

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT  
Pursuant to Section 13 OR 15(d) of the Securities Exchange Act of 1934

September 23, 2021  
Date of Report (Date of earliest event reported)

Progress Software Corporation  
(Exact name of registrant as specified in its charter)

<b>Delaware</b> (State or other jurisdiction of incorporation or organization)	<b>0-19417</b> (Commission file number)	<b>04-2746201</b> (I.R.S. Employer Identification No.)
<b>14 Oak Park</b> <b>Bedford, Massachusetts 01730</b> (Address of principal executive offices, including zip code)		
<b>(781) 280-4000</b> (Registrant's telephone number, including area code)		
<b>Not applicable</b> (Former name or former address, if changed since last report.)		

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
<b>Common Stock, \$0.01 par value per share</b>	<b>PRGS</b>	<b>The Nasdaq Stock Market LLC</b>

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

## Item 2.02 Results of Operations and Financial Condition

On September 23, 2021, Progress Software Corporation ("Progress") issued a press release announcing its financial results for the fiscal third quarter ended August 31, 2021. A copy of the press release is attached to this Current Report on Form 8-K as Exhibit 99.1 and is incorporated herein by reference.

This information shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and is not deemed incorporated by reference into any other filing of the company, whether made before or after the date of this report, regardless of any general incorporation language in the filing.

*Non-GAAP Financial Information* - Progress provides non-GAAP supplemental information to its financial results. We use this non-GAAP information to evaluate our period-over-period operating performance because our management believes the information helps illustrate underlying trends in our business and provides us with a more comparable measure of our continuing business, as well as a greater understanding of the results from the primary operations of our business, by excluding the effects of certain items that do not reflect the ordinary earnings of our operations. Management also uses this non-GAAP financial information to establish budgets and operational goals, which are communicated internally and externally, evaluate performance, and allocate resources. In addition, compensation of our executives and non-executive employees is based in part on the performance of our business evaluated using this same non-GAAP information. We believe this non-GAAP financial information enhances investors' overall understanding of our current financial performance and our prospects for the future by providing more transparency for certain financial measures and providing a level of disclosure that helps investors understand how we plan and measure our business. We believe that providing this non-GAAP information affords investors a view of our operating results that may be more easily compared to our peer companies and enables investors to consider our operating results on both a GAAP and non-GAAP basis during and following the integration period of our acquisitions.

However, this non-GAAP information is not in accordance with, or an alternative to, generally accepted accounting principles in the United States ("GAAP") and should be considered in conjunction with our GAAP results as the items excluded from the non-GAAP information often have a material impact on Progress' financial results. A reconciliation of non-GAAP adjustments to Progress' GAAP financial results is included in the tables in the press release and is available on the Progress website at [www.progress.com](http://www.progress.com) within the investor relations section.

As described in more detail below, non-GAAP revenue, non-GAAP costs of sales and operating expenses, non-GAAP income from operations and operating margin, non-GAAP net income, and non-GAAP diluted earnings per share exclude the effect of purchase accounting on the fair value of acquired deferred revenue, amortization of acquired intangible assets, stock-based compensation expense, restructuring charges, acquisition-related and transition expenses, amortization of the discount on our convertible senior notes, and the related tax effects of the preceding items. We also provide guidance on adjusted free cash flow, which is equal to cash flows from operating activities less purchases of property and equipment, plus restructuring payments.

In the noted fiscal periods, we adjusted for the following items from our GAAP financial results to arrive at our non-GAAP financial measures:

- *Acquisition-related revenue* - In all periods presented, we include acquisition-related revenue, which constitutes revenue reflected as pre-acquisition deferred revenue that would otherwise have been recognized but for the purchase accounting treatment of acquisitions. The acquisition-related revenue in our results relates to Chef Software, Inc. and Ipswitch, Inc., which we acquired on October 5, 2020 and April 30, 2019, respectively. Since GAAP accounting requires the elimination of this revenue, GAAP results alone do not fully capture all of our economic activities. We believe these adjustments are useful to management and investors as a measure of the ongoing performance of the business because, although we cannot be certain that customers will renew their contracts, we have historically experienced high renewal rates on maintenance and support agreements and other customer contracts. Additionally, although acquisition-related revenue adjustments are non-recurring with respect to past acquisitions, we expect to incur these adjustments in connection with any future acquisitions.
  - *Amortization of acquired intangibles* - In all periods presented, we exclude amortization of acquired intangibles because those expenses are unrelated to our core operating performance and the intangible assets acquired vary significantly based on the timing and magnitude of our acquisition transactions and the maturities of the businesses acquired.
  - *Stock-based compensation* - In all periods presented, we exclude stock-based compensation to be consistent with the way management and the financial community evaluates our performance and the methods used by analysts to calculate consensus estimates. The expense related to stock-based awards is generally not controllable in the short-term and can vary significantly based on the timing, size and nature of awards granted. As such, we do not include these charges in operating plans. Stock-based compensation will continue in future periods.
-

- *Restructuring expenses* - In all periods presented, we exclude restructuring expenses incurred because those expenses distort trends and are not part of our core operating results.
- *Acquisition-related and transition expenses* - In all periods presented, we exclude acquisition-related expenses because those expenses distort trends and are not part of our core operating results. In recent years, we have completed a number of acquisitions, which result in our incurring operating expenses which would not otherwise have been incurred. By excluding certain transition, integration and other acquisition-related expense items in connection with acquisitions, this provides more meaningful comparisons of the financial results to our historical operations and forward-looking guidance and the financial results of less acquisitive peer companies. We consider these types of costs and adjustments, to a great extent, to be unpredictable and dependent on a significant number of factors that are outside of our control. Furthermore, we do not consider these acquisition-related costs and adjustments to be related to the organic continuing operations of the acquired businesses and are generally not relevant to assessing or estimating the long-term performance of the acquired assets. In addition, the size, complexity and/or volume of past acquisitions, which often drives the magnitude of acquisition-related costs, may not be indicative of the size, complexity and/or volume of future acquisitions.
- *Amortization of the discount on our convertible senior notes* - In April 2021, in a private offering, we issued 1.0% Convertible Senior Notes with an aggregate principal amount of \$360 million, including the over allotment, due April 15, 2026, unless earlier repurchased, redeemed or converted (the "Notes"). We exclude the portion of amortization of debt discount that relates to the equity component of the Notes as they are non-cash and have no direct correlation to the operations of our business.
- *Income tax adjustment* - In all periods presented, we adjust our income tax provision by excluding the tax impact of the non-GAAP adjustments discussed above.

*Constant Currency* - Revenue from our international operations has historically represented a substantial portion of our total revenue. As a result, our revenue results have been impacted, and we expect will continue to be impacted, by fluctuations in foreign currency exchange rates. For example, if the local currencies of our foreign subsidiaries strengthen, our consolidated results stated in U.S. dollars are positively impacted.

As exchange rates are an important factor in understanding period to period comparisons, we present revenue growth rates on a constant currency basis, which helps improve the understanding of our revenue results and our performance in comparison to prior periods. The constant currency information presented is calculated by translating current period results using prior period weighted average foreign currency exchange rates. These results should be considered in addition to, not as a substitute for, results reported in accordance with GAAP.

*Annual Recurring Revenue ("ARR")* - We provide an ARR performance metric to help investors better understand and assess the performance of our business because our mix of revenue generated from recurring sources has increased in recent years. ARR represents the annualized contract value for all active and contractually binding term-based contracts at the end of a period. ARR includes maintenance, software upgrade rights, public cloud and on-premises subscription-based transactions and managed services.

ARR does not have any standardized meaning and is therefore unlikely to be comparable to similarly titled measures presented by other companies. ARR should be viewed independently of revenue and deferred revenue and is not intended to be combined with or to replace either of those items. ARR is not a forecast and the active contracts at the end of a reporting period used in calculating ARR may or may not be extended or renewed by our customers.

#### Item 7.01 Regulation FD Disclosure

In connection with the issuance of the press release attached hereto as Exhibit 99.1, the supplemental data attached as Exhibit 99.2 to this Current Report will be available on the Progress website within the investor relations section prior to the live conference call.

#### Item 9.01 Financial Statements and Exhibits

(d) Exhibits.

Exhibit No.	Description
99.1	<a href="#">Press release issued by Progress Software Corporation dated September 23, 2021</a>
99.2	<a href="#">Q3 2021 Supplemental Data</a>
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: September 23, 2021

Progress Software Corporation

By: /s/ ANTHONY FOLGER  
Anthony Folger  
Chief Financial Officer

**PRESS ANNOUNCEMENT**

**Progress Announces Third Quarter 2021 Financial Results**

**Q3 Revenue and EPS Significantly Ahead of Guidance  
Full Year 2021 Guidance Raised Again**

**BEDFORD, Mass, September 23, 2021 (GlobeNewswire)** — Progress (NASDAQ: PRGS), the leading provider of products to develop, deploy and manage high-impact business applications, today announced financial results for its fiscal third quarter ended August 31, 2021.

**Third Quarter 2021 Highlights:**

- Revenue of \$147.4 million increased 34% year-over-year on an actual currency basis, and 33% on a constant currency basis.
- Non-GAAP revenue of \$152.6 million increased 38% on an actual currency basis, and 36% on a constant currency basis.
- Annualized Recurring Revenue (ARR) of \$444 million increased 25% year-over-year on a constant currency basis.
- Operating margin was 31% and Non-GAAP operating margin was 47%.
- Diluted earnings per share was \$0.70 compared to \$0.53 in the same quarter last year, an increase of 32%.
- Non-GAAP diluted earnings per share was \$1.18 compared to \$0.78 in the same quarter last year, an increase of 51%.

“We’re very pleased to announce Q3 results that significantly beat our previous guidance for revenue and earnings, and we’re raising 2021 guidance for the third time this year” said Yogesh Gupta, CEO at Progress. “We also announced the signing of a definitive agreement to acquire Kemp, a leader in the Application Experience (“AX”) space. Kemp meets all our acquisition criteria, fits perfectly with our total growth strategy, and brings a very talented team to Progress.”

**Additional financial highlights included<sup>(1)</sup>:**

	Three Months Ended					
	GAAP			Non-GAAP		
	August 31, 2021	August 31, 2020	% Change	August 31, 2021	August 31, 2020	% Change
<i>(In thousands, except percentages and per share amounts)</i>						
Revenue	\$ 147,417	\$ 109,699	34 %	\$ 152,597	\$ 110,882	38 %
Income from operations	\$ 46,046	\$ 33,193	39 %	\$ 71,163	\$ 47,117	51 %
Operating margin	31 %	30 %	100 bps	47 %	42 %	500 bps
Net income	\$ 30,976	\$ 23,977	29 %	\$ 52,577	\$ 35,605	48 %
Diluted earnings per share	\$ 0.70	\$ 0.53	32 %	\$ 1.18	\$ 0.78	51 %
Cash from operations (GAAP) /Adjusted free cash flow (Non-GAAP)	\$ 35,224	\$ 31,112	13 %	\$ 35,022	\$ 30,101	16 %

<sup>(1)</sup>See Legal Notice Regarding Non-GAAP Financial Information

**Other fiscal third quarter 2021 metrics and recent results included:**

- Cash, cash equivalents and short-term investments were \$383.7 million at the end of the quarter.
- DSO was 54 days compared to 49 days in the fiscal third quarter of 2020 and 44 days in the fiscal second quarter of 2021.
- On September 21, 2021, our Board of Directors declared a quarterly dividend of \$0.175 per share of common stock that will be paid on December 15, 2021 to shareholders of record as of the close of business on December 1, 2021.
- On September 23, 2021, we announced a definitive agreement to acquire Kemp Technologies, a leader in the Application Experience space, for \$258 million in cash.

Anthony Folger, CFO, said: "Q3 results were outstanding across every metric and our confidence in our business is reflected in the increased outlook for 2021. In addition to our strong financial results and outlook, we continued to execute our total growth strategy while remaining disciplined with the acquisition of Kemp, a deal that positions us exceptionally well for 2022 and beyond."

## 2021 Business Outlook

Progress provides the following guidance for the fiscal year ending November 30, 2021 and the fiscal fourth quarter ending November 30, 2021:

<i>(In millions, except percentages and per share amounts)</i>	Updated FY 2021 Guidance (September 23, 2021)		Prior FY 2021 Guidance (June 24, 2021)	
	GAAP	Non-GAAP	GAAP	Non-GAAP
Revenue	\$520 - \$524	\$548 - \$552	\$503 - \$509	\$529 - \$535
Diluted earnings per share	\$1.56 - \$1.58	\$3.68 - \$3.70	\$1.51 - \$1.55	\$3.46 - \$3.50
Operating margin	21%	40%	21%	39%
Cash from operations (GAAP) / Adjusted free cash flow (Non-GAAP)	\$168 - \$172	\$168 - \$172	\$160 - \$164	\$158 - \$162
Effective tax rate	20% - 21%	20% - 21%	20% - 21%	20% - 21%

<i>(In millions, except per share amounts)</i>	Q4 2021 Guidance	
	GAAP	Non-GAAP
Revenue	\$129 - \$133	\$134 - \$138
Diluted earnings per share	\$0.13 - \$0.15	\$0.73 - \$0.75

Based on current exchange rates, the expected positive currency translation impact on Progress' fiscal year 2021 business outlook compared to 2020 exchange rates is approximately \$6.8 million on GAAP and non-GAAP revenue, and approximately \$0.04 on GAAP and non-GAAP diluted earnings per share. The expected positive currency translation impact on Progress' fiscal Q4 2021 business outlook compared to 2020 exchange rates on GAAP and non-GAAP revenue is approximately \$0.6 million. The expected positive impact on GAAP and non-GAAP diluted Q4 2021 earnings per share is \$0.01. To the extent that there are changes in exchange rates versus the current environment, this may have an impact on Progress' business outlook.

## Conference Call

Progress will hold a conference call to review its financial results for the fiscal third quarter of 2021 at 5:00 p.m. ET on Thursday, September 23, 2021. The call can be accessed on the investor relations section of the company's website, located at [www.progress.com](http://www.progress.com). Additionally, you can listen to the call by telephone by dialing 800-773-2954 or +1 847-413-3731, passcode 50220857. The conference call will include comments followed by questions and answers. An archived version of the conference call and supporting materials will be available on the Progress website within the investor relations section after the live conference call.

## Legal Notice Regarding Non-GAAP Financial Information

Progress provides non-GAAP financial information as additional information for investors. These non-GAAP measures are not in accordance with, or an alternative to, generally accepted accounting principles in the United States ("GAAP"). Progress believes that the non-GAAP results described in this release are useful for an understanding of its ongoing operations and provide additional detail and an alternative method of assessing its operating results. A reconciliation of non-GAAP adjustments to the company's GAAP financial results is included in the tables below and is available on the Progress website at [www.progress.com](http://www.progress.com) within the investor relations section. Additional information regarding the company's non-GAAP financial information is contained in the company's Current Report on Form 8-K furnished to the Securities and Exchange Commission in connection with this press release, which is also available on the Progress website within the investor relations section.

## Note Regarding Forward-Looking Statements

This press release contains statements that are “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Progress has identified some of these forward-looking statements with words like “believe,” “may,” “could,” “would,” “might,” “should,” “expect,” “intend,” “plan,” “target,” “anticipate” and “continue,” the negative of these words, other terms of similar meaning or the use of future dates.

Forward-looking statements in this press release include, but are not limited to, statements regarding Progress' business outlook and financial guidance. There are a number of factors that could cause actual results or future events to differ materially from those anticipated by the forward-looking statements, including, without limitation:

(1) Economic, geopolitical and market conditions can adversely affect our business, results of operations and financial condition, including our revenue growth and profitability, which in turn could adversely affect our stock price. (2) We may fail to achieve our financial forecasts due to such factors as delays or size reductions in transactions, fewer large transactions in a particular quarter, fluctuations in currency exchange rates, or a decline in our renewal rates for contracts. (3) Our ability to successfully manage transitions to new business models and markets, including an increased emphasis on a cloud and subscription strategy, may not be successful. (4) If we are unable to develop new or sufficiently differentiated products and services, or to enhance and improve our existing products and services in a timely manner to meet market demand, partners and customers may not purchase new software licenses or subscriptions or purchase or renew support contracts. (5) We depend upon our extensive partner channel and we may not be successful in retaining or expanding our relationships with channel partners. (6) Our international sales and operations subject us to additional risks that can adversely affect our operating results, including risks relating to foreign currency gains and losses. (7) If the security measures for our software, services, other offerings or our internal information technology infrastructure are compromised or subject to a successful cyber-attack, or if our software offerings contain significant coding or configuration errors, we may experience reputational harm, legal claims and financial exposure. (8) We have made acquisitions, and may make acquisitions in the future, and those acquisitions may not be successful, may involve unanticipated costs or other integration issues or may disrupt our existing operations. (9) Delay or failure to realize the expected synergies and benefits of the Kemp acquisition could negatively impact our future results of operations and financial condition; (10) The continuing impact of the coronavirus disease (COVID-19) outbreak on our employees, customers, partners, and the global financial markets could adversely affect our business, results of operations and financial condition. For further information regarding risks and uncertainties associated with Progress' business, please refer to Progress' filings with the Securities and Exchange Commission, including its Annual Report on Form 10-K for the fiscal year ended November 30, 2020. Progress undertakes no obligation to update any forward-looking statements, which speak only as of the date of this press release.

## About Progress

[Progress](#) (NASDAQ: PRGS) provides the best products to develop, deploy and manage high-impact business applications. Our comprehensive product stack is designed to make technology teams more productive and we have a deep commitment to the developer community, both open source and commercial alike. With Progress, organizations can accelerate the creation and delivery of strategic business applications, automate the process by which apps are configured, deployed and scaled, and make critical data and content more accessible and secure—leading to competitive differentiation and business success. Over 1,700 independent software vendors, 100,000 enterprise customers, and three million developers rely on Progress to power their applications. Learn about Progress at [www.progress.com](http://www.progress.com) or +1-800-477-6473.

Progress and Progress Software are trademarks or registered trademarks of Progress Software Corporation and/or its subsidiaries or affiliates in the U.S. and other countries. Any other names contained herein may be trademarks of their respective owners.

### Investor Contact:

Michael Micciche  
Progress Software  
+1 781 850 8450  
[Investor-Relations@progress.com](mailto:Investor-Relations@progress.com)

### Press Contact:

Erica McShane  
Progress Software  
+1 781 280 4000  
[PR@progress.com](mailto:PR@progress.com)

**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**  
(Unaudited)

	Three Months Ended			Nine Months Ended		
	August 31, 2021	August 31, 2020	% Change	August 31, 2021	August 31, 2020	% Change
<i>(In thousands, except per share data)</i>						
<b>Revenue:</b>						
Software licenses	\$ 51,930	\$ 27,514	89 %	\$ 115,354	\$ 77,806	48 %
Maintenance and services	95,487	82,185	16 %	275,831	241,959	14 %
Total revenue	147,417	109,699	34 %	391,185	319,765	22 %
<b>Costs of revenue:</b>						
Cost of software licenses	1,574	1,103	43 %	3,763	3,302	14 %
Cost of maintenance and services	14,895	11,971	24 %	42,887	35,607	20 %
Amortization of acquired intangibles	3,599	1,664	116 %	10,719	4,974	116 %
Total costs of revenue	20,068	14,738	36 %	57,369	43,883	31 %
Gross profit	127,349	94,961	34 %	333,816	275,882	21 %
<b>Operating expenses:</b>						
Sales and marketing	29,737	22,186	34 %	88,468	68,100	30 %
Product development	25,616	20,676	24 %	76,579	64,117	19 %
General and administrative	16,451	13,514	22 %	46,335	38,702	20 %
Amortization of acquired intangibles	7,978	4,176	91 %	22,836	12,484	83 %
Restructuring expenses	40	91	(56)%	1,133	1,826	(38)%
Acquisition-related expenses	1,481	1,125	32 %	2,721	1,439	89 %
Total operating expenses	81,303	61,768	32 %	238,072	186,668	28 %
Income from operations	46,046	33,193	39 %	95,744	89,214	7 %
Other expense, net	(6,539)	(2,962)	(121)%	(14,409)	(9,206)	(57)%
Income before income taxes	39,507	30,231	31 %	81,335	80,008	2 %
Provision for income taxes	8,531	6,254	36 %	17,841	17,947	(1)%
Net income	\$ 30,976	\$ 23,977	29 %	\$ 63,494	\$ 62,061	2 %
<b>Earnings per share:</b>						
Basic	\$ 0.71	\$ 0.53	34 %	\$ 1.45	\$ 1.38	5 %
Diluted	\$ 0.70	\$ 0.53	32 %	\$ 1.43	\$ 1.37	4 %
<b>Weighted average shares outstanding:</b>						
Basic	43,762	45,036	(3)%	43,896	44,941	(2)%
Diluted	44,502	45,364	(2)%	44,542	45,382	(2)%
Cash dividends declared per common share	\$ 0.175	\$ 0.165	6 %	\$ 0.525	\$ 0.495	6 %
Stock-based compensation is included in the condensed consolidated statements of operations, as follows:						
Cost of revenue	\$ 374	\$ 322	16 %	\$ 1,234	\$ 979	26 %
Sales and marketing	1,424	1,035	38 %	4,679	3,195	46 %
Product development	1,848	1,693	9 %	6,179	5,518	12 %
General and administrative	3,193	2,635	21 %	9,893	7,667	29 %
Total	\$ 6,839	\$ 5,685	20 %	\$ 21,985	\$ 17,359	27 %

**CONDENSED CONSOLIDATED BALANCE SHEETS**  
(Unaudited)

<i>(In thousands)</i>	August 31, 2021	November 30, 2020
<b>Assets</b>		
<b>Current assets:</b>		
Cash, cash equivalents and short-term investments	\$ 383,677	\$ 105,995
Accounts receivable, net	77,031	84,040
Unbilled receivables and contract assets	28,479	24,917
Other current assets	19,710	23,983
<b>Total current assets</b>	<b>508,897</b>	<b>238,935</b>
Property and equipment, net	28,724	29,817
Goodwill and intangible assets, net	670,602	704,473
Right-of-use lease assets	28,286	30,635
Long-term unbilled receivables and contract assets	22,225	17,133
Other assets	16,753	20,789
<b>Total assets</b>	<b>\$ 1,275,487</b>	<b>\$ 1,041,782</b>
<b>Liabilities and shareholders' equity</b>		
<b>Current liabilities:</b>		
Accounts payable and other current liabilities	\$ 70,713	\$ 70,899
Current portion of long-term debt, net	23,886	18,242
Short-term operating lease liabilities	7,269	7,015
Short-term deferred revenue	169,740	166,387
<b>Total current liabilities</b>	<b>271,608</b>	<b>262,543</b>
Long-term debt, net	247,375	364,260
Convertible senior notes, net	291,283	—
Long-term operating lease liabilities	24,010	26,966
Long-term deferred revenue	33,280	26,908
Other long-term liabilities	11,158	15,092
<b>Shareholders' equity:</b>		
Common stock and additional paid-in capital	343,677	306,244
Retained earnings	53,096	39,769
<b>Total shareholders' equity</b>	<b>396,773</b>	<b>346,013</b>
<b>Total liabilities and shareholders' equity</b>	<b>\$ 1,275,487</b>	<b>\$ 1,041,782</b>

**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(Unaudited)

	Three Months Ended		Nine Months Ended	
	August 31, 2021	August 31, 2020	August 31, 2021	August 31, 2020
<i>(In thousands)</i>				
Cash flows from operating activities:				
Net income	\$ 30,976	\$ 23,977	\$ 63,494	\$ 62,061
Depreciation and amortization	16,383	7,480	43,074	22,721
Stock-based compensation	6,839	5,685	21,985	17,359
Other non-cash adjustments	1,009	655	4,132	8,311
Changes in operating assets and liabilities	(19,983)	(6,685)	1,917	(8,367)
Net cash flows from operating activities	35,224	31,112	134,602	102,085
Capital expenditures	(625)	(1,662)	(2,741)	(3,419)
Issuances of common stock, net of repurchases	2,947	1,719	(25,753)	(10,973)
Dividend payments to shareholders	(7,755)	(7,452)	(23,372)	(22,358)
Payments of principal on long-term debt	(5,644)	(3,763)	(111,669)	(7,525)
Proceeds from issuance of Notes, net of issuance costs	—	—	349,196	—
Purchase of capped calls	—	—	(43,056)	—
Other	(3,130)	6,520	475	(1,376)
Net change in cash, cash equivalents and short-term investments	21,017	26,474	277,682	56,434
Cash, cash equivalents and short-term investments, beginning of period	362,660	203,645	105,995	173,685
Cash, cash equivalents and short-term investments, end of period	\$ 383,677	\$ 230,119	\$ 383,677	\$ 230,119

**RECONCILIATIONS OF GAAP TO NON-GAAP SELECTED FINANCIAL MEASURES - THIRD QUARTER**

(Unaudited)

	Three Months Ended				% Change Non-GAAP	
	August 31, 2021		August 31, 2020			
<i>(In thousands, except per share data)</i>						
<b>Adjusted revenue:</b>						
GAAP revenue	\$	147,417		\$	109,699	
Acquisition-related revenue <sup>(1)</sup>		5,180			1,183	
Non-GAAP revenue	\$	152,597	100 %	\$	110,882	100 %
						38 %
<b>Adjusted income from operations:</b>						
GAAP income from operations	\$	46,046	31 %	\$	33,193	30 %
Amortization of acquired intangibles		11,577	8 %		5,840	5 %
Restructuring expenses and other		40	— %		91	— %
Stock-based compensation		6,839	4 %		5,685	5 %
Acquisition-related revenue <sup>(1)</sup> and expenses		6,661	4 %		2,308	2 %
Non-GAAP income from operations	\$	71,163	47 %	\$	47,117	42 %
						51 %
<b>Adjusted net income:</b>						
GAAP net income	\$	30,976	21 %	\$	23,977	22 %
Amortization of acquired intangibles		11,577	8 %		5,840	5 %
Restructuring expenses and other		40	— %		91	— %
Stock-based compensation		6,839	3 %		5,685	5 %
Acquisition-related revenue <sup>(1)</sup> and expenses		6,661	4 %		2,308	2 %
Amortization of discount on notes		2,868	2 %		—	— %
Provision for income taxes		(6,384)	(4)%		(2,296)	(2)%
Non-GAAP net income	\$	52,577	34 %	\$	35,605	32 %
						48 %
<b>Adjusted diluted earnings per share:</b>						
GAAP diluted earnings per share	\$	0.70		\$	0.53	
Amortization of acquired intangibles		0.26			0.12	
Stock-based compensation		0.15			0.13	
Acquisition-related revenue <sup>(1)</sup> and expenses		0.15			0.05	
Amortization of discount on notes		0.06			—	
Provision for income taxes		(0.14)			(0.05)	
Non-GAAP diluted earnings per share	\$	1.18		\$	0.78	
						51 %
<b>Non-GAAP weighted avg shares outstanding - diluted</b>						
		44,502			45,364	(2)%

(1) Acquisition-related revenue constitutes revenue reflected as pre-acquisition deferred revenue that would otherwise have been recognized but for the purchase accounting treatment of acquisitions. Since GAAP accounting requires the elimination of this revenue, GAAP results alone do not fully capture all of our economic activities.

**RECONCILIATIONS OF GAAP TO NON-GAAP SELECTED FINANCIAL MEASURES - YEAR TO DATE**  
(Unaudited)

(In thousands, except per share data)

	Nine Months Ended				% Change Non-GAAP	
	August 31, 2021		August 31, 2020			
<b>Adjusted revenue:</b>						
GAAP revenue	\$	391,185		\$	319,765	
Acquisition-related revenue <sup>(1)</sup>		22,394			7,384	
Non-GAAP revenue	\$	413,579	100 %	\$	327,149	100 %
<b>Adjusted income from operations:</b>						
GAAP income from operations	\$	95,744	24 %	\$	89,214	28 %
Amortization of acquired intangibles		33,555	8 %		17,458	5 %
Restructuring expenses and other		1,133	— %		1,826	— %
Stock-based compensation		21,985	5 %		17,359	5 %
Acquisition-related revenue <sup>(1)</sup> and expenses		25,115	6 %		8,823	3 %
Non-GAAP income from operations	\$	177,532	43 %	\$	134,680	41 %
<b>Adjusted net income:</b>						
GAAP net income	\$	63,494	16 %	\$	62,061	19 %
Amortization of acquired intangibles		33,555	8 %		17,458	5 %
Restructuring expenses and other		1,133	— %		1,826	— %
Stock-based compensation		21,985	5 %		17,359	5 %
Acquisition-related revenue <sup>(1)</sup> and expenses		25,115	6 %		8,823	3 %
Amortization of discount on notes		4,348	1 %		—	— %
Provision for income taxes		(18,036)	(4)%		(8,563)	(2)%
Non-GAAP net income	\$	131,594	32 %	\$	98,964	30 %
<b>Adjusted diluted earnings per share:</b>						
GAAP diluted earnings per share	\$	1.43		\$	1.37	
Amortization of acquired intangibles		0.75			0.38	
Restructuring expenses and other		0.03			0.04	
Stock-based compensation		0.48			0.39	
Acquisition-related revenue <sup>(1)</sup> and expenses		0.56			0.19	
Amortization of discount on notes		0.10			—	
Provision for income taxes		(0.40)			(0.19)	
Non-GAAP diluted earnings per share	\$	2.95		\$	2.18	35 %
<b>Non-GAAP weighted avg shares outstanding - diluted</b>						
		44,542			45,382	(2)%

(1) Acquisition-related revenue constitutes revenue reflected as pre-acquisition deferred revenue that would otherwise have been recognized but for the purchase accounting treatment of acquisitions. Since GAAP accounting requires the elimination of this revenue, GAAP results alone do not fully capture all of our economic activities.

**OTHER NON-GAAP FINANCIAL MEASURES**  
(Unaudited)

**Quarter to Date Adjusted Free Cash Flow**

<i>(In thousands)</i>	Q3 2021	Q3 2020	% Change
Cash flows from operations	\$ 35,224	\$ 31,112	13 %
Purchases of property and equipment	(625)	(1,662)	(62)%
Free cash flow	34,599	29,450	17 %
Add back: restructuring payments	423	651	(35)%
Adjusted free cash flow	<u>\$ 35,022</u>	<u>\$ 30,101</u>	<u>16 %</u>

**Year to Date Adjusted Free Cash Flow**

<i>(In thousands)</i>	Q3 2021	Q3 2020	% Change
Cash flows from operations	\$ 134,602	\$ 102,085	32 %
Purchases of property and equipment	(2,741)	(3,419)	(20)%
Free cash flow	131,861	98,666	34 %
Add back: restructuring payments	5,087	3,131	62 %
Adjusted free cash flow	<u>\$ 136,948</u>	<u>\$ 101,797</u>	<u>35 %</u>

**RECONCILIATIONS OF GAAP TO NON-GAAP FINANCIAL MEASURES FOR FISCAL YEAR 2021 GUIDANCE**

(Unaudited)

**Fiscal Year 2021 Updated Revenue Guidance**

	Fiscal Year Ended		Fiscal Year Ending					
	November 30, 2020		November 30, 2021					
(In millions)			Low	% Change	High	% Change		
GAAP revenue	\$	442.1	\$	520.4	18 %	\$	524.4	19 %
Acquisition-related adjustments - revenue <sup>(1)</sup>		14.1		27.6	96 %		27.6	96 %
Non-GAAP revenue	\$	456.2	\$	548.0	20 %	\$	552.0	21 %

<sup>(1)</sup>Acquisition-related revenue constitutes revenue reflected as pre-acquisition deferred revenue that would otherwise have been recognized but for the purchase accounting treatment of acquisitions. Since GAAP accounting requires the elimination of this revenue, GAAP results alone do not fully capture all of our economic activities. Acquisition-related revenue adjustments relate to Ipswitch, Chef, and Kemp.

**Fiscal Year 2021 Updated Non-GAAP Operating Margin Guidance**

	Fiscal Year Ending November 30, 2021			
		Low		High
GAAP income from operations	\$	108.9	\$	110.0
GAAP operating margins		21 %		21 %
Acquisition-related revenue		27.6		27.6
Acquisition-related expense		3.4		3.4
Restructuring expense		4.8		4.8
Stock-based compensation		28.9		28.9
Amortization of acquired intangibles		46.9		46.9
Total adjustments <sup>(2)</sup>		111.6		111.6
Non-GAAP income from operations	\$	220.5	\$	221.6
Non-GAAP operating margin		40 %		40 %

<sup>(2)</sup>Total adjustments include preliminary estimates relating to the valuation of intangible assets acquired from Chef and Kemp and restructuring expenses. The final amounts will not be available until the Company's internal procedures and reviews are completed.

**Fiscal Year 2021 Updated Non-GAAP Earnings per Share and Effective Tax Rate Guidance**

	Fiscal Year Ending November 30, 2021			
		Low		High
GAAP net income	\$	69.7	\$	70.6
Adjustments (from previous table)		111.6		111.6
Amortization of discount on notes		7.2		7.2
Income tax adjustment <sup>(3)</sup>		(24.4)		(24.3)
Non-GAAP net income	\$	164.1	\$	165.1
GAAP diluted earnings per share	\$	1.56	\$	1.58
Non-GAAP diluted earnings per share	\$	3.68	\$	3.70
Diluted weighted average shares outstanding		44.6		44.6

<sup>(3)</sup>Tax adjustment is based on a non-GAAP effective tax rate of approximately 21% for Low and 20% for High, calculated as follows:

Non-GAAP income from operations	\$	220.5	\$	221.6
Other (expense) income		(14.0)		(14.0)
Non-GAAP income from continuing operations before income taxes		206.5		207.6
Non-GAAP net income		164.1		165.1
Tax provision	\$	42.4	\$	42.5
Non-GAAP tax rate		21 %		20 %

**RECONCILIATIONS OF GAAP TO NON-GAAP FINANCIAL MEASURES FOR FISCAL YEAR 2021 GUIDANCE**

(Unaudited)

**Fiscal Year 2021 Adjusted Free Cash Flow Guidance**

<i>(In millions)</i>	Fiscal Year Ending November 30, 2021	
	Low	High
Cash flows from operations (GAAP)	\$ 168	\$ 172
Purchases of property and equipment	(5)	(5)
Add back: restructuring payments	5	5
Adjusted free cash flow (non-GAAP)	\$ 168	\$ 172

**RECONCILIATIONS OF GAAP TO NON-GAAP FINANCIAL MEASURES FOR Q4 2021 GUIDANCE**

(Unaudited)

**Q4 2021 Revenue Guidance**

	Three Months Ended		Three Months Ending					
	November 30, 2020		November 30, 2021					
			Low	% Change	High	% Change		
(In millions)								
GAAP revenue	\$	122.4	\$	129.2	6 %	\$	133.2	9 %
Acquisition-related adjustments - revenue <sup>(1)</sup>		6.7		5.2	(22)%		5.2	(22)%
Non-GAAP revenue	\$	129.1	\$	134.4	4 %	\$	138.4	7 %

<sup>(1)</sup>Acquisition-related revenue constitutes revenue reflected as pre-acquisition deferred revenue that would otherwise have been recognized but for the purchase accounting treatment of acquisitions. Since GAAP accounting requires the elimination of this revenue, GAAP results alone do not fully capture all of our economic activities. Acquisition-related revenue adjustments relate to Ipswitch, Chef, and Kemp.

**Q4 2021 Non-GAAP Earnings per Share Guidance**

	Three Months Ending November 30, 2021			
	Low		High	
GAAP diluted earnings per share	\$	0.13	\$	0.15
Acquisition-related revenue		0.12		0.12
Acquisition-related expense		0.02		0.02
Restructuring expense		0.08		0.08
Stock-based compensation		0.15		0.15
Amortization of acquired intangibles		0.30		0.30
Total adjustments <sup>(2)</sup>		0.67		0.67
Amortization of discount on notes		0.06		0.06
Income tax adjustment		(0.13)		(0.13)
Non-GAAP diluted earnings per share	\$	0.73	\$	0.75

<sup>(2)</sup>Total adjustments include preliminary estimates relating to the valuation of intangible assets acquired from Chef and Kemp. The final amounts will not be available until the Company's internal procedures and reviews are completed.



# Progress Financial Results

Q3 2021 Supplemental Data



# Legal Notice

This presentation contains statements that are "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Progress has identified some of these forward-looking statements with words like "believe," "may," "could," "would," "might," "should," "expect," "intend," "plan," "target," "anticipate" and "continue," the negative of these words, other terms of similar meaning or the use of future dates. Forward-looking statements in this presentation include, but are not limited to, statements regarding Progress's strategy, acquisitions, future revenue growth, operating margin and cost savings; strategic partnering and marketing initiatives; and other statements regarding the future operation, direction, prospects and success of Progress's business.

There are a number of factors that could cause actual results or future events to differ materially from those anticipated by the forward-looking statements, including, without limitation:

- Economic, geopolitical and market conditions can adversely affect our business, results of operations and financial condition, including our revenue growth and profitability, which in turn could adversely affect our stock price.
- We may fail to achieve our financial forecasts due to such factors as delays or size reductions in transactions, fewer large transactions in a particular quarter, fluctuations in currency exchange rates, or a decline in our renewal rates for contracts.
- Our ability to successfully manage transitions to new business models and markets, including an increased emphasis on a cloud and subscription strategy, may not be successful.
- If we are unable to develop new or sufficiently differentiated products and services, or to enhance and improve our existing products and services in a timely manner to meet market demand, partners and customers may not purchase new software licenses or subscriptions or purchase or renew support contracts.
- We depend upon our extensive partner channel and we may not be successful in retaining or expanding our relationships with channel partners.
- Our international sales and operations subject us to additional risks that can adversely affect our operating results, including risks relating to foreign currency gains and losses.
- If the security measures for our software, services, other offerings or our internal information technology infrastructure are compromised or subject to a successful cyber-attack, or if our software offerings contain significant coding or configuration errors, we may experience reputational harm, legal claims and financial exposure.
- We have made acquisitions, and may make acquisitions in the future, and those acquisitions may not be successful, may involve unanticipated costs or other integration issues or may disrupt our existing operations.
- Delay or failure to realize the expected synergies and benefits of the Kemp acquisition could adversely impact our future results of operations and financial condition.
- The continuing impact of the coronavirus disease (COVID-19) outbreak on our employees, customers, partners, and the global financial markets could adversely affect our business, results of operations and financial condition.

For further information regarding risks and uncertainties associated with our business, please refer to our filings with the Securities and Exchange Commission. Progress undertakes no obligation to update any forward-looking statements, which speak only as of the date of this presentation, except for statements relating to Progress' projected results for the quarter ended August 31, 2021 and fiscal year ended November 30, 2021, which speak only as of September 23, 2021.

Finally, during this presentation we will be referring to non-GAAP financial measures such as non-GAAP revenue, non-GAAP income from operations and operating margin, adjusted free cash flow and non-GAAP diluted earnings per share. These non-GAAP measures are not prepared in accordance with generally accepted accounting principles. A reconciliation between non-GAAP and the most directly comparable GAAP financial measures appears in our earnings press release for the fiscal quarter ended August 31, 2021 and is available in the Investor Relations section of our Web site.

# Conference Call Details

What: Progress Q3 2021 Financial Results Conference Call

When: Thursday, September 23<sup>rd</sup>, 2021

Time: 5:00 p.m. ET

Live Call: (800) 773-2954  
(847) 413-3731  
Conf ID: 50220857

Live / Recorded Webcast: <http://investors.progress.com>

# Summary Highlights

## Strong Financial Results

- Three consecutive quarters of strong performance provide confidence to **increase our full year FY21 guidance for the third time this year**, driven by top-line strength across all products.
  - Stable, durable top line reflected in **ARR growth** (up 25% on an as reported basis and 4% on a pro-forma basis, both in constant currency) and **improvement in net retention rate** to above 100%.
- **Chef contributing on the top and bottom line** with OpenEdge, DataDirect, DevTools, and Ipswitch also showing notable strength.
- **Continued strong demand across product lines and markets** (vs 2020) as customers and partners fund new projects or expand existing deployments, coupled with outstanding execution.

## Kemp Acquisition

- **Aligns well with our Total Growth Strategy**; creates shareholder value while adding scale.
- **Meets Our Disciplined Acquisition Criteria**; purchased at a reasonable multiple in a hyper-competitive M&A environment.
- **Adds leading Application Experience (AX) technologies to our** DevOps, Application Development, Data Connectivity and DX offerings.

# Kemp – Company Overview

*Kemp is the leader in Application Experience (“AX”) technologies. Its Loadmaster and Flowmon products ensure high performance and always-on availability by monitoring performance and balancing traffic and workloads across servers. Kemp’s technologies help customers optimize, analyze and secure their applications across private and multi-cloud environments.*

~1,100  
Active Customers

100,000 Deployments  
138 Countries

~ 90 Distributors  
~2,000 VARs and SIs

## Company Highlights

- \$70M (2022E)
- 1,100 active customers, including global brands: Amazon, Disney, NFL, Walmart, Apple, Dell, Raytheon, NASA, USAF, Audi, Hyundai, Ford, Harvard University, UPS, Merck, Rite Aid, Pemex, Nestle...
- Founded 2000
- Headquartered in Melville, NY
- ~300 employees

## Product Break-out

- LOADMASTER ADC
  - Hardware LoadMaster Load Balancer
  - Cloud-native LoadMaster Load Balancer
  - Virtual LoadMaster Load Balancer
  - ECS Connection Manager
  - Multi-tenant Load Balancer
- FLOWMON NPMD & NDR
  - Flowmon Collector
  - Flowmon Probe

# Kemp's AX Technologies

**Application Delivery Control**

"ADC" provides simplified deployments, flexible licensing, and unmatched value for load balancing apps across cloud and on-prem environments.

**Network Performance Monitoring**

"NPMD" provides intelligent network traffic capture, comprehensive network performance monitoring, and automated root-cause analysis.

**Network Detection & Response**

"NDR" employs AI-driven behavior analysis and anomaly detection to preemptively mitigate the most subtle exploits before they have negative impact.

**Application Performance Monitoring**

"APM" Provides insights on app and database performance combined with workflow automation for addressing sub-optimal AX.

*Kemp's AX products add scale to our existing strengths in DevOps, Application Development, Data Connectivity and DX and the ability to provide Agile Infrastructure (Cloud Platforms and Chef), and complement WhatsUp Gold, our market-leading easy-to-use network management product acquired with Ipswitch.*

# Kemp - Transaction Overview

Timing	<ul style="list-style-type: none"><li>• Definitive agreement signed September 23, 2021</li><li>• Expected close in Q4 2021 subject to customary closing conditions and regulatory review</li></ul>
Purchase Price	<ul style="list-style-type: none"><li>• \$258 million, all-cash transaction<ul style="list-style-type: none"><li>▪ \$384 million of existing cash</li><li>▪ Approximately \$100 million revolving credit facility</li></ul></li></ul>
Financial Overview	<ul style="list-style-type: none"><li>• Approximately \$70 million in revenue – no expectation of revenue synergies</li><li>• Operating margins over 40% after cost synergies</li><li>• Accretive to both non-GAAP EPS and cash flow beginning in Q4 2021</li></ul>
FY21 Financial Impact	<ul style="list-style-type: none"><li>• Based on expected closing date, Kemp will be part of Progress for 1 month in FY'21<ul style="list-style-type: none"><li>▪ \$4M - \$5M non-GAAP revenue contribution</li><li>▪ \$0.01 non-GAAP net income per share</li></ul></li></ul>
Integration	<ul style="list-style-type: none"><li>• Cost synergies fully realized within 12 months</li></ul>

## M&A Framework

--- Goal is to double the size of the company in 5 years ---

Accretive M&A enables us to add scale and cash flows, and generate strong shareholder returns

- Target acquisition profile:
  - Complementary to our business (product, audience, and growth profile)
  - Significant recurring revenue and excellent retention rates
  - Cost synergistic and accretive
  - Operating margins after synergies that are consistent with our overall margins
  - ROIC above our weighted average cost of capital

# Progress Investment Highlights



Durable, predictable financial model



High-quality revenue base, high and increasing mix of recurring revenue



Accretive M&A and operational efficiencies driving margin improvement



Track record of successful acquisition integration and synergy achievement



Delivering meaningful earnings per share and free cash flow growth



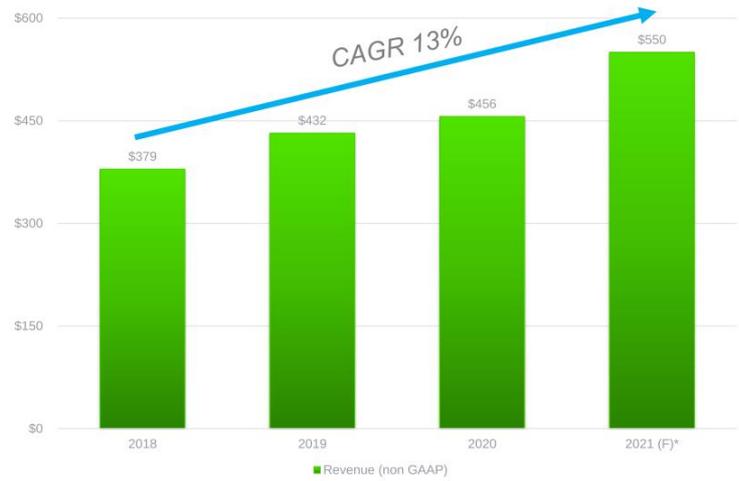
Disciplined and shareholder-friendly capital allocation strategy

## Summary Q3 2021 Financial Results

	Q3 2021 Results	Q3 2021 Outlook (6/24/2021)
GAAP Revenue	\$147 M	\$124 M - \$127 M
Non-GAAP Revenue	\$153 M	\$129 M - \$132 M
GAAP earnings per share (Diluted)	\$0.70	\$0.34 - \$0.36
Non-GAAP earnings per share (Diluted)	\$1.18	\$0.81 - \$0.83
GAAP Operating Margin	31%	Not guided
Non-GAAP Operating Margin	47%	Not guided
Adjusted Free Cash Flow	\$35 M	Not guided

# Driving Total Growth

- FY'21(F)\* revenue growth of 21%
- Revenue CAGR of 13%  
2018 – 2021(F)\*



\* Represents the mid-point of our FY'21 guidance range



# Quarterly Revenue Performance and Timing \*

- Meaningful over-performance in Q3 in addition to deal timing benefit
- Q3 revenue timing pulls from Q4 into Q3 but doesn't detract from the full year

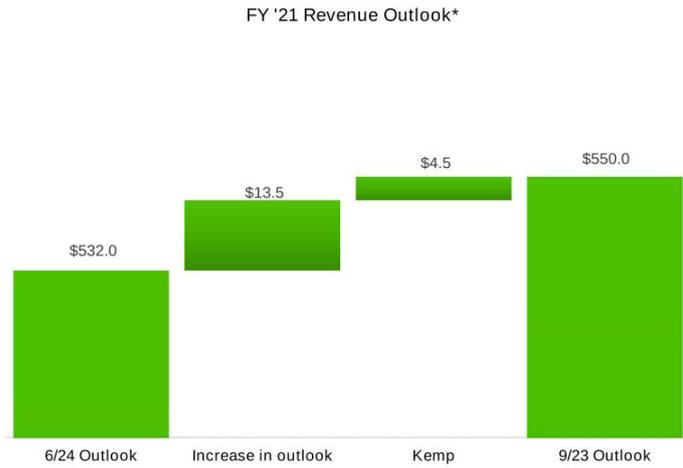


© 2021 Progress Software Corporation and/or its subsidiaries or affiliates. All rights reserved.

\* The "outlook" in the above charts represent the mid-point of our guidance range

# Full Year Revenue Outlook\*

- The increase in FY'21 outlook is driven by
  - Over-performance and
  - One month of Kemp
- Full year FY'21 outlook
  - Initial \$517
  - Q1 \$523
  - Q2 \$532
  - Q3 \$550



\* Outlook represent the mid-point of our guidance range

# Growth in Annualized Recurring Revenue

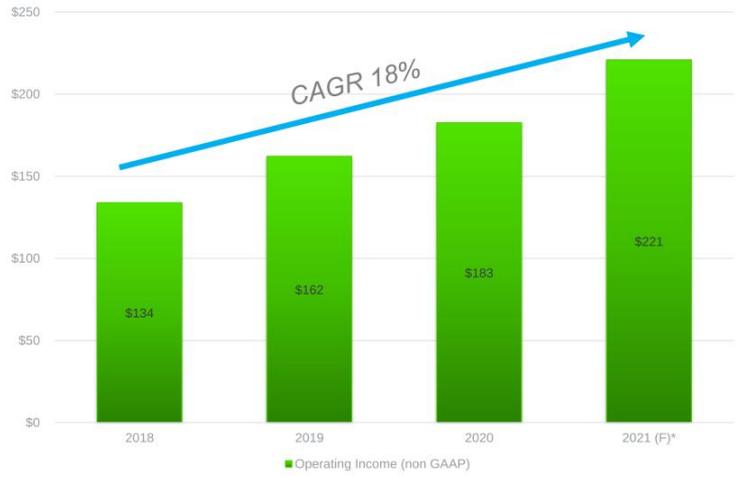
(amounts reported in constant currency)



Note: ARR is a Non-GAAP operating metric and does not have a standardized definition. It is therefore unlikely to be comparable to similarly titled measures presented by other companies. ARR should be viewed independently of revenue and deferred revenue and is not intended to be combined with or to replace either of those items. ARR is not a forecast and the active contracts at the end of a reporting period used in calculating ARR may or may not be extended or renewed by our customers.

# Growing Profitability

- Consistent growth in operating income  
*CAGR 18% FY'18 – FY'21(F)\**
- Best-in-class operating margins consistently above 35%



\* Represents the mid-point of our FY'21 guidance range



## Business Outlook (as of September 23, 2021)

	Q4 2021 Current Outlook	FY 2021 Current Outlook	FY 2021 Prior Outlook (As of 6/24/2021)	
Non-GAAP Revenue	\$134 M – \$138 M	\$548 M – \$552 M	\$529 M – \$535 M	↑
Non-GAAP EPS	\$0.73 – \$0.75	\$3.68 – \$3.70	\$3.46 – \$3.50	↑
Non-GAAP Operating Margin	Not guided	40%	39%	↑
Non-GAAP Adjusted Free Cash Flow	Not guided	\$168 M – \$172 M	\$158 M – \$162 M	↑
Non-GAAP Effective Tax Rate	Not guided	20 - 21%	20 - 21%	≡

## Supplemental Financial Information \*

\* The following supplemental financial information is presented on a GAAP basis.  
A reconciliation of non-GAAP financial measures to the most directly comparable GAAP  
numbers can be found in the financial results press release that we issued today.

---

# Supplemental Revenue Information

(Unaudited)

(in thousands)	QTD GAAP Basis						
	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021
<b>Revenue by Type</b>							
License	30,629	19,663	27,514	37,443	33,317	30,107	51,930
Maintenance	70,056	71,686	72,764	74,381	76,977	80,069	82,875
Services	8,998	9,034	9,421	10,561	10,986	12,312	12,612
<b>Total Revenue</b>	<b>\$ 109,683</b>	<b>\$ 100,383</b>	<b>\$ 109,699</b>	<b>\$ 122,385</b>	<b>\$ 121,280</b>	<b>\$ 122,488</b>	<b>\$ 147,417</b>
<b>Revenue by Region</b>							
North America	65,413	56,564	62,927	76,094	71,505	71,094	93,880
EMEA	34,988	34,157	37,447	37,162	40,240	41,321	40,999
Latin America	4,000	3,346	3,547	3,681	3,493	3,753	5,298
Asia Pacific	5,282	6,316	5,778	5,448	6,042	6,320	7,240
<b>Total Revenue</b>	<b>\$ 109,683</b>	<b>\$ 100,383</b>	<b>\$ 109,699</b>	<b>\$ 122,385</b>	<b>\$ 121,280</b>	<b>\$ 122,488</b>	<b>\$ 147,417</b>

# Other NON-GAAP Financial Measures

(Unaudited)

(in thousands)	QTD GAAP Q3 2021	QTD Non-GAAP Adjustment	QTD Non-GAAP Revenue
<b>Revenue by Type</b>			
License	51,930	226	52,156
Maintenance	82,875	4,925	87,800
Services	12,612	29	12,641
<b>Total Revenue</b>	<b>\$ 147,417</b>	<b>\$ 5,180</b>	<b>\$ 152,597</b>
<b>Revenue by Region</b>			
North America	93,880	3,744	97,624
EMEA	40,999	1,155	42,154
Latin America	5,298	21	5,319
Asia Pacific	7,240	260	7,500
<b>Total Revenue</b>	<b>\$ 147,417</b>	<b>\$ 5,180</b>	<b>\$ 152,597</b>

## Other NON-GAAP Financial Measures

(Unaudited)

(in thousands)	YTD GAAP Q3 2021	YTD Non-GAAP Adjustment	YTD Non-GAAP Q3 2021
<b>Revenue by Type</b>			
License	115,354	2,984	118,338
Maintenance	239,921	19,243	259,164
Services	35,910	167	36,077
Total Revenue	<u>\$ 391,185</u>	<u>\$ 22,394</u>	<u>\$ 413,579</u>
<b>Revenue by Region</b>			
North America	236,479	15,186	251,665
EMEA	122,560	6,027	128,587
Latin America	12,544	103	12,647
Asia Pacific	19,602	1,078	20,680
Total Revenue	<u>\$ 391,185</u>	<u>\$ 22,394</u>	<u>\$ 413,579</u>



