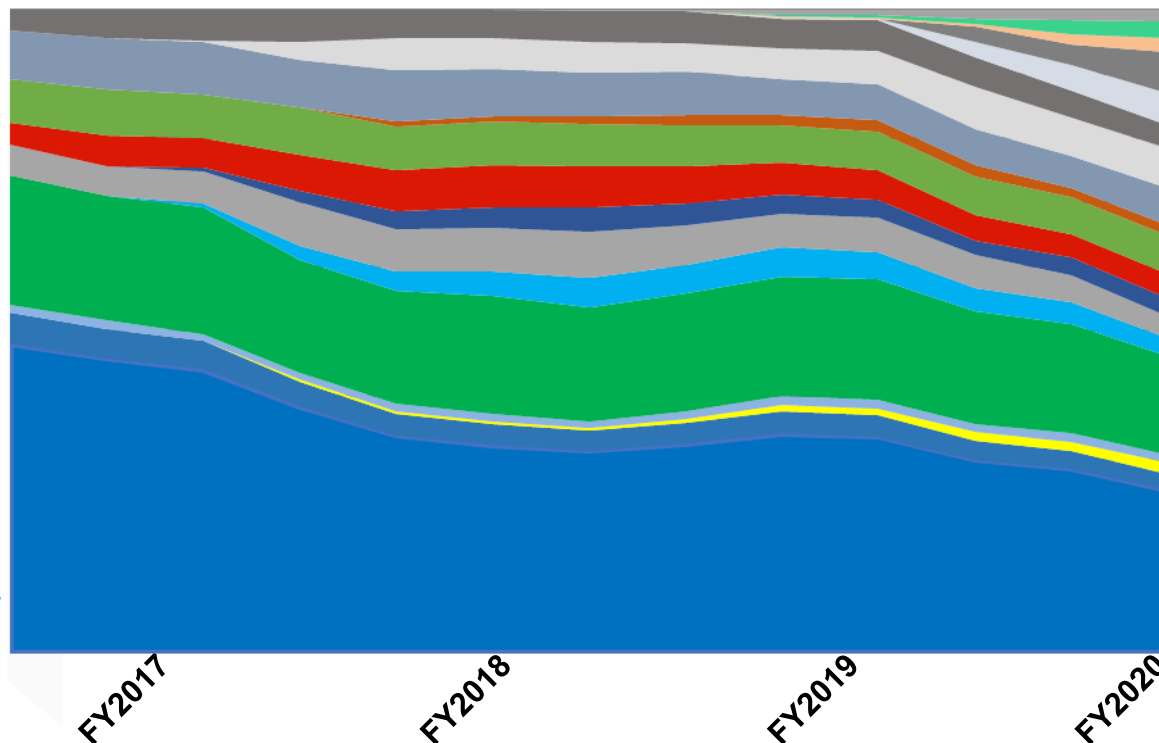


(1) Cumulative spend under management represents the aggregate dollar value of transactions through our core platform for all of our customers collectively since we launched our core platform. We define our core platform as our procurement, invoicing and expense management modules. We calculate this metric by aggregating the actual transaction data for purchase orders, invoices and expenses from customers using our core platform. Cumulative spend under management does not include spending data or transactions associated with modules from acquired companies. We regularly review our process for calculating this metric and periodically make adjustments to improve its accuracy. We believe that any such adjustments are immaterial unless otherwise stated.

Driving from Procurement to BSM

~48%

Of New Subscription
Revenue from Core
Procurement in FY 2017

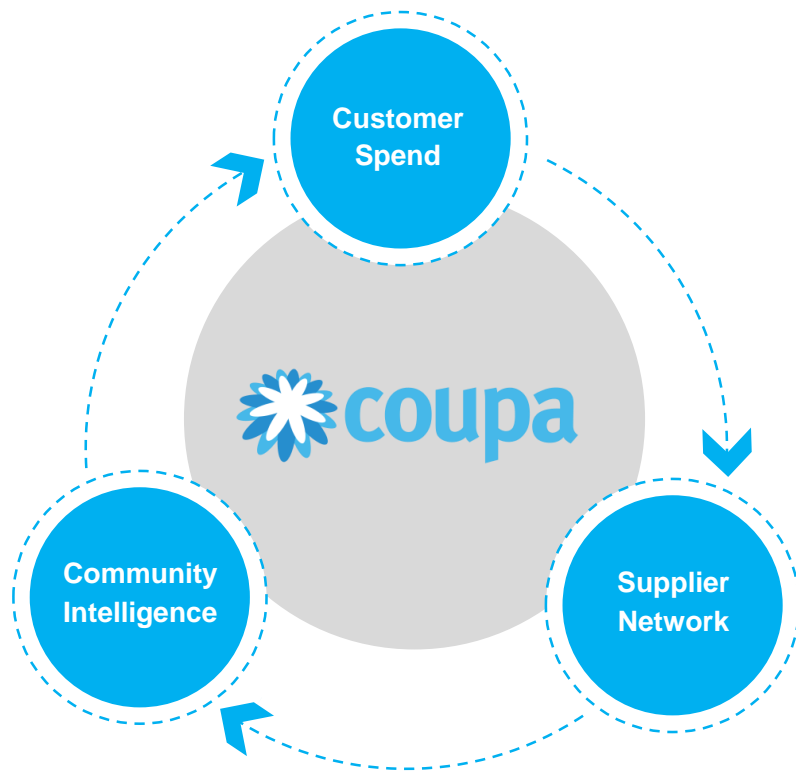


~25%

Of New Subscription
Revenue from Core
Procurement in FY 2020

Note: Based on TTM New Business Transactions

Flywheel Extends Barriers to Entry; Drives Further Growth



Customer Spend

- Over \$1.75T of cumulative spend under management on our platform since inception
- 1,400+ customers
- Best in class platform and significant Business Spend Management savings

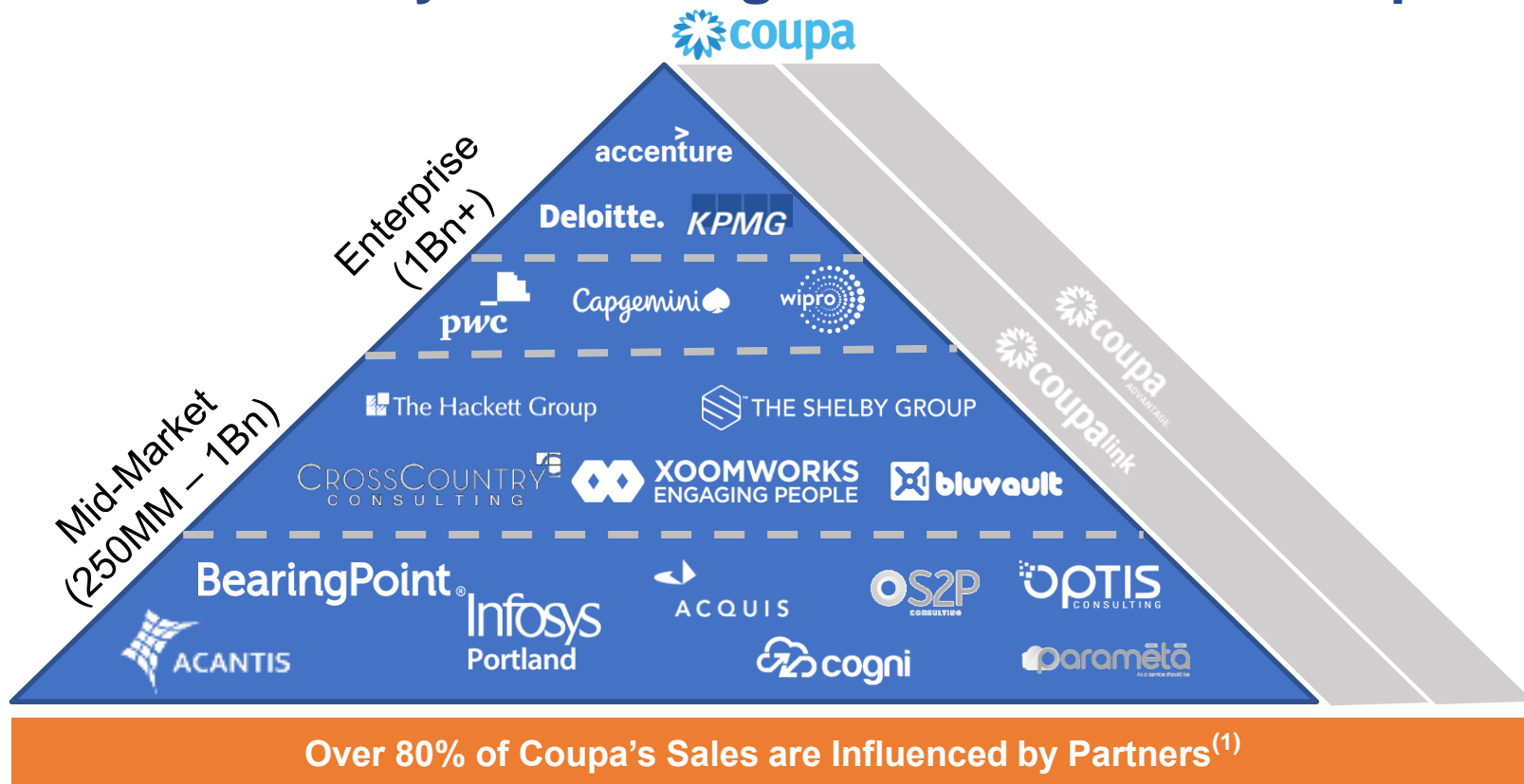
Supplier Network

- 5M+ suppliers
- International adoption
- Extensive spend capability and simplified systems integration

Community Intelligence

- Core differentiator for customers
- Easy to use, real-time benchmarking of spend behavior
- Deeply integrated AI analytics collecting data across the platform

Vast Partner Ecosystem a Huge Accelerator for Coupa



(1) Partner influence is defined as new annual recurring contract value, whose sale was either implemented, co-sold, referred, or resold by a Coupa partner

Disciplined Approach to Attacking Growth Levers



Targeted Account-Based Marketing



Procurement

CPO

Personas

CFO

Finance

Why Payments



**Complete
Spend Flow**

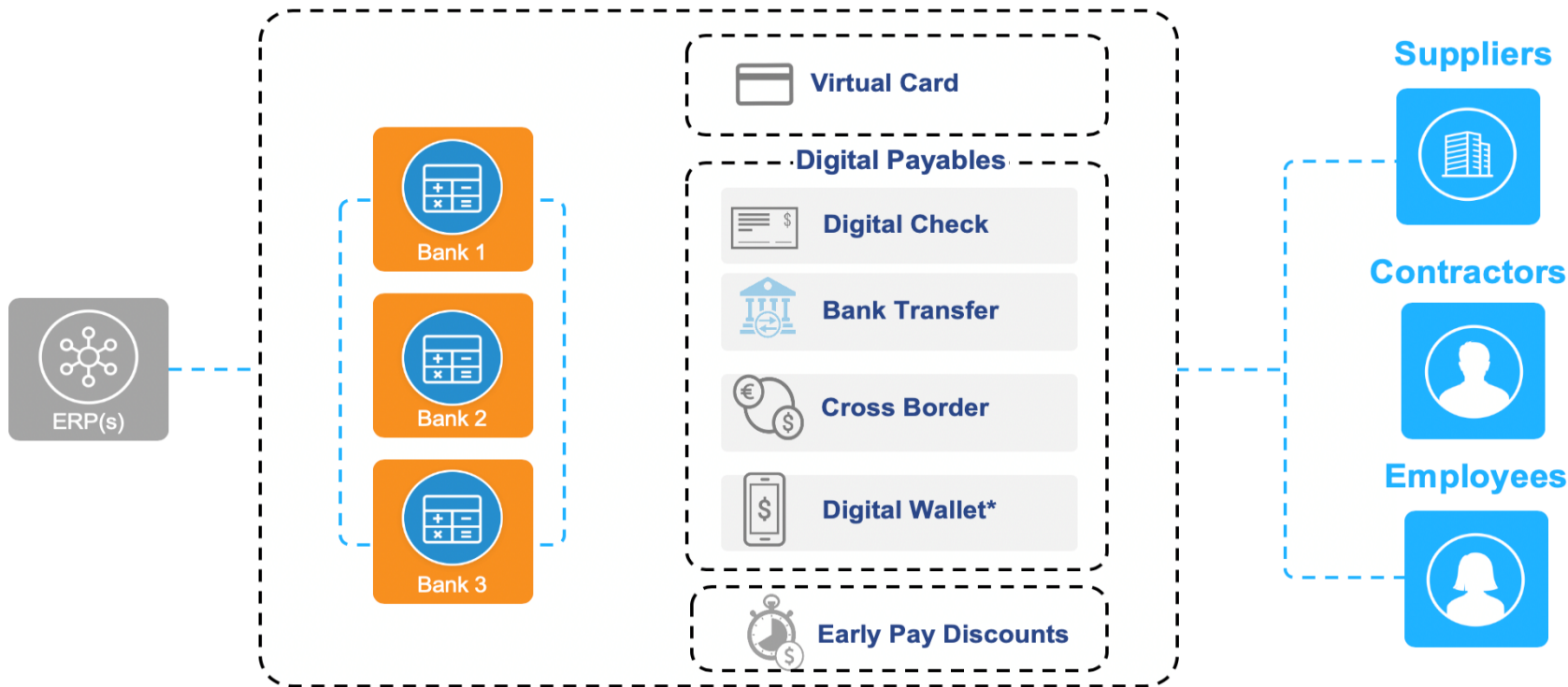


**Utilize
Core Competencies**



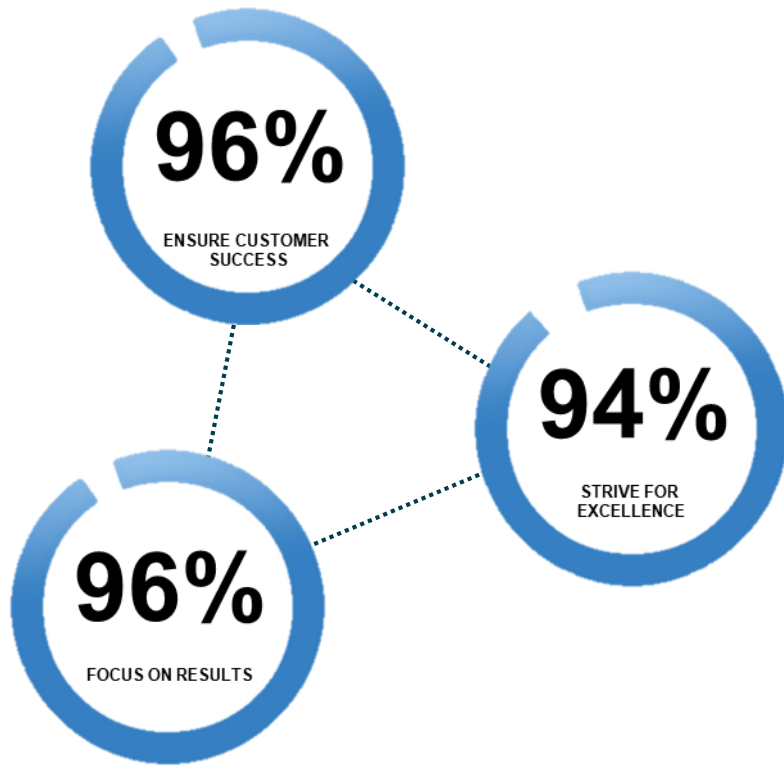
**Leverage
Platform Innovations**

Smarter Payments



* In Development

Core Values Alignment



Note: Based on internal employee survey data

Financials

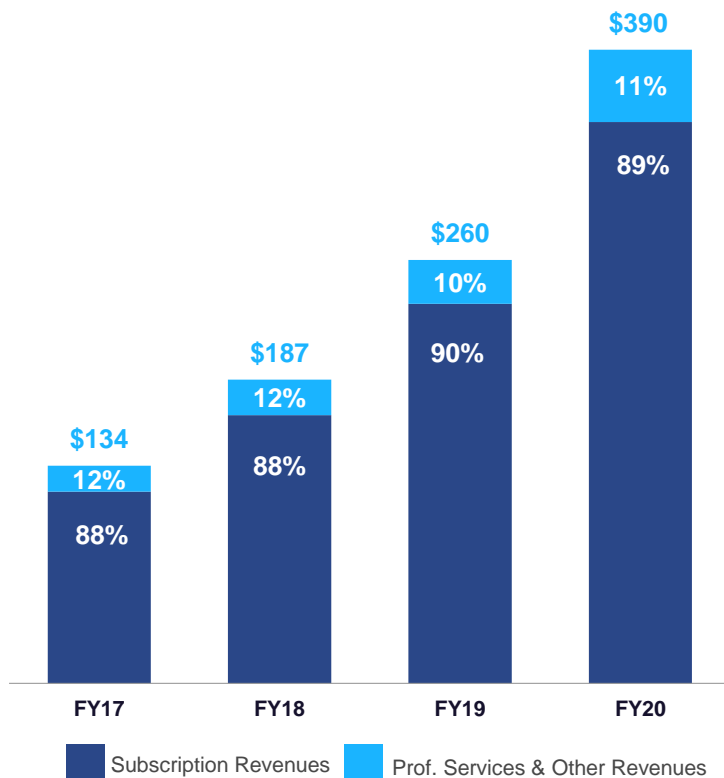
**30%+ Topline
Growth**

**Operating
Leverage &
Financial Agility**

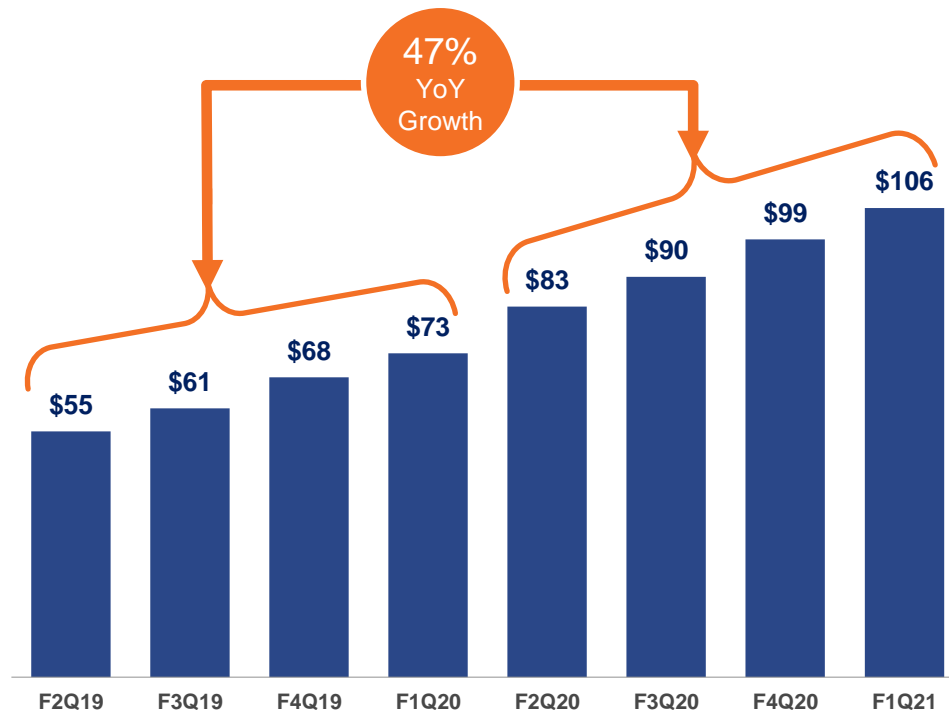
**Delivering
Financial
Targets**

Rapid Revenue Growth – Winning the Market

ANNUAL TOTAL REVENUES (\$, M)

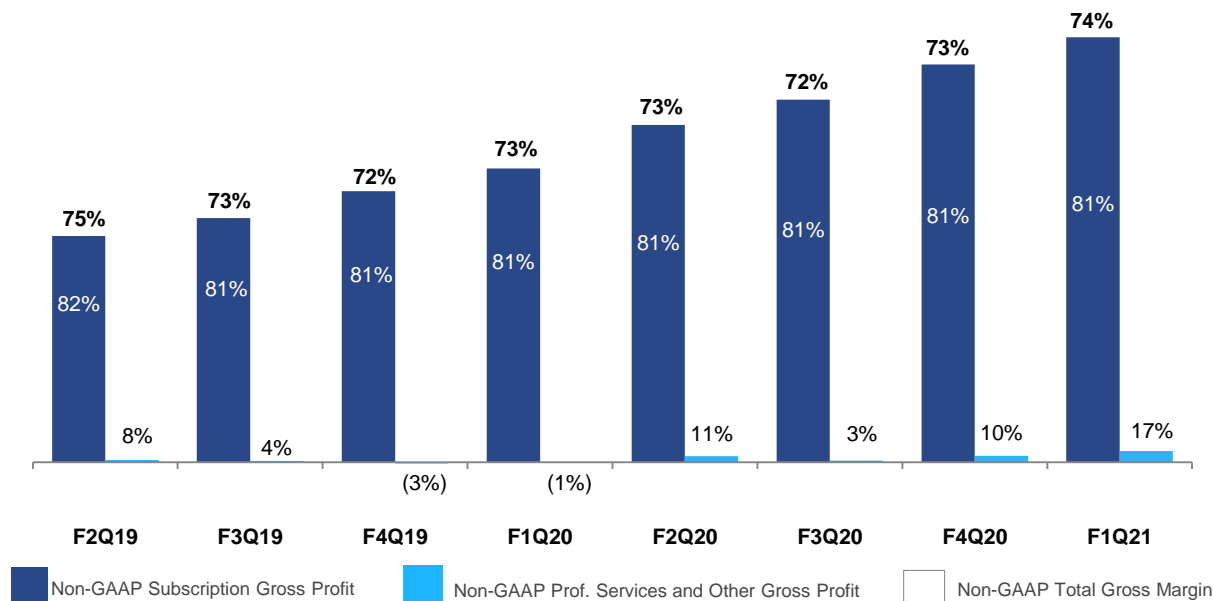


QUARTERLY SUBSCRIPTION REVENUES (\$, M)



Strong Gross Margin Performance

QUARTERLY NON-GAAP GROSS MARGIN TRENDS⁽¹⁾⁽²⁾

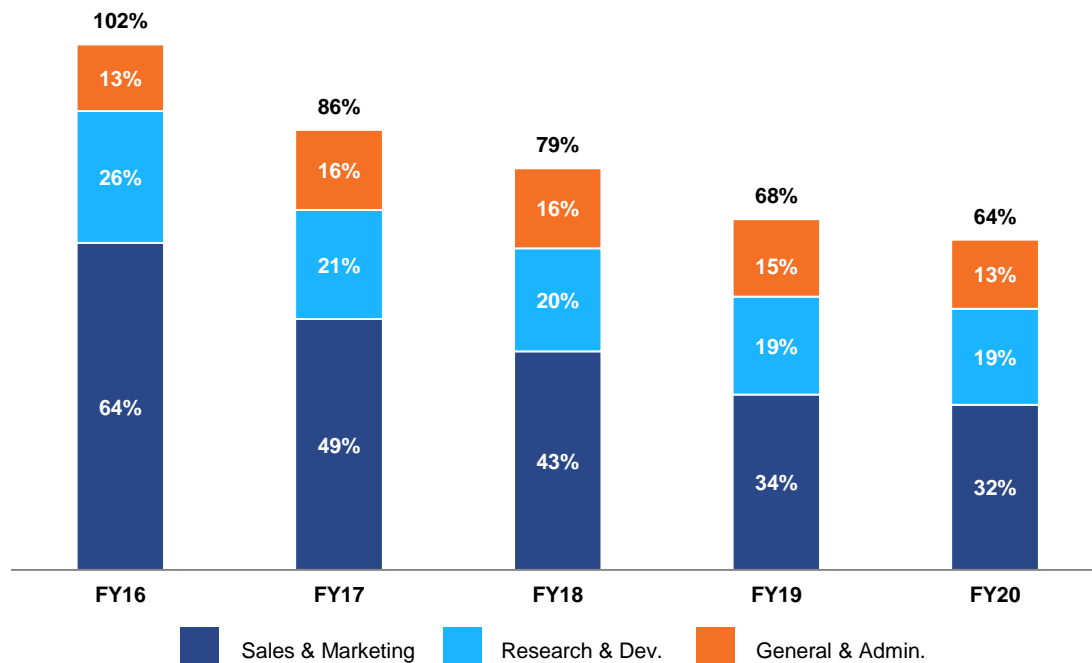


(1) For a reconciliation of GAAP to Non-GAAP metrics, refer to the Appendix

(2) Bar chart represents Non-GAAP gross profit dollar amounts while data labels refer to Non-GAAP gross margins

Scaling of Operations

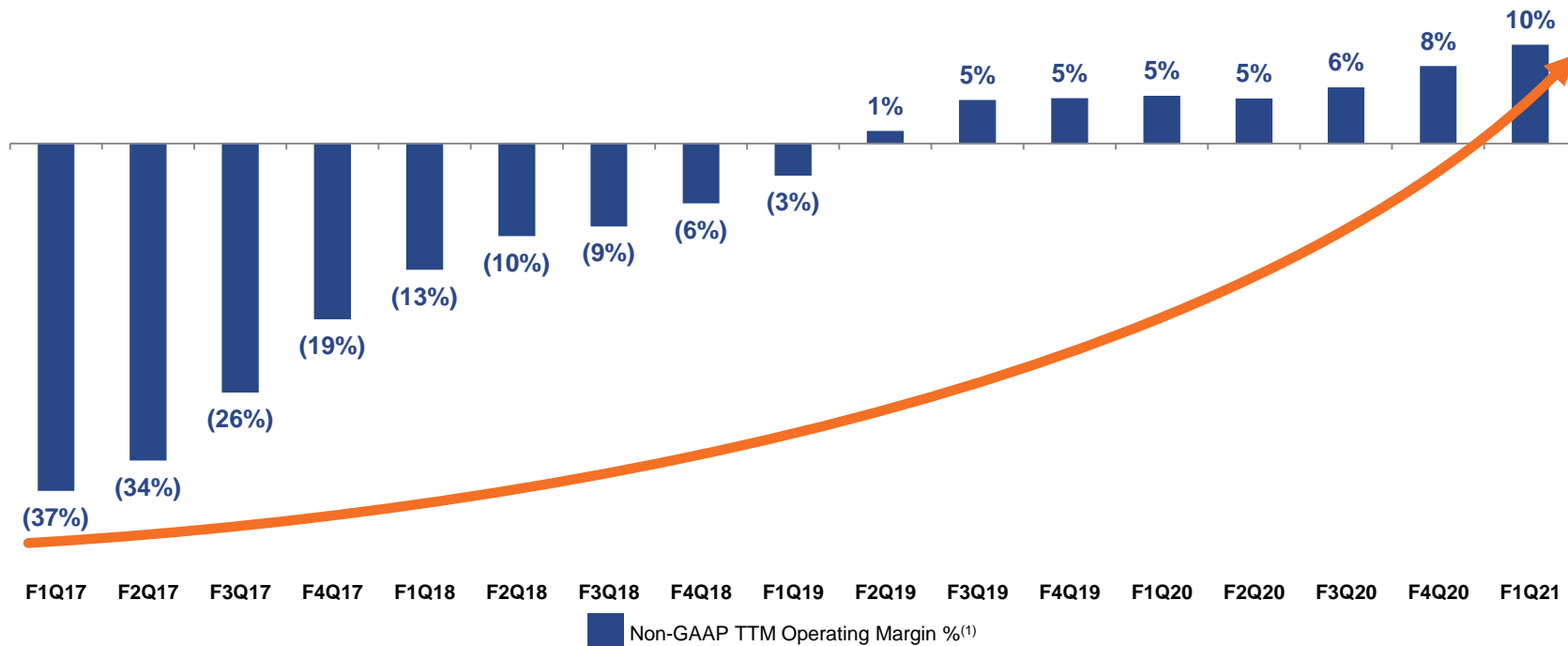
NON-GAAP OPERATING EXPENSES AS % OF REVENUES⁽¹⁾



(1) For a reconciliation of GAAP to Non-GAAP metrics, refer to the Appendix

Proven Operating Leverage in the Model

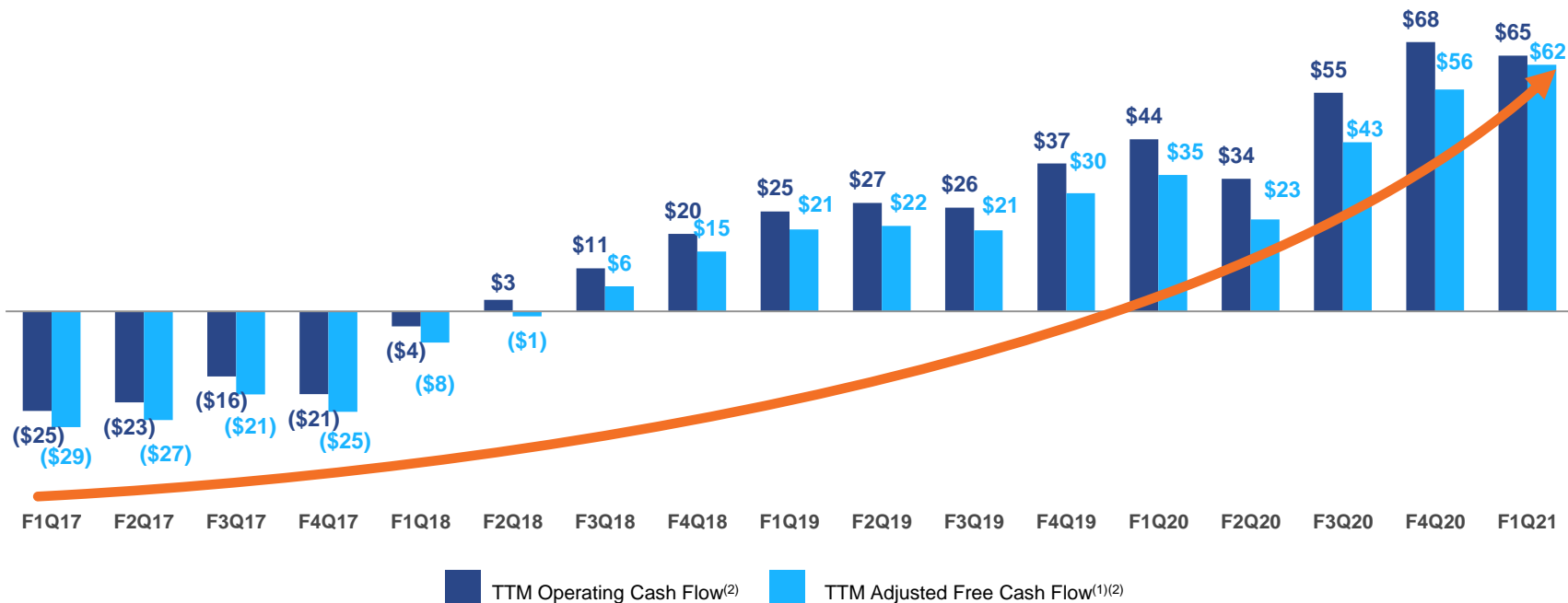
NON-GAAP TRAILING 12-MONTH (TTM) OPERATING MARGINS (%)



(1) For a reconciliation of GAAP to Non-GAAP metrics, refer to the Appendix

Balanced Investment in Growth While Driving Cash Flows

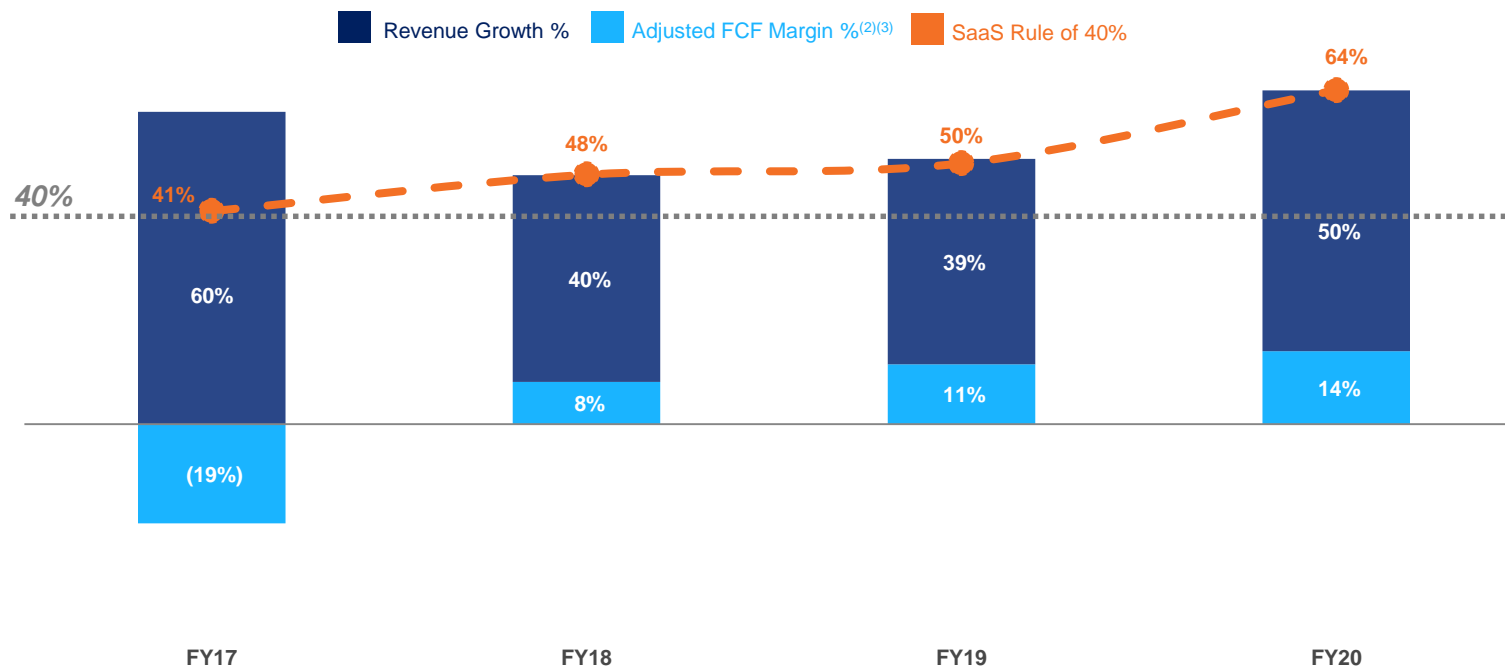
TRAILING 12-MONTH (TTM) OPERATING AND ADJUSTED FREE CASH FLOW (\$, M)



(1) Adjusted free cash flow is defined as operating cash flows less purchases of property and equipment plus repayments of convertible senior notes attributable to debt discount
(2) For a reconciliation of GAAP to Non-GAAP metrics, refer to the Appendix

Financial Discipline – 50 is the New 40

EXTENDING SaaS RULE OF 40%⁽¹⁾



(1) SaaS Rule of 40% is a Non-GAAP measure that sums the Y-o-Y total revenue growth rate and the adjusted free cash flow (FCF) margin

(2) Adjusted free cash flow is defined as operating cash flow less purchases of property and equipment plus repayments of convertible senior notes attributable to debt discount. Adjusted FCF margin is defined as adjusted free cash flow divided by revenues.

(3) For a reconciliation of GAAP to Non-GAAP metrics, refer to the Appendix

Striving for Excellence

(NON-GAAP) ⁽¹⁾	MID-TERM TARGET-IPO 10/6/16	MID-TERM TARGET 12/6/17	FY'20 RESULTS	MID-TERM	LONG-TERM
Gross Margin	65%-67%	73%-75%	73%	74%-75%	80%-82%
R&D as % of Revenue	18%-21%	18%-21%	19%	17%-19%	14%-16%
S&M as % of Revenue	48%-51%	38%-42%	32%	36%-38%	30%-32%
G&A as % of Revenue	11%-13%	11%-13%	13%	11%-13%	7%-9%
Operating Margin	(13%-23%)	Break Even	8%	5%-10%	25%-30%
Adjusted FCF Margin ⁽²⁾	0%-5%	5%-10%	14%	10%-15%	30%-35%

(1) For a reconciliation of GAAP to Non-GAAP metrics, refer to the Appendix

(2) Adjusted free cash flow is defined as operating cash flows less purchases of property and equipment plus repayments of convertible senior notes attributable to debt discount

*These measures are forward-looking; are subject to significant business, economic, regulatory and competitive uncertainties and contingencies, many of which are beyond the control of the Company and its management; and are based upon assumptions with respect to future decisions, which are subject to change. Actual results will vary and those variations may be material. For discussion of some of the important factors that could cause these variations, please consult the "Risk Factors" section in the preliminary offering memorandum relating to the proposed offering and the documents, including the recently filed Form 10-K and Form 10-Q, incorporated by reference therein. Nothing in this presentation should be regarded as a representation by any person that these measures will be achieved and the Company undertakes no duty to update these measures.

The background is a dark blue gradient with a faint, stylized world map. Overlaid on the map are various financial data elements, including line graphs, candlestick charts, and numerical values in a light blue/white font. The word "Appendix" is centered in a large, bold, white sans-serif font.

Appendix

GAAP to Non-GAAP Reconciliation

	Q1 FY'19	Q2 FY'19	Q3 FY'19	Q4 FY'19	Q1 FY'20	Q2 FY'20	Q3 FY'20	Q4 FY'20	Q1 FY'21	FY 2019	FY 2020
Subscription Revenue	\$49,966	\$55,374	\$60,559	\$67,529	\$72,957	\$83,482	\$90,175	\$98,647	\$105,735	\$233,428	\$345,261
Professional Services Revenue and Other	\$6,386	\$6,277	\$6,896	\$7,379	\$8,387	\$11,657	\$11,609	\$12,805	\$13,479	\$26,938	\$44,458
Total Revenues	\$56,352	\$61,651	\$67,455	\$74,908	\$81,344	\$95,139	\$101,784	\$111,452	\$119,214	\$260,366	\$389,719
GAAP Subscription COGS	\$11,174	\$11,773	\$13,990	\$16,216	\$17,403	\$22,062	\$23,752	\$26,235	\$29,002	\$53,153	\$89,452
Amortization of acquired intangible assets	\$784	\$844	\$1,408	\$2,009	\$2,172	\$4,709	\$4,654	\$5,707	\$6,610	\$5,045	\$17,242
Share-based compensation expenses	\$831	\$1,093	\$1,152	\$1,209	\$1,388	\$1,771	\$1,886	\$1,937	\$2,158	\$4,285	\$6,982
Non-GAAP Subscription COGS	\$9,559	\$9,836	\$11,430	\$12,998	\$13,843	\$15,582	\$17,212	\$18,591	\$20,234	\$43,823	\$65,228
GAAP Subscription Gross Profit	\$38,792	\$43,601	\$46,569	\$51,313	\$55,554	\$61,420	\$66,423	\$72,412	\$76,733	\$180,275	\$255,809
% Margin	78%	79%	77%	76%	76%	74%	74%	73%	73%	77%	74%
Non-GAAP Subscription Gross Profit	\$40,407	\$45,538	\$49,129	\$54,531	\$59,114	\$67,900	\$72,963	\$80,056	\$85,501	\$189,605	\$280,033
% Margin	81%	82%	81%	81%	81%	81%	81%	81%	81%	81%	81%
GAAP Professional Services COGS	\$6,951	\$6,867	\$7,674	\$8,809	\$9,926	\$12,428	\$13,542	\$13,868	\$13,836	\$30,301	\$49,764
Amortization of acquired intangible assets	\$0	\$0	\$0	\$0	\$0	\$0	\$200	\$200	\$200	\$0	\$400
Share-based compensation expenses	\$946	\$1,069	\$1,071	\$1,183	\$1,445	\$2,023	\$2,113	\$2,192	\$2,412	\$4,269	\$7,773
Non-GAAP Professional Services COGS	\$6,005	\$5,798	\$6,603	\$7,626	\$8,481	\$10,405	\$11,229	\$11,476	\$11,224	\$26,032	\$41,591
GAAP Professional Services Gross Profit (Loss)	(\$565)	(\$590)	(\$778)	(\$1,430)	(\$1,539)	(\$771)	(\$1,933)	(\$1,063)	(\$357)	(\$3,363)	(\$5,306)
% Margin	(9%)	(9%)	(11%)	(19%)	(18%)	(7%)	(17%)	(8%)	(3%)	(12%)	(12%)
Non-GAAP Professional Services Gross Profit (Loss)	\$381	\$479	\$293	(\$247)	(\$94)	\$1,252	\$380	\$1,329	\$2,255	\$906	\$2,867
% Margin	6%	8%	4%	(3%)	(1%)	11%	3%	10%	17%	3%	6%
GAAP Total Gross Profit	\$38,227	\$43,011	\$45,791	\$49,883	\$54,015	\$60,649	\$64,490	\$71,349	\$76,376	\$176,912	\$250,503
% Margin	68%	70%	68%	67%	66%	64%	63%	64%	64%	68%	64%
Non-GAAP Total Gross Profit	\$40,788	\$46,017	\$49,422	\$54,284	\$59,020	\$69,152	\$73,343	\$81,385	\$87,756	\$190,511	\$282,900
% Margin	72%	75%	73%	72%	73%	73%	72%	73%	74%	73%	73%

GAAP to Non-GAAP Reconciliation (Continued)

	Q1 FY'19	Q2 FY'19	Q3 FY'19	Q4 FY'19	Q1 FY'20	Q2 FY'20	Q3 FY'20	Q4 FY'20	Q1 FY'21		FY 2019	FY 2020
GAAP Research & Development	\$13,201	\$13,415	\$16,077	\$18,915	\$21,014	\$23,364	\$23,460	\$25,251	\$26,719		\$61,608	\$93,089
Share-based compensation expenses	\$2,547	\$2,958	\$3,046	\$3,290	\$4,048	\$5,075	\$5,517	\$5,519	\$6,124		\$11,841	\$20,159
Non-GAAP R&D expenses	\$10,654	\$10,457	\$13,031	\$15,625	\$16,966	\$18,289	\$17,943	\$19,732	\$20,595		\$49,767	\$72,930
% of Revenue	19%	17%	19%	21%	21%	19%	18%	18%	17%		19%	19%
GAAP Sales & Marketing	\$24,660	\$26,580	\$25,622	\$28,797	\$33,610	\$39,820	\$39,145	\$42,641	\$46,139		\$105,659	\$155,216
Amortization of acquired intangible assets	\$290	\$251	\$453	\$841	\$1,006	\$1,650	\$1,686	\$1,992	\$2,056		\$1,835	\$6,334
Share-based compensation expenses	\$2,970	\$3,863	\$3,899	\$4,054	\$4,839	\$6,060	\$6,135	\$6,318	\$7,513		\$14,786	\$23,352
Non-GAAP S&M expenses	\$21,400	\$22,466	\$21,270	\$23,902	\$27,765	\$32,110	\$31,324	\$34,331	\$36,570		\$89,038	\$125,530
% of Revenue	38%	36%	32%	32%	34%	34%	31%	31%	31%		34%	32%
GAAP General & Administrative	\$12,435	\$13,640	\$14,010	\$16,920	\$17,198	\$20,269	\$18,830	\$19,326	\$9,144		\$57,005	\$75,623
Change in fair value of contingent consideration payable	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$12,500)		\$0	\$0
Share-based compensation expenses	\$4,018	\$4,575	\$4,652	\$4,520	\$5,125	\$6,339	\$6,304	\$5,342	\$5,990		\$17,765	\$23,110
Non-GAAP G&A expenses	\$8,417	\$9,065	\$9,358	\$12,400	\$12,073	\$13,930	\$12,526	\$13,984	\$15,654		\$39,240	\$52,513
% of Revenue	15%	15%	14%	17%	15%	15%	12%	13%	13%		15%	13%
GAAP Operating Loss	(\$12,069)	(\$10,624)	(\$9,918)	(\$14,749)	(\$17,807)	(\$22,804)	(\$16,945)	(\$15,869)	(\$5,626)		(\$47,360)	(\$73,425)
% Margin	(21%)	(17%)	(15%)	(20%)	(22%)	(24%)	(17%)	(14%)	(5%)		(18%)	(19%)
Non-GAAP Operating Income (Loss)	\$317	\$4,029	\$5,763	\$2,357	\$2,216	\$4,823	\$11,550	\$13,338	\$14,937		\$12,466	\$31,927
% Margin	1%	7%	9%	3%	3%	5%	11%	12%	13%		5%	8%
Operating Cash Flow	\$12,636	\$11,308	\$4,019	\$9,473	\$18,793	\$1,252	\$25,832	\$22,279	\$15,408		\$37,436	\$68,156
Less: Purchases of property and equipment	(\$1,124)	(\$2,292)	(\$1,454)	(\$2,658)	(\$2,654)	(\$3,519)	(\$3,689)	(\$2,108)	(\$3,599)		(\$7,528)	(\$11,970)
Add: Repayments of convertible senior notes attributable to debt discount	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$10,640		\$0	\$0
Adjusted Free Cash Flow¹	\$11,512	\$9,016	\$2,565	\$6,815	\$16,139	(\$2,267)	\$22,143	\$20,171	\$22,413		\$29,908	\$56,186
% Margin ¹	20%	15%	4%	9%	20%	(2%)	22%	18%	19%		11%	14%
Trailing Twelve Months	Q1 FY'19	Q2 FY'19	Q3 FY'19	Q4 FY'19	Q1 FY'20	Q2 FY'20	Q3 FY'20	Q4 FY'20	Q1 FY'21		FY 2019	FY 2020
Total Revenue	\$201,995	\$219,095	\$239,210	\$260,366	\$285,358	\$318,846	\$353,175	\$389,719	\$427,589		\$260,366	\$389,719
Operating Cash Flow	\$25,319	\$27,449	\$26,291	\$37,436	\$43,593	\$33,537	\$55,350	\$68,156	\$64,771		\$37,436	\$68,156
% Margin	13%	13%	11%	14%	15%	11%	16%	17%	15%		14%	17%
Non-GAAP Operating Income	(\$6,892)	\$2,880	\$10,993	\$12,466	\$14,365	\$15,159	\$20,946	\$31,927	\$44,648		\$12,466	\$31,927
% Margin	(3%)	1%	5%	5%	5%	5%	6%	8%	10%		5%	8%
Adjusted Free Cash Flow ¹	\$20,703	\$21,646	\$20,520	\$29,908	\$34,535	\$23,252	\$42,830	\$56,186	\$62,460		\$29,908	\$56,186
% Margin ¹	10%	10%	9%	11%	12%	7%	12%	14%	15%		11%	14%

(1) Adjusted free cash flows is defined as operating cash flows less purchases of property and equipment plus repayments of convertible senior notes attributable to debt discount. Adjusted free cash flow margin is defined as adjusted free cash flow divided by revenues.

GAAP to Non-GAAP Reconciliation (Continued)

	Q1 FY'16	Q2 FY'16	Q3 FY'16	Q4 FY'16	Q1 FY'17	Q2 FY'17	Q3 FY'17	Q4 FY'17	Q1 FY'18	Q2 FY'18	Q3 FY'18	Q4 FY'18	FY 2016	FY 2017	FY 2018
Subscription Revenue	\$14,289	\$17,333	\$20,757	\$23,288	\$25,372	\$27,783	\$30,799	\$33,834	\$35,664	\$39,764	\$42,795	\$46,642	\$75,667	\$117,788	\$164,865
Professional Services Revenue and Other	\$1,520	\$1,371	\$2,044	\$3,076	\$3,811	\$3,349	\$4,643	\$4,184	\$5,473	\$4,787	\$4,545	\$7,110	\$8,011	\$15,987	\$21,915
Total Revenues	\$15,809	\$18,704	\$22,801	\$26,364	\$29,183	\$31,132	\$35,442	\$38,018	\$41,137	\$44,551	\$47,340	\$53,752	\$83,678	\$133,775	\$186,780
GAAP Subscription COGS	\$3,550	\$3,995	\$4,280	\$4,979	\$6,050	\$6,029	\$6,346	\$6,630	\$7,996	\$9,025	\$9,554	\$9,906	\$16,804	\$25,055	\$36,481
Amortization of acquired intangible assets	\$13	\$13	\$14	\$347	\$221	\$212	\$212	\$308	\$486	\$788	\$747	\$771	\$387	\$953	\$2,792
Share-based compensation expenses	\$45	\$54	\$62	\$74	\$125	\$140	\$150	\$300	\$355	\$529	\$585	\$636	\$235	\$715	\$2,105
Non-GAAP Subscription COGS	\$3,492	\$3,928	\$4,204	\$4,558	\$5,704	\$5,677	\$5,984	\$6,022	\$7,155	\$7,708	\$8,222	\$8,499	\$16,182	\$23,387	\$31,584
GAAP Subscription Gross Profit	\$10,739	\$13,338	\$16,477	\$18,309	\$19,322	\$21,754	\$24,453	\$27,204	\$27,668	\$30,739	\$33,241	\$36,736	\$58,863	\$92,733	\$128,384
% Margin	75%	77%	79%	79%	76%	78%	79%	80%	78%	77%	78%	79%	78%	79%	78%
Non-GAAP Subscription Gross Profit	\$10,797	\$13,405	\$16,553	\$18,730	\$19,668	\$22,106	\$24,815	\$27,812	\$28,509	\$32,056	\$34,573	\$38,143	\$59,485	\$94,401	\$133,281
% Margin	76%	77%	80%	80%	78%	80%	81%	82%	80%	81%	81%	82%	79%	80%	81%
GAAP Professional Services COGS	\$2,594	\$3,639	\$3,914	\$4,960	\$5,968	\$5,452	\$5,031	\$4,763	\$5,501	\$5,923	\$5,441	\$6,560	\$15,107	\$21,214	\$23,425
Share-based compensation expenses	\$45	\$840	\$59	\$70	\$135	\$109	\$155	\$373	\$563	\$716	\$685	\$757	\$1,014	\$772	\$2,722
Non-GAAP Professional Services COGS	\$2,549	\$2,799	\$3,855	\$4,890	\$5,833	\$5,343	\$4,876	\$4,390	\$4,938	\$5,207	\$4,756	\$5,803	\$14,093	\$20,442	\$20,703
GAAP Professional Services Gross Profit (Loss)	(\$1,074)	(\$2,268)	(\$1,870)	(\$1,884)	(\$2,157)	(\$2,103)	(\$388)	(\$579)	(\$28)	(\$1,136)	(\$896)	\$550	(\$7,096)	(\$5,227)	(\$1,510)
% Margin	(71%)	(165%)	(91%)	(61%)	(57%)	(63%)	(8%)	(14%)	(1%)	(24%)	(20%)	8%	(89%)	(33%)	(7%)
Non-GAAP Professional Services Gross Profit (Loss)	(\$1,029)	(\$1,428)	(\$1,811)	(\$1,814)	(\$2,022)	(\$1,994)	(\$233)	(\$206)	\$536	(\$420)	(\$211)	\$1,307	(\$6,082)	(\$4,455)	\$1,212
% Margin	(68%)	(104%)	(89%)	(59%)	(53%)	(60%)	(5%)	(5%)	10%	(9%)	(5%)	18%	(76%)	(28%)	6%
GAAP Total Gross Profit	\$9,665	\$11,070	\$14,607	\$16,425	\$17,165	\$19,651	\$24,065	\$26,625	\$27,640	\$29,603	\$32,345	\$37,286	\$51,767	\$87,506	\$126,874
% Margin	61%	59%	64%	62%	59%	63%	68%	70%	67%	66%	68%	69%	62%	65%	68%
Non-GAAP Total Gross Profit	\$9,768	\$11,977	\$14,742	\$16,916	\$17,646	\$20,112	\$24,582	\$27,606	\$29,044	\$31,636	\$34,362	\$39,450	\$53,403	\$89,946	\$134,493
% Margin	62%	64%	65%	64%	60%	65%	69%	73%	71%	71%	73%	73%	64%	67%	72%

GAAP to Non-GAAP Reconciliation (Continued)

	Q1 FY'16	Q2 FY'16	Q3 FY'16	Q4 FY'16	Q1 FY'17	Q2 FY'17	Q3 FY'17	Q4 FY'17	Q1 FY'18	Q2 FY'18	Q3 FY'18	Q4 FY'18		FY 2016	FY 2017	FY 2018
GAAP Research & Development	\$4,431	\$5,792	\$5,965	\$6,579	\$7,840	\$7,206	\$7,179	\$8,037	\$9,171	\$10,720	\$11,410	\$13,235		\$22,767	\$30,262	\$44,536
Amortization of acquired intangible assets	\$0	\$53	\$105	(\$158)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0	\$0	\$0
Share-based compensation expenses	\$107	\$750	\$152	\$227	\$322	\$303	\$357	\$784	\$1,152	\$1,647	\$1,999	\$2,130		\$1,236	\$1,766	\$6,928
Non-GAAP R&D expenses	\$4,324	\$4,989	\$5,708	\$6,510	\$7,518	\$6,903	\$6,822	\$7,253	\$8,019	\$9,073	\$9,410	\$11,105		\$21,531	\$28,496	\$37,608
% of Revenue	27%	27%	25%	25%	26%	22%	19%	19%	19%	20%	20%	21%		26%	21%	20%
GAAP Sales & Marketing	\$10,679	\$13,532	\$14,306	\$16,196	\$15,836	\$19,252	\$16,315	\$17,159	\$20,679	\$23,812	\$22,401	\$21,830		\$54,713	\$68,562	\$88,722
Amortization of acquired intangible assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$189	\$195	\$258		\$0	\$0	\$642
Share-based compensation expenses	\$176	\$210	\$706	\$255	\$471	\$441	\$937	\$1,282	\$1,600	\$2,340	\$2,212	\$2,324		\$1,347	\$3,131	\$8,476
Non-GAAP S&M expenses	\$10,503	\$13,322	\$13,600	\$15,941	\$15,365	\$18,811	\$15,378	\$15,877	\$19,079	\$21,283	\$19,995	\$19,248		\$53,366	\$65,431	\$79,604
% of Revenue	66%	71%	60%	60%	53%	60%	43%	42%	46%	48%	42%	36%		64%	49%	43%
GAAP General & Administrative	\$2,480	\$8,719	\$3,709	\$4,632	\$5,553	\$4,620	\$6,068	\$7,865	\$8,177	\$9,430	\$9,693	\$11,278		\$19,540	\$24,106	\$38,578
Litigation-related costs	\$642	\$848	\$327	\$126	\$123	\$26	\$1	\$0	\$0	\$0	\$0	\$0		\$1,943	\$150	\$0
Share-based compensation expenses	\$186	\$5,620	\$547	\$383	\$653	\$566	\$785	\$1,064	\$1,607	\$2,406	\$2,386	\$3,065		\$6,736	\$3,068	\$9,464
Non-GAAP G&A expenses	\$1,652	\$2,251	\$2,835	\$4,123	\$4,777	\$4,028	\$5,282	\$6,801	\$6,570	\$7,024	\$7,307	\$8,213		\$10,861	\$20,888	\$29,114
% of Revenue	10%	12%	12%	16%	16%	13%	15%	18%	16%	16%	15%	15%		13%	16%	16%
GAAP Operating Loss	(\$7,925)	(\$16,973)	(\$9,373)	(\$10,982)	(\$12,064)	(\$11,427)	(\$5,497)	(\$6,436)	(\$10,387)	(\$14,359)	(\$11,159)	(\$9,057)		(\$45,253)	(\$35,424)	(\$44,962)
% Margin	(50%)	(91%)	(41%)	(42%)	(41%)	(37%)	(16%)	(17%)	(25%)	(32%)	(24%)	(17%)		(54%)	(26%)	(24%)
Non-GAAP Operating Income (Loss)	(\$6,711)	(\$8,585)	(\$7,401)	(\$9,658)	(\$10,014)	(\$9,630)	(\$2,900)	(\$2,325)	(\$4,624)	(\$5,743)	(\$2,350)	\$884		(\$32,355)	(\$24,869)	(\$11,833)
% Margin	(42%)	(46%)	(32%)	(37%)	(34%)	(31%)	(8%)	(6%)	(11%)	(13%)	(5%)	2%		(39%)	(19%)	(6%)
Operating Cash Flow	(\$7,104)	\$342	(\$9,372)	(\$5,935)	(\$10,226)	\$2,507	(\$2,825)	(\$10,411)	\$6,943	\$9,178	\$5,177	(\$1,672)		(\$22,069)	(\$20,955)	\$19,626
Less: Purchases of property and equipment	(\$1,100)	(\$762)	(\$921)	(\$1,085)	(\$1,386)	(\$1,070)	(\$1,044)	(\$991)	(\$996)	(\$1,105)	(\$1,486)	(\$901)		(\$3,868)	(\$4,491)	(\$4,488)
Adjusted Free Cash Flow¹	(\$8,204)	(\$420)	(\$10,293)	(\$7,020)	(\$11,612)	\$1,437	(\$3,869)	(\$11,402)	\$5,947	\$8,073	\$3,691	(\$2,573)		(\$25,937)	(\$25,446)	\$15,138
% Margin¹	(52%)	(2%)	(45%)	(27%)	(40%)	5%	(11%)	(30%)	14%	18%	8%	(5%)		(31%)	(19%)	8%
Trailing Twelve Months	Q1 FY'16	Q2 FY'16	Q3 FY'16	Q4 FY'16	Q1 FY'17	Q2 FY'17	Q3 FY'17	Q4 FY'17	Q1 FY'18	Q2 FY'18	Q3 FY'18	Q4 FY'18		FY 2016	FY 2017	FY 2018
Total Revenue				\$83,678	\$97,052	\$109,480	\$122,121	\$133,775	\$145,729	\$159,148	\$171,046	\$186,780		\$83,678	\$133,775	\$186,780
Operating Cash Flow				(\$22,069)	(\$25,191)	(\$23,026)	(\$16,479)	(\$20,955)	(\$3,786)	\$2,885	\$10,887	\$19,626		(\$22,069)	(\$20,955)	\$19,626
% Margin				(26%)	(26%)	(21%)	(13%)	(16%)	(3%)	2%	6%	11%		(26%)	(16%)	11%
Non-GAAP Operating Income				(\$32,355)	(\$35,658)	(\$36,703)	(\$32,202)	(\$24,869)	(\$19,479)	(\$15,592)	(\$15,042)	(\$11,833)		(\$32,355)	(\$24,869)	(\$11,833)
% Margin				(39%)	(37%)	(34%)	(26%)	(19%)	(13%)	(10%)	(9%)	(6%)		(39%)	(19%)	(6%)
Adjusted Free Cash Flow¹				(\$25,937)	(\$29,345)	(\$27,488)	(\$21,064)	(\$25,446)	(\$7,887)	(\$1,251)	\$6,309	\$15,138		(\$25,937)	(\$25,446)	\$15,138
% Margin¹				(31%)	(30%)	(25%)	(17%)	(19%)	(5%)	(1%)	4%	8%		(31%)	(19%)	8%

(1) Adjusted free cash flows is defined as operating cash flows less purchases of property and equipment plus repayments of convertible senior notes attributable to debt discount. Adjusted free cash flow margin is defined as adjusted free cash flow divided by revenues.