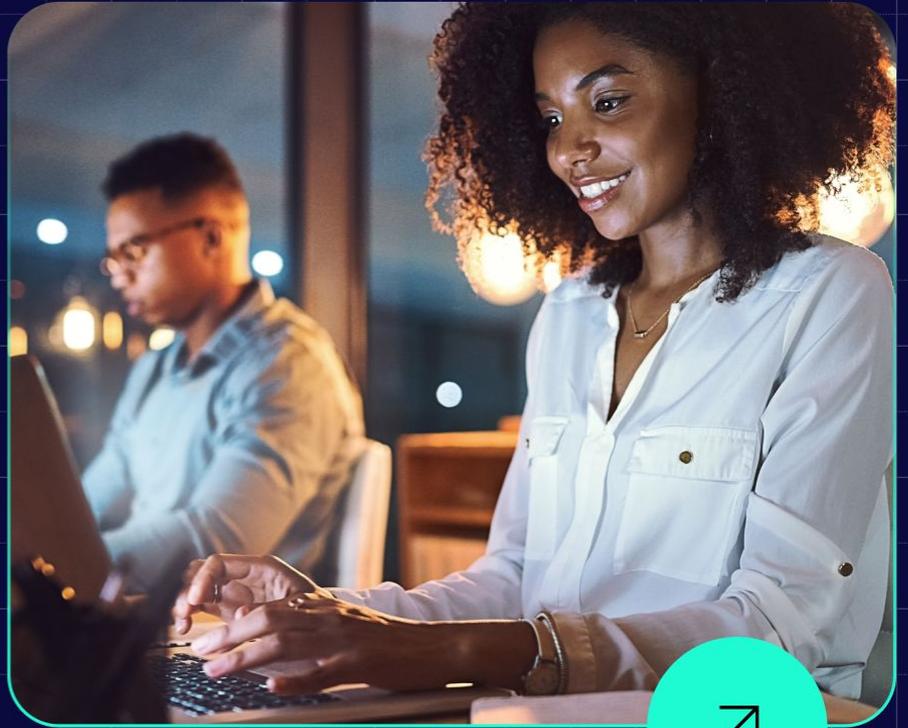




Third Quarter 2023

# Investor Presentation



# Safe harbor and other information.

This presentation contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. We intend such forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in Section 27A of the Securities Act of 1933, as amended and Section 21E of the Securities Exchange Act of 1934, as amended. All statements contained in this presentation other than statements of historical fact, including, without limitation, statements regarding the ongoing impact of the conflict in Israel on our business and financial performance; the Company's future financial results, including revenue and non-GAAP operating loss guidance, and expectations regarding the Company's operations and future profitability; the capabilities of and demand for the Company's services; the growth and evolution of the digital adoption platform industry; the Company's future financial strategy and competitive market position within the industry are all forward-looking statements. The words "believe," "may," "will," "estimate," "potential," "continue," "anticipate," "intend," "expect," "could," "would," "project," "plan," "target," and similar expressions are intended to identify forward-looking statements, though not all forward-looking statements use these words or expressions. These forward-looking statements are subject to risks, uncertainties and assumptions, some of which are beyond our control. In addition, these forward-looking statements reflect our current views with respect to future events and are not a guarantee of future performance. Actual outcomes may differ materially from the information contained in the forward-looking statements as a result of a number of factors, including, without limitation, the following: our ability to manage our growth effectively, sustain our historical growth rate in the future or achieve or maintain profitability; the impact of adverse macro-economic changes on our business, financial condition and results of operations; the growth and expansion of the markets for our offerings and our ability to adapt and respond effectively to evolving market conditions; our estimates of, and future expectations regarding, our market opportunity; our ability to keep pace with technological and competitive developments and develop or otherwise introduce new products and solutions and enhancements to our existing offerings; our ability to maintain the interoperability of our offerings across devices, operating systems and third-party applications and to maintain and expand our relationships with third-party technology partners; the effects of increased competition in our target markets and our ability to compete effectively; our ability to attract and retain new customers and to expand within our existing customer base; the success of our sales and marketing operations, including our ability to realize efficiencies and reduce customer acquisition costs; risks related to the war in Israel and the related challenges to the political, economic and security conditions in Israel and its impact on our business, financial performance and our actions designed to mitigate such impact; our ability to meet the service-level commitments under our customer agreements and the effects on our business if we are unable to do so; our relationships with, and dependence on, various third-party service providers; our ability to maintain and enhance awareness of our brand; our ability to offer high quality customer support; our ability to effectively develop and expand our marketing and sales capabilities; our ability to maintain the sales prices of our offerings and the effects of pricing fluctuations; the sustainability of, and fluctuations in, our gross margin; risks related to our international operations and our ability to expand our international business operations; the effects of currency exchange rate fluctuations on our results of operations, including recent declines in the value of the Israeli shekel following Hamas' attacks against Israel; challenges and risks related to our sales to government entities; our ability to consummate acquisitions at our historical rate and at acceptable prices, to enter into other strategic transactions and relationships, and to manage the risks related to these transactions and arrangements; our ability to protect our proprietary technology, or to obtain, maintain, protect and enforce sufficiently broad intellectual property rights therein; our ability to maintain the security and availability of our platform, products and solutions; our ability to comply with current and future legislation and governmental regulations to which we are subject or may become subject in the future; changes in applicable tax law, the stability of effective tax rates and adverse outcomes resulting from examination of our income or other tax returns; the effects of unfavorable conditions in our industry or the global economy or reductions in information technology spending; factors that may affect the future trading prices of our ordinary shares; and other risk factors set forth in the section titled "Risk Factors" in our Annual Report on form 20-F filed with the Securities and Exchange Commission on March 14, 2023, and other documents filed with or furnished to the SEC. These statements reflect management's current expectations regarding future events and operating performance and speak only as of the date of this presentation. You should not put undue reliance on any forward-looking statements. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee that future results, levels of activity, performance and events and circumstances reflected in the forward-looking statements will be achieved or will occur. Except as required by applicable law, we undertake no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise, after the date on which the statements are made or to reflect the occurrence of unanticipated events.

Unless otherwise indicated, information contained in this presentation concerning economic conditions, our industry, the markets in which we operate and our competitive position is based on a variety of sources, including information from independent industry analysts and publications, as well as our own estimates and research. Management estimates are derived from publicly available information released by independent third-party sources, as well as data from our internal research, and are based on assumptions made by us upon reviewing such data and our knowledge of our industry and the markets in which we operate, which we believe to be reasonable. Although we believe the data from these third-party sources is reliable, we have not independently verified any such information, and these sources generally state that the information they contain has been obtained from sources believed to be reliable. In addition, as discussed above, projections, assumptions and estimates of the future performance of the industry in which we operate and our future performance are necessarily subject to uncertainty and risk due to a variety of factors that could cause our actual results to differ materially from those expressed in the estimates made by the independent third parties and by us.

# Our use of Non-GAAP financial measures.

In addition to our financial information reported in accordance with GAAP, this presentation may contain one or more of the following non-GAAP financial measures: Non-GAAP Gross Profit, Non-GAAP Gross Margin, Non-GAAP Operating Income (Loss), Non-GAAP Operating Margin, Non-GAAP Net Income (Loss) attributable to WalkMe Ltd., Non-GAAP Net Income (Loss) per share attributable to WalkMe Ltd. and Free Cash Flow, all of which are non-GAAP financial measures. We believe that these measures provide useful information about operating results, enhance the overall understanding of past financial performance and future prospects, and allow for greater transparency with respect to key measures used by management in its financial and operational decision making. Non-GAAP financial measures have limitations as analytical tools and may differ from similarly titled measures presented by other companies. The presentation of this financial information is not intended to be considered as a substitute for the financial information prepared and presented in accordance with GAAP. Investors are encouraged to review the related GAAP financial measures and the reconciliation of these non-GAAP financial measures to their most directly comparable GAAP financial measures and not rely on any single financial measure to evaluate our business.

**Non-GAAP Gross Profit and Non-GAAP Gross Margin.** We define Non-GAAP Gross Profit as gross profit excluding share-based compensation, amortization of acquired intangibles and restructuring costs. We exclude these items because they occur for reasons that may be unrelated to our core operating performance during the period, and because we believe that such items may obscure underlying business trends and make comparisons of long-term performance difficult. We use Non-GAAP Gross Profit with traditional GAAP measures to evaluate our financial performance. Non-GAAP Gross Margin is calculated as a percentage of revenues.

**Non-GAAP Operating Income (Loss) and Non-GAAP Operating Margin.** We define Non-GAAP Operating Income (Loss) as net income (loss) from operations excluding share-based compensation, amortization, and impairment of acquired intangible assets and restructuring costs. We exclude these items because they occur for reasons that may be unrelated to our core operating performance during the period, and because we believe that such items may obscure underlying business trends and make comparisons of long-term performance difficult. We use Non-GAAP Operating Income (Loss) with traditional GAAP measures to evaluate our financial performance. Non-GAAP Operating Margin is calculated as a percentage of revenues.

**Non-GAAP Net Income (Loss) attributable to WalkMe Ltd.** We define Non-GAAP Net Income (Loss) attributable to WalkMe Ltd. as net income (loss) attributable to WalkMe Ltd. excluding share-based compensation, amortization and impairment of acquired intangibles, restructuring costs and adjustment attributable to non-controlling interest. We exclude these items because they occur for reasons that may be unrelated to our core operating performance during the period, and because we believe that such items may obscure underlying business trends and make comparisons of long-term performance difficult. We use Non-GAAP Net Income (Loss) attributable to WalkMe Ltd. with traditional GAAP measures to evaluate our financial performance.

Non-GAAP Net Income (Loss) per Share attributable to WalkMe Ltd. is calculated based on the periodic weighted average of ordinary shares basic and diluted.

**Free Cash Flow.** We define Free Cash Flow as net cash provided by (used in) operating activities, less cash used for purchases of property and equipment and capitalized internal-use software development costs. We believe that Free Cash Flow is a useful indicator of liquidity that provides information to management and investors, even if negative, about the amount of cash used in our business. Our Free Cash Flow may vary from period to period and be impacted as we continue to invest for growth in our business.

**ARR.** We define ARR as the annualized value of customer subscription contracts as of the measurement date, assuming any contract that expires during the next 12 months is renewed on its existing terms (including contracts for which we are negotiating a renewal). Our calculation of ARR is not adjusted for the impact of any known or projected future events (such as customer cancellations, upgrades or downgrades, or price increases or decreases) that may cause any such contract not to be renewed on its existing terms. In addition, the amount of actual revenue that we recognize over any 12-month period is likely to differ from ARR at the beginning of that period, sometimes significantly. This may occur due to new bookings, cancellations, upgrades, downgrades or other changes in pending renewals, as well as the effects of professional services revenue and acquisitions or divestitures. As a result, ARR should be viewed independently of, and not as a substitute for or forecast of, revenue and deferred revenue. Our calculation of ARR may differ from similarly titled metrics presented by other companies.

For more information on the non-GAAP financial measures, please see the reconciliation tables provided in the appendix to this presentation. The accompanying reconciliation tables have more details on the GAAP financial measures that are most directly comparable to non-GAAP financial measures and the related reconciliations between these financial measures.

# WalkMe at a glance.\*

Digital Adoption Platform accredited market category



## \$67M

3Q23 Total Revenue



## 104%

\$-Net Retention T4Q, customers with 500 or more employees.<sup>(1)</sup>



## ~950

Employees as of 9/30/2023



## 10%

3Q23 Y/Y Subscription Revenue Growth



## \$6.2M

3Q23 Free Cash Flow.<sup>(2)</sup>



## \$1.6M

Non-GAAP Operating Income  
2.4% Non-GAAP Operating Margin<sup>(2)</sup>

\*Based on rounded numbers | Financial, customer, and employee data as of September 30, 2023 | <sup>(1)</sup> See "Selected Other Data" in the appendix of this presentation for additional information regarding dollar-based net retention

<sup>(2)</sup> For a reconciliation of non-GAAP financial measures to the most directly comparable GAAP financial measures, please see the relevant tables in "Appendix - GAAP to Non-GAAP Reconciliation and Selected Other Data" in this presentation.

# WalkMe: Defining and Leading a new market category – Digital Adoption Platforms.



HCM



Digital Adoption Platform (DAP)



Identity Management



ERP



RPA



Service Management



CRM



BI



E-Signature

# \$34B

## Digital Adoption TAM

\*WalkMe holds over  
**40%** market share

**By 2025, 70% of organizations will use digital adoption platforms across the entire technology stack to overcome still insufficient application user experiences.**

**Melissa Hilbert, Maria Marino, Stephen Emmott**

Gartner, Market Guide for Digital Adoption Platforms,  
14 September 2022.

# Our Vision

**To make every digital interaction seamless, productive and impactful, transforming the way organizations realize value from technology.**

# The challenge

# The anticipated business outcomes of digital transformation



Increase Revenue



Improve Operating Margin



Reduce Risk



Improve Customer Experience



Improve Employee Experience



Power Innovation

**\$3.4<sub>T</sub>**

worldwide **digital transformation** spending by 2026.\*

But in reality, organizations question the ROI of their investments.



60%

of decision makers are concerned about whether digital projects will provide the expected ROI because **end users aren't adopting the technology quickly enough.\***

# The result...



## Thousands of workflows.

### Tech overload.



The average employee uses 27 applications on a weekly basis.\*

### Resistance to change.



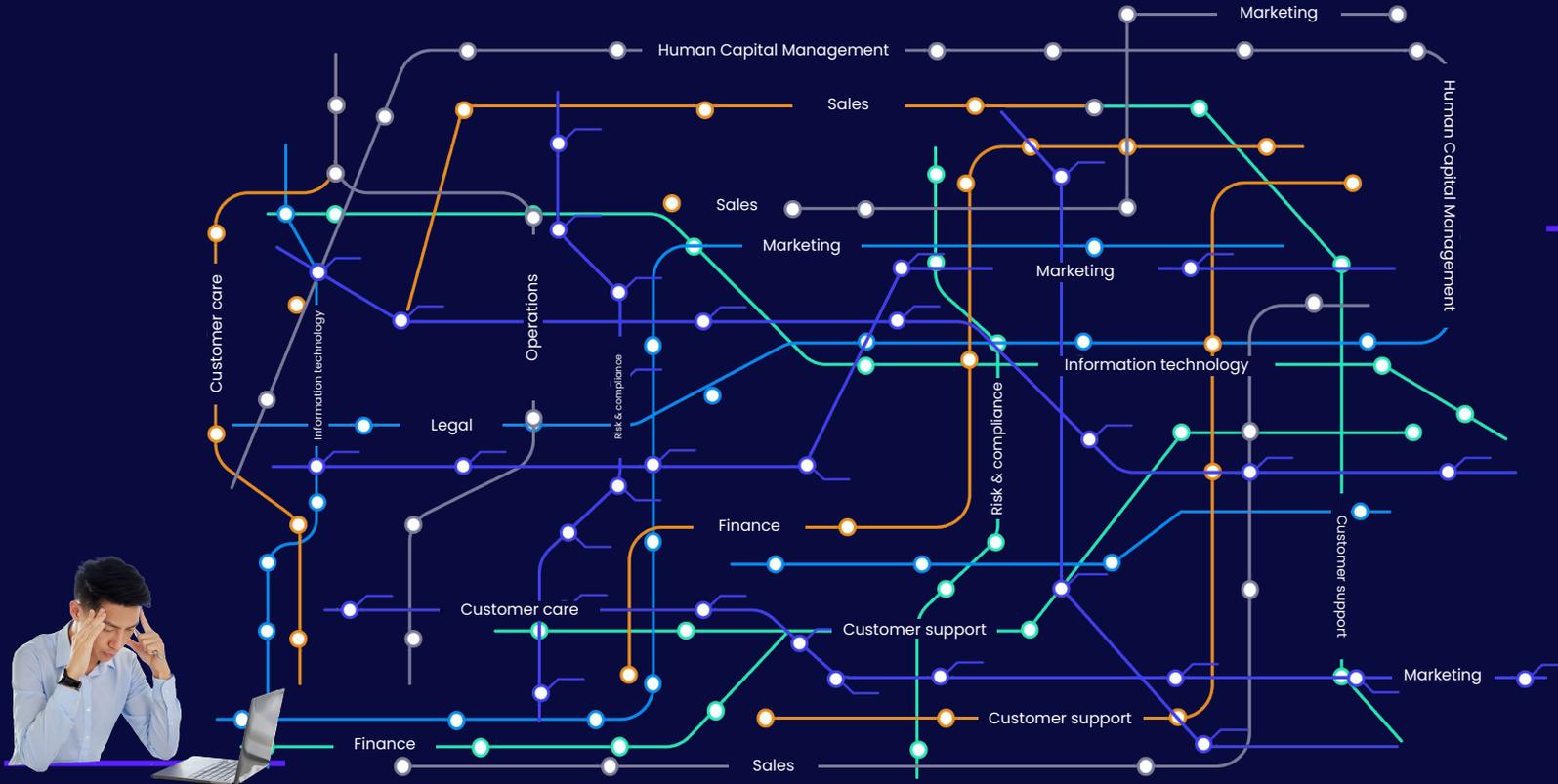
60% of enterprises say change management programs are no longer fit for purpose.\*

### Risk & compliance.



62% of enterprises are "concerned" that a lack of understanding of new applications is increasing risk.\*

# Organizations are overwhelmed with Workflows

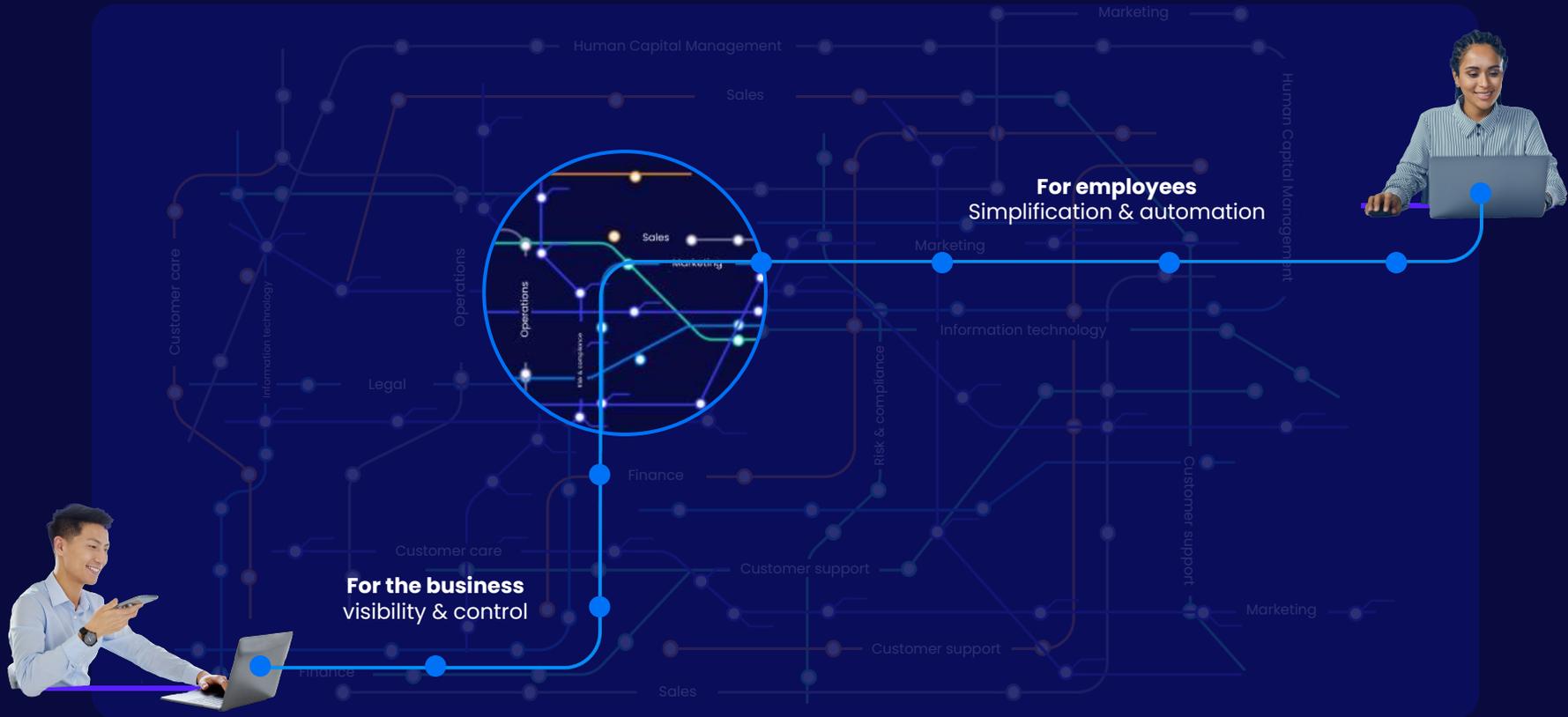


# Which are not meeting expected ROI. This results in:

- Reduced business efficiency and increased costs
- Increased complexity and lack of agility
- Low employee productivity and morale, impacting churn
- Poor customer satisfaction



# WalkMe provides the data and tools that make **work flow**.



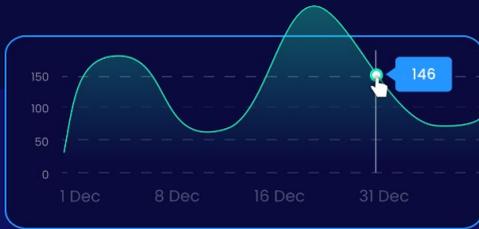
# The Digital Adoption Platform.

# WalkMe Digital Adoption Platform (DAP)

WalkMe is a platform that sits on top of your software stack. It gives you **visibility** into all the software you're running, who's using it and where they're experiencing friction, in the **context** of the job they're trying to get done. You then get the tools to create **people-first**, frictionless experiences across any number of apps and workflows so you improve software **adoption**, **save money, reduce risk**, boost **productivity** and make **employees happier**. You'll be better equipped to manage the **constant change** that is today's norm, **adapt** to new processes, software and shifting business priorities with ease.

# A user-first approach to digital adoption.

With WalkMe, leverage data across business applications and workflows to take action and simplify user experience to drive business outcomes.



## Data

Optimize software investments and business processes with enterprise-wide visibility into the tech stack and user journeys.



## Action

Leverage data to design experiences that increase adoption and engagement across workflows and applications in the form of UI elements.



## Experience

Ensure immediate and intuitive access to any workflow through contextual & personalized experiences across web, desktop, and mobile.

# Data.

## Optimize software investments and business processes with enterprise-wide visibility into the tech stack and user journeys.

- Get a full picture of your enterprise software portfolio and find opportunities to reduce software spend, consolidate tools and improve adoption.
- Improve and accelerate business process completion with real-time insights into user journeys and experiences across workflows.
- Uncover actionable insights based on user engagement with forms that you can address immediately with WalkMe.



Guidance analytics



Workflow analytics



Application analytics



Data export



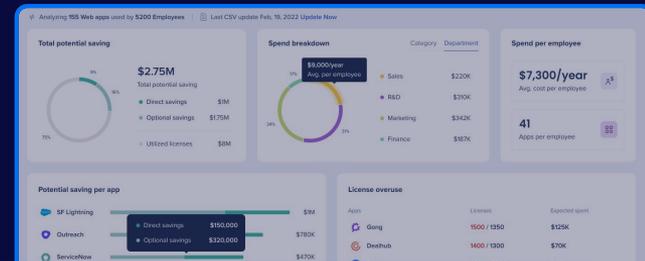
WalkMe Discovery



Custom reports



Form analytics



Open a Ticket

Clicks Errors Time Spent

Last 30 Days

Report an Issue

Submit a form to report an issue

\*Requester: Emanuel Alhazov

Walkme Internal Employees Watch list (CC)

CC Contact person outside of Walkme org. To add more than one email, use a comma in-between

\*Related System or Service

Category: None

Subcategory: None

\*Subject of the Issue

\*Please describe the issue

Requester Email: None

Priority: High

Manager: None

City: None

Due Date: None

Expected Due Date: None

Attach File

add attachments

Capture screen element

**Insights**

Completion: 79% Popularity, 88% Completion, 33% Submission Errors, 67 Field Errors, 8 Unused fields

Time: 1:32m Completion, 32s Submission Errors, 43s Cancellations

# Action.

A **unified, agile, and simplified** way to drive **digital experiences.**

- Design, automate, and manage personalized experiences that engage and drive user adoption of your digital assets.
- Engage your employees in meaningful ways, leveraging segmentation and logic-based rules.
- Accelerate time-to-value with pre-built, configurable templates designed on industry best practices.



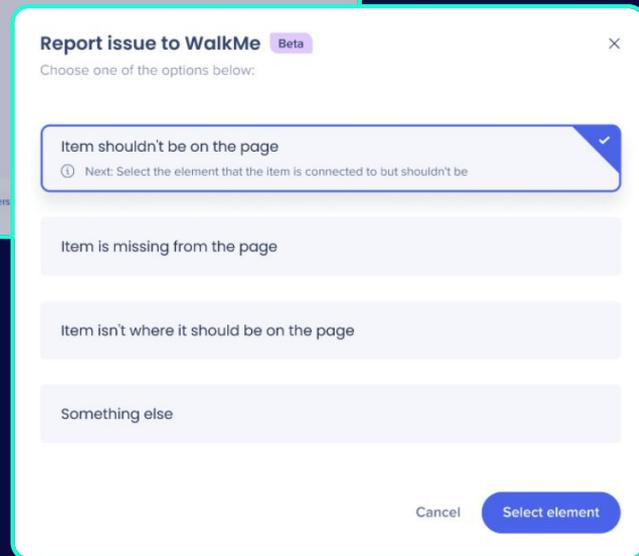
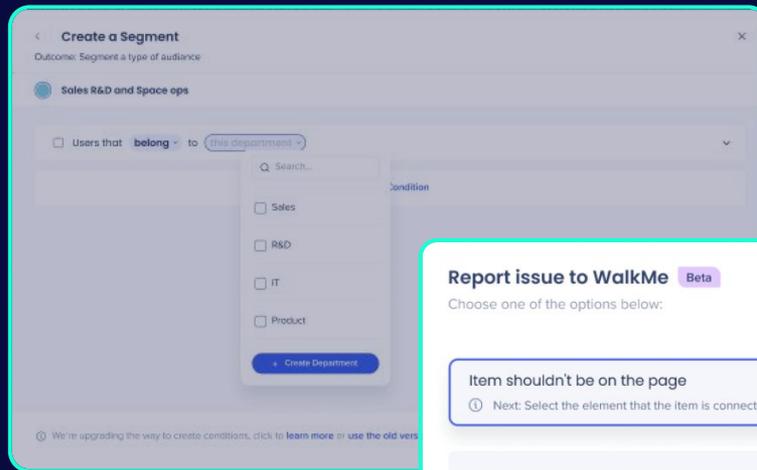
Guidance  
creation



Pre-built  
templates



Content  
management



# Experience.

Unify workflows through **contextual & personalized** experiences across web, desktop, and mobile.

## Turn your digital workplace into a productivity powerhouse

- Connect users to workflows with effortless experiences across any process or application.
- Simplify software usage by proactively driving users to success with on-screen guidance, tooltips, and resources.
- Boost employee productivity and accuracy by automating complex and mundane tasks, eliminating empty clicks within and across applications.



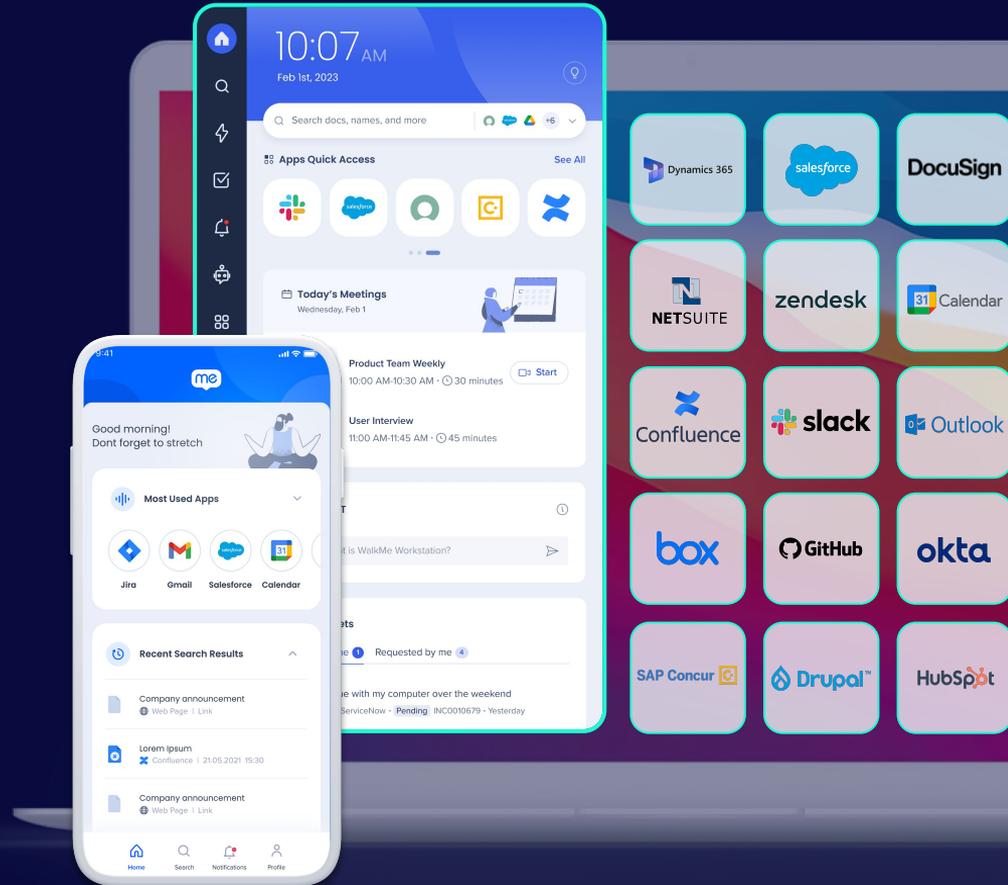
ActionBot



Guidance & engagement

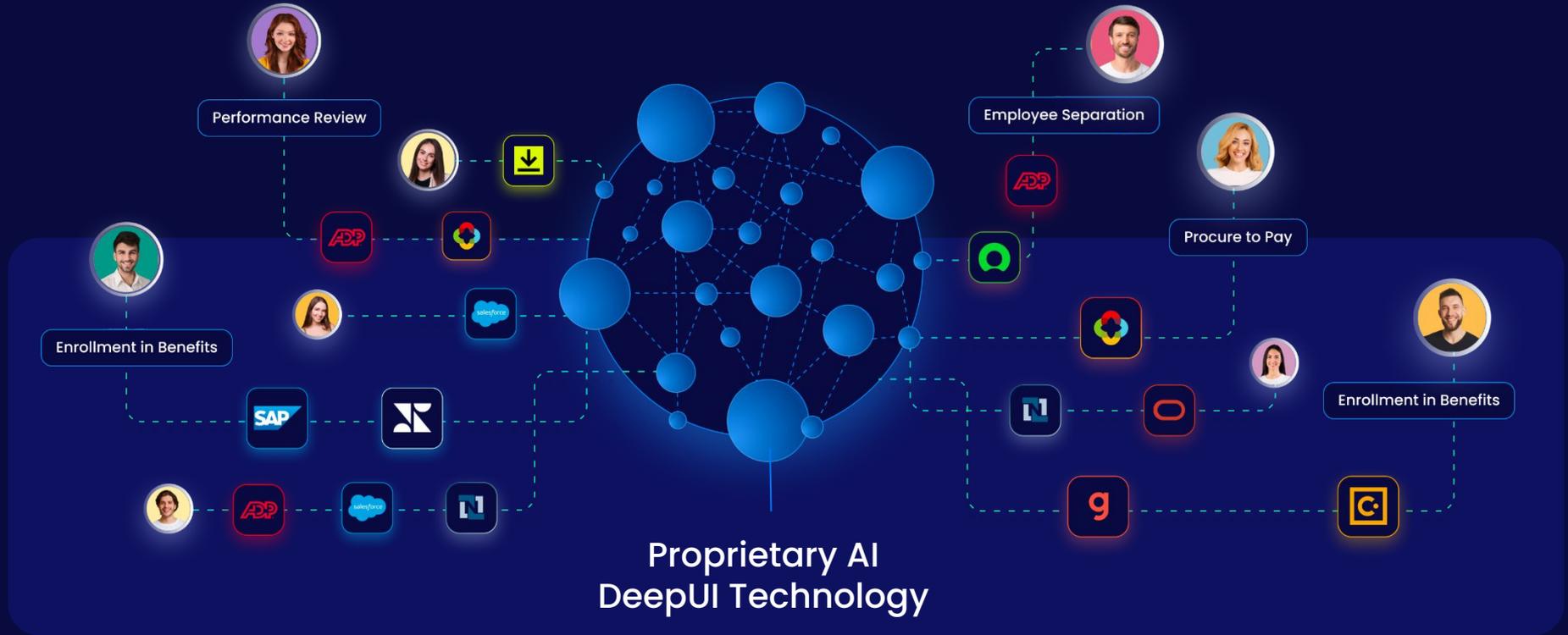


Workstation employee hub across web, mobile & desktop



# The WalkMe platform, powered by AI

Leveraging our core AI DeepUI technology to empower the future of work



# At the core of this model

An AI-based element  
recognition system, that is  
designed to:

Automatically recognizes user  
interface components in any app

---

Continuously adapts to changes  
in the underlying app

---

Meets the highest privacy and  
GDPR standards

---

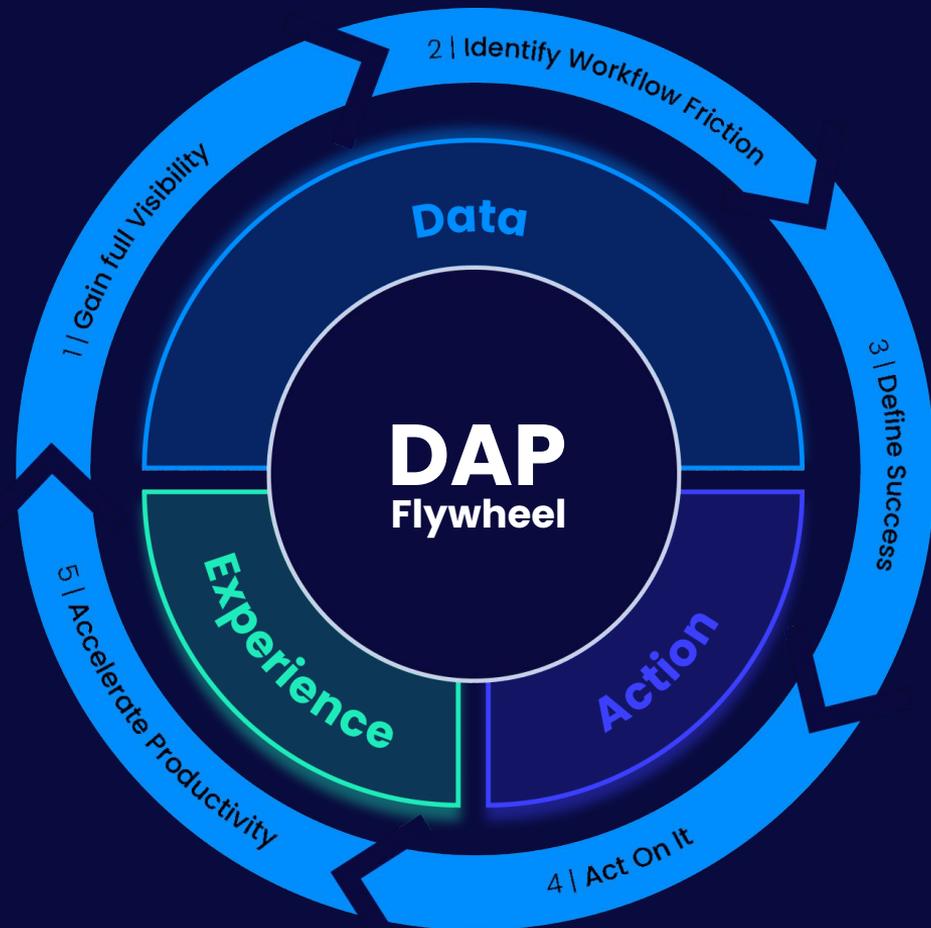
21 of our 52 patents are AI-focused\*



## DeepUI-AI

# WalkMe's flywheel methodology.

WalkMe Digital Adoption Platform is purpose-built to continuously drive adoption, every step of the way.



# Product Innovation

# walkMe

## At WalkMe, we're shaping the future of work

We're building a new standard of work with **conversational automation** leveraging Text-to-Action capabilities. Our AI is designed to understand not just user actions, but their underlying intentions. It can comprehend intent and execute actions on any software, paving the way for truly personalized user experiences.

# Omnichannel experience across the enterprise

Consistent and connected end-user experiences across web, mobile, and desktop in the flow of work

ai

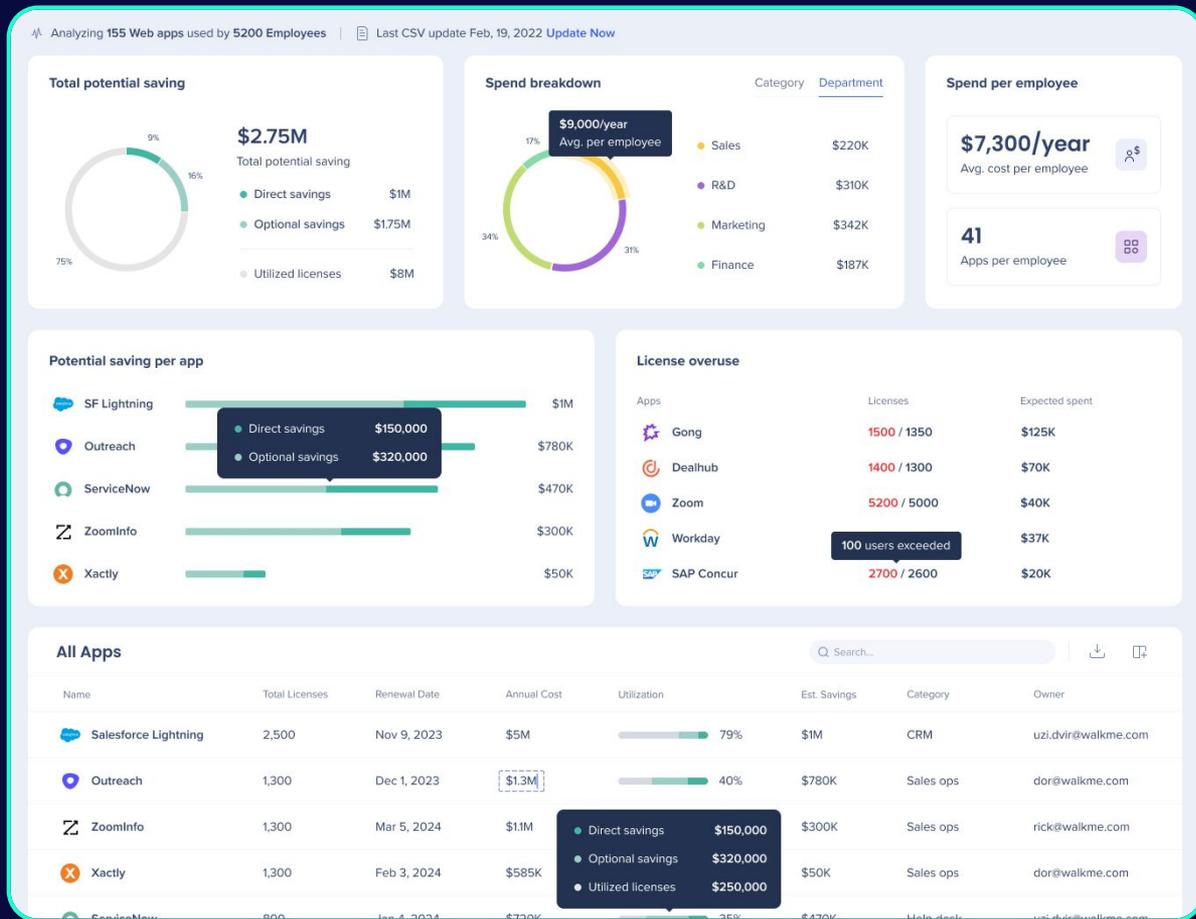
What can I do for you today?



# Discovery.

## License Optimization

Rationalize your software portfolio and optimize investments by comparing licenses and costs to usage trends.



# Shadow AI.

## Drive compliance policy and security

Discover all AI use in the organization and take immediate action to alert employees on company policy and ensure adoption of AI technologies.

All Apps	WalkMe Apps	Discovered Apps	Shadow AI	New
<input type="checkbox"/>	Name	Active Users	Category	
<input type="checkbox"/>	 ChatGPT	1,524	AI	
<input type="checkbox"/>	 Jasper	728	AI	
<input type="checkbox"/>	 Scalenum	644	AI	
<input type="checkbox"/>	 Semrush			
<input type="checkbox"/>	 moises		New	
<input type="checkbox"/>	 Loopin		New	

### ChatGPT



#### Security Alert!

Company policy while using AI websites:

- Don't share confidential information.
- Behave professionally.
- Be cautious of security risks.
- Remember AI's limitations.

By proceeding, you agree to abide by our policies.

# UI Intelligence.

Data-driven action.

Take action based on real time recommendations generated by our AI engine.

walkme Salesforce Lightning Production AE

Hi Adam! Welcome to UI Intelligence for Salesforce Lightning

Recommendations 64 Export See all

**Unused Fields**  
71% of fields in the 'New Opportunity' form weren't being used during May, consider removing unnecessary fields or mark them as mandatory.  
[Go to Form](#)

**Low Completion Rate**  
The 'New Contact' form was abandoned in 34% of the sessions during May. Build a Smart Walk-Thru to proactively guide users to completion.  
[Go to Form](#)

**Repeated Error**  
An error was repeatedly detected in the 'New Account' form, throughout May. Try adding a SmartTip to clarify the field's purpose.  
[Go to Form](#)

Last 30 Days All Departments

**60%**  
Average form completion rate

**582 Errors**  
37 per form on average

**320 Hours**  
2.8 min per form on average

**New Analyzed Forms**

Form name	First seen	Tags
New Resource Request	15 Jun, 2023	Onboarding
Edit Contact	13 Feb, 2022	Starting Q4
Create New Intro Call	1 Jan, 2023	Q4
New CS Task	2 Jun, 2022	Test it

**HighForm Highlights**

Most errors Most time spent Lowest completion rate

Form Name	Time Spent	Errors
Open New Opportunity	6:30m	5
Edit Opportunity	3:40m	5
New Contact	2:50m	3
New Case	2:10m	0

# Workflow Insights.

Improve and accelerate business process

Completion with real-time insights into user journeys and experiences across workflows.

**Create Opportunity in Salesforce** 

Write here the description of your report...

Analyze workflow by **Employees**  **Workflow**  Funnel

Steps

**1 Step**   

**2 Step**   

Step consist of the following conditions:

**Where**

Application:  **Any** 

Page:  **Any** 

Context: **None** 

**What**

 **Navigated to** 

**Who**

 **Sales Department** Total of 2312 users 

**When**

 **Last 7D** 

**Expand by property**

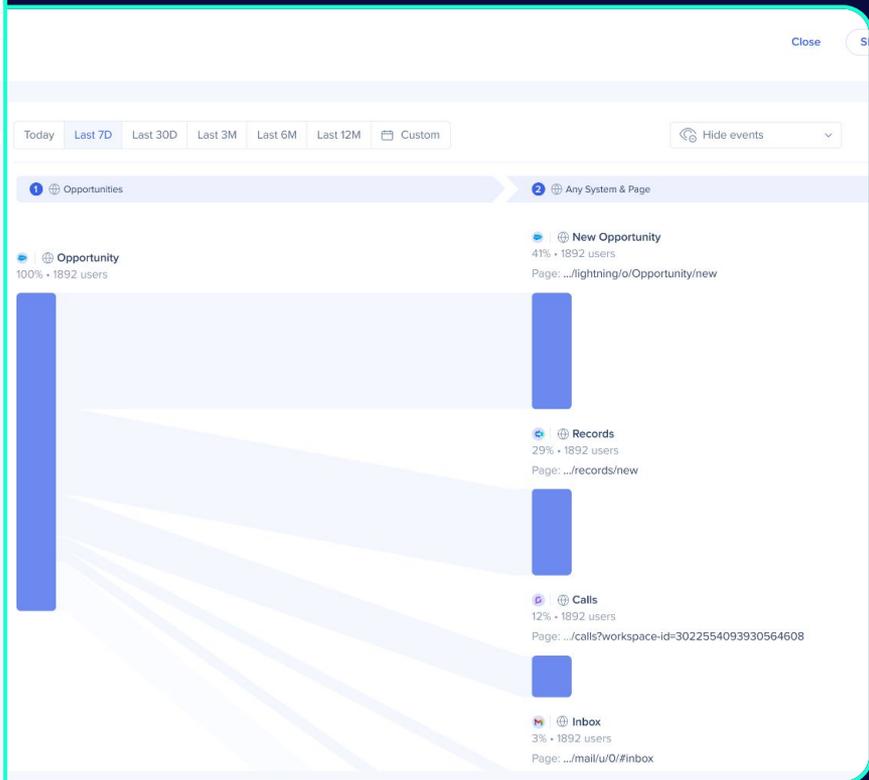
Page 

**Add constrains** 

Step occured **Exactly after**  the previous step

**Time**  **less than 30m**  from previous step

**+ Add**



# Contextual in-app AI.

Automatically turns any form  
into a smart AI conversation.

(expected in Q4/23)



Hi Dan, I'm your AI assistant and I can turn any form into a conversation focused on what's really important with automatic content validations. Ready to get started?



YES!

I want to update the opp|

**Why** enterprises  
choose WalkMe.

# WalkMe delivers a 3-year 494% ROI.

**\$41.1 million** in new  
annual revenues

**5 months** to payback  
on investment

IDC interviewed global enterprise clients to calculate the business value of WalkMe Digital Adoption Platform (DAP). See how WalkMe maximizes software investments.

[Read more](#)



**500K+**

productivity hours returned  
back to the business

**\$18M+**

of inferred productivity gains  
over a rolling 12-month period

**250%+**

increase in task completion rates for  
mission-critical business apps

**\$5M**

savings on 1 application  
within the first year

**75%**

reduction in training time and support

**\$100k**

saving on printing costs by going  
completely paperless

**50%**

reduction of completion time of supplier  
performance management processes

**14K+**

hours saved through automated  
contract generation

**\$3M**

saved in training costs

**\$2M**

savings in training by increasing ramp time  
to productivity

**97%**

reduction in development time  
saving **\$50k+** in dev costs

**\$900k+**

ROI within 4 months



# Global customers across industries.

## CONSUMER & RETAIL



## FINANCIAL SERVICES



## HEALTHCARE & LIFE SCIENCES



## EDUCATION & NON PROFIT



## TECHNOLOGY



## ENERGY, INDUSTRIAL, & TRANSPORTATION



## COMMUNICATIONS



# WalkMe's recent awards & recognition

## Awards



Top 50 Products of Enterprise |  
Best Software awards 2023



InfoWorld Technology of  
the Year Award 2022



Overall Remote Tech Solution of  
the Year 2022



IT World  
Award win



Business Intelligence Group's Artificial  
Intelligence Excellence Award 2022

## Analyst Recognition

### Gartner

Market Guide for Digital  
Adoption Platforms

☆ FEATURED VENDOR

### IDC

TechBrief: Digital Adoption  
Platforms

☆ FEATURED VENDOR

### FORRESTER

New Tech: Digital Adoption  
Platforms, Q2 2022

☆ FEATURED VENDOR

### FORRESTER

New Wave for DAP

☆ LEADER

### Everest Group®

PEAK Matrix® Assessment for DAP

☆ LEADER

## Patents

# 17

US granted

# 10

US pending

# 7

non-US granted

# 18

non-US pending

★★★★★ Apr 11, 2017

"WalkMe drives our digital transformation"

★★★★★ Apr 11, 2017

"Where has WalkMe been all my life?"

★★★★★ Apr 11, 2017

"WalkMe is a personal trainer for every user."

★★★★★ Apr 11, 2017

"Gamechanger and business saver."

★★★★★ Apr 11, 2017

"Great Solution, Very easy to deploy"

★★★★★ Apr 11, 2017

"Look no further for a Digital Adoption Platform - simply the best DAP and getting better!"



WalkMe is named the **leading** Enterprise DAP on G2 and is **the only** vendor featured on their 'Best Products for the Enterprise' list for 2023.

# Unmatched partner ecosystem

WalkMe is the only DAP provider that has official strategic alliances with the world's leading system integrators. Our growing global network delivers unparalleled expertise for your digital transformation needs.

## GTM

Global and regional systems integration and consulting partnerships

accenture Deloitte. IBM

Cognizant HCL HK>A

D&TL VENTURES GuideMe SOLUTIONS T...Systems...

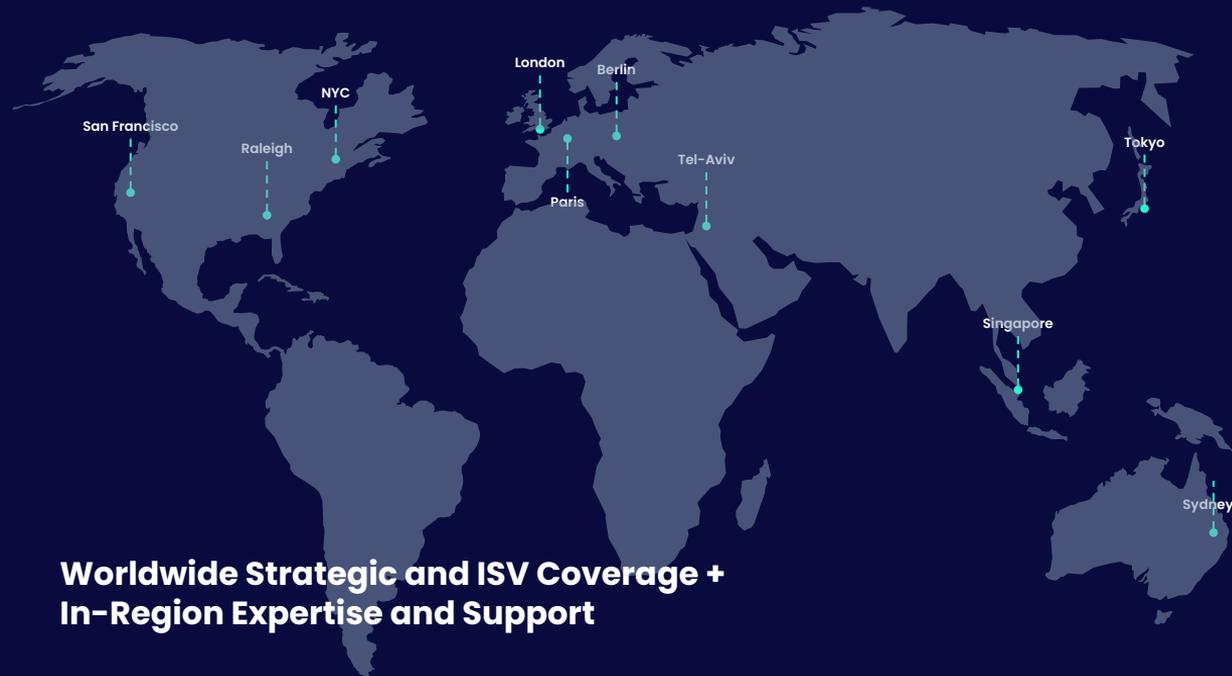
Orangutech SOLUTIONSATI a network as a business SoftBank Group

## TECH

ISVs and cloud platforms

Microsoft salesforce amazon IBM

SAP ORACLE Anaplan



**Worldwide Strategic and ISV Coverage +  
In-Region Expertise and Support**



# WalkMe is the **only** FedRAMP-Ready DAP vendor.

We provide the highest levels of security, privacy, and compliance for your organization to deliver people-first digital experiences that improve employee efficiency and build customer relations.

# Financial Overview.

# Q3-23 Financial Highlights.\*



## \$62M

Subscription Revenue.  
+10% Growth Y/Y



## 93%

Of Revenue from Subscription



## 91%

Non-GAAP Subscription  
Gross Margin<sup>(1)</sup>



## 2.4%

Non-GAAP Operating Margin<sup>(1)</sup>



## \$6.2M

Free Cash Flow<sup>(1)</sup>

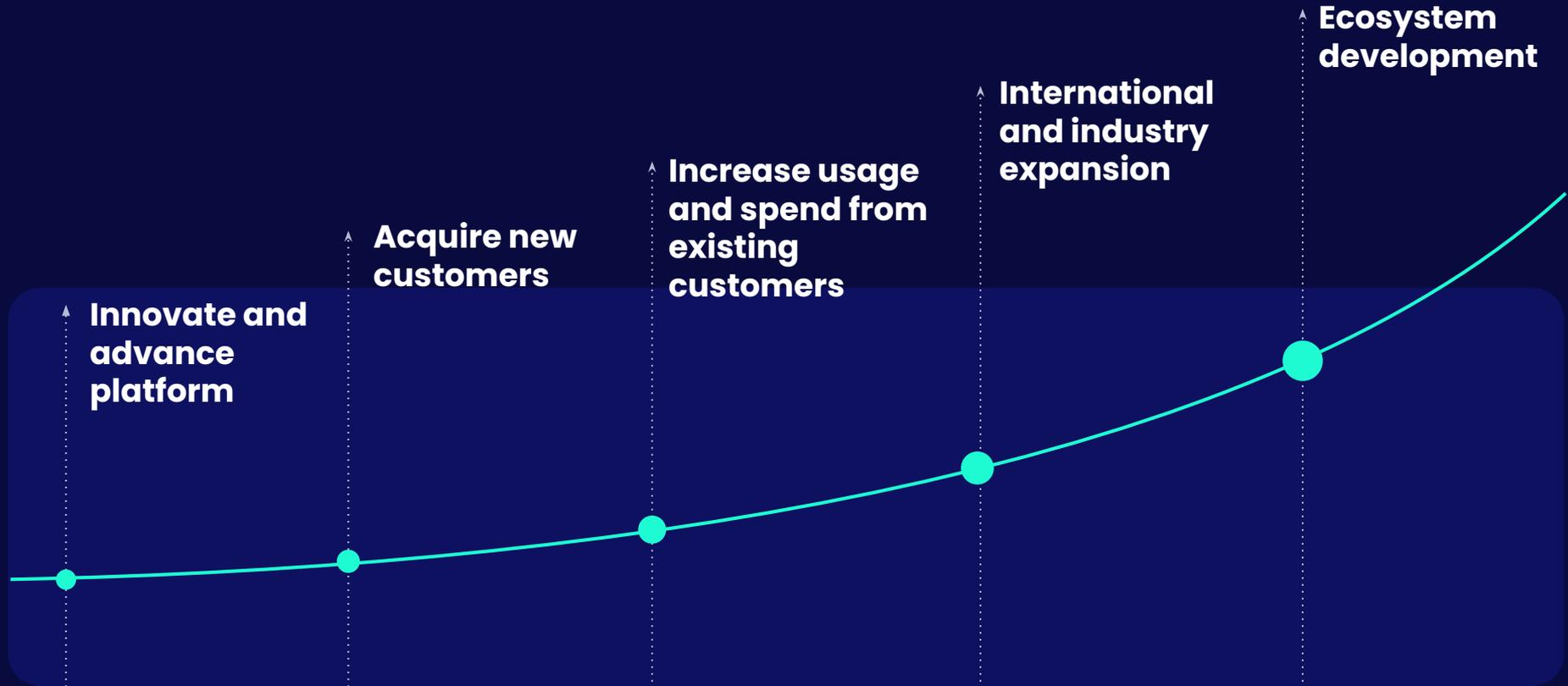


## 25%

Growth in DAP Customers Y/Y

\*Based on rounded numbers | Financial data as of September 30, 2023 | (1) For a reconciliation of Non-GAAP metrics to their comparable GAAP Metrics please see the appendix of this presentation and supplemental financials which can be found on our investor relations website.

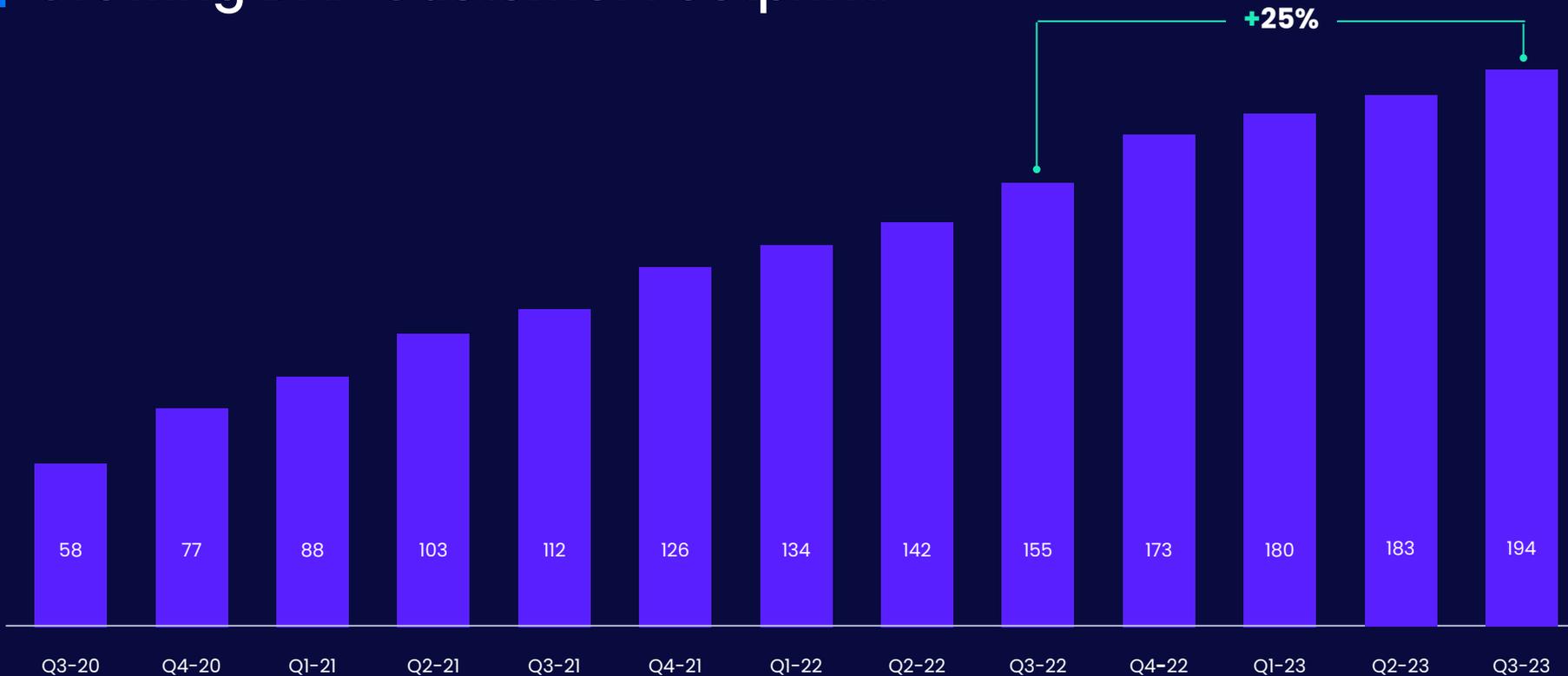
# Multiple growth drivers.



# Delivering Sustained Subscription Revenue Growth.



# Growing DAP Customer Footprint.\*

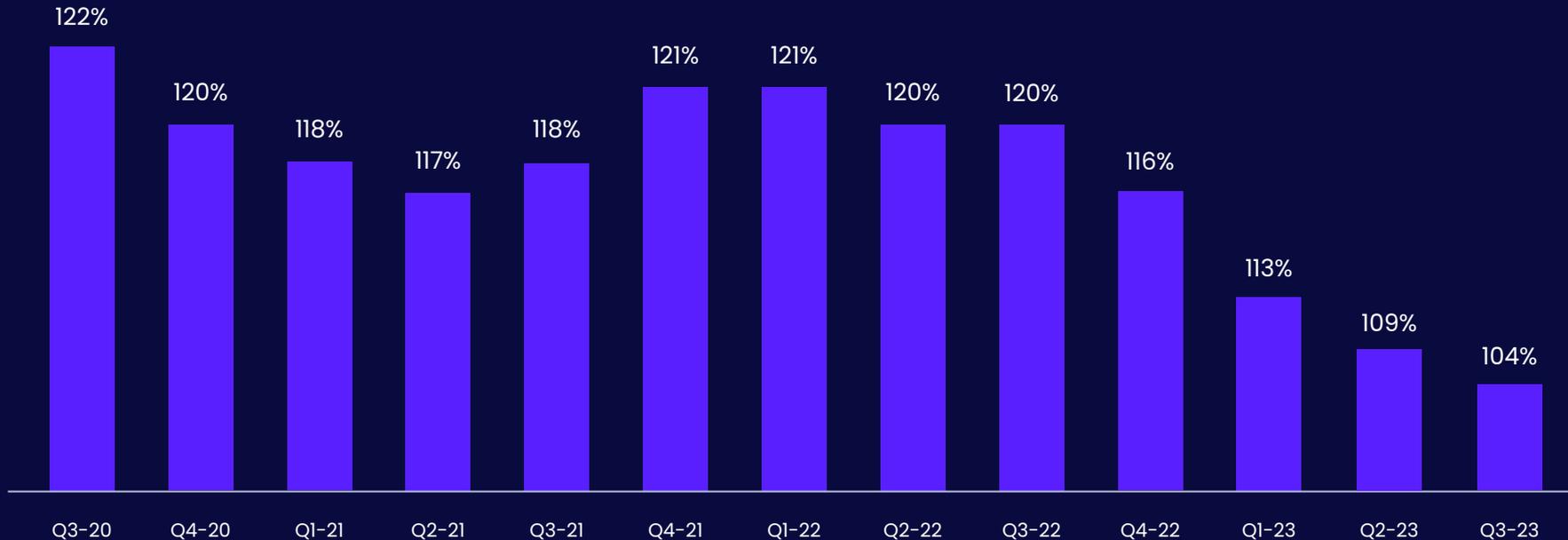


# Quarterly Customer Count.\*



# \$ - Net Retention.\*

Greater than 500 Employees



## Trailing 4 Quarters

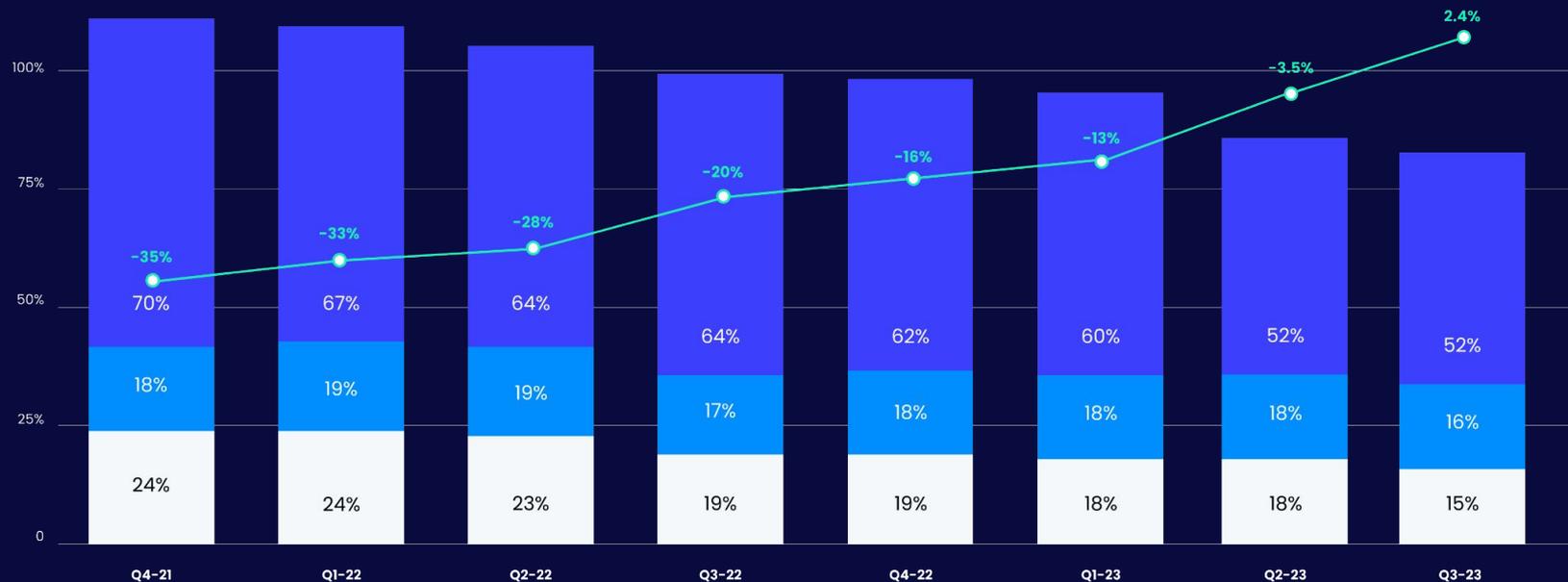
**\$-Based Net Retention Definition:** Trailing four quarters customer value growth; reflects customer renewals, expansion, contraction and churn.

\*Based on rounded numbers | Financial data as of September 30, 2023 | See "Selected Other Data" in the appendix of this presentation for additional information regarding dollar-based net retention.

# Achieving Profitability through Operational Leverage.\*

Non-GAAP Operating Expense as % of Revenue\*\*

Operating margin Sales & Marketing G&A R&D

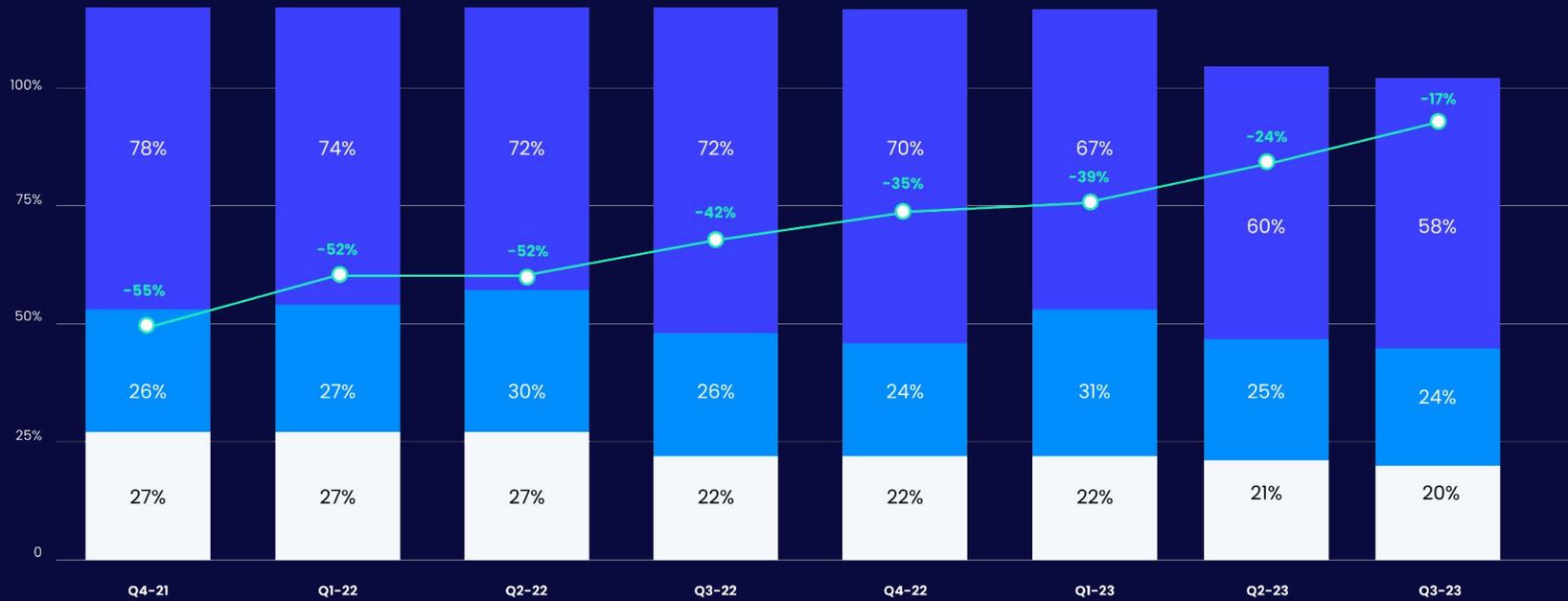


\*Based on rounded numbers | Financial data as of September 30, 2023 | \*\*For a reconciliation of Non-GAAP metrics to their comparable GAAP Metrics please see our earnings press release and supplemental financials which can be found on our investor relations website.

# Path to Profitability through Operational Leverage.\*

GAAP Operating Expense as % of Revenue

— Operating margin   ■ Sales & Marketing   ■ G&A   ■ R&D



**GAAP to Non-GAAP  
Reconciliation and Selected Other Data.**

# Reconciliation from GAAP to Non-GAAP Results.

(\$ In thousands; unaudited)

	Three months ended September 30,		Nine months ended September 30,	
	2023	2022	2023	2022
<b>Reconciliation of gross profit and gross margin</b>				
GAAP gross profit	\$ 56,674	\$ 49,776	\$ 164,677	\$ 138,708
Plus: Share-based compensation expense	489	1,075	2,061	2,886
Plus: Amortization of acquired intangibles	68	68	204	420
Plus: Restructuring expense	-	-	263	-
Non-GAAP gross profit	\$ 57,231	\$ 50,919	\$ 167,205	\$ 142,014
GAAP gross margin	85%	79%	83%	77%
Non-GAAP gross margin	85%	80%	84%	79%
<b>Reconciliation of operating loss and operating margin</b>				
GAAP operating loss	\$ (11,568)	\$ (26,417)	\$ (53,187)	\$ (87,290)
Plus: Share-based compensation expense	13,089	13,814	41,959	38,108
Plus: Amortization and impairment of acquired intangibles	68	68	204	1,399
Plus: Restructuring expense	-	-	1,473	-
Non-GAAP operating income (loss)	\$ 1,589	\$ (12,535)	\$ (9,551)	\$ (47,783)
GAAP operating margin	(17)%	(42)%	(27)%	(48)%
Non-GAAP operating margin	2%	(20)%	(5)%	(27)%

# Reconciliation from GAAP to Non-GAAP Results.

(\$ In thousands; unaudited)

## Reconciliation of GAAP operating expenses to non-GAAP operating expenses

	Three months ended September 30,		Nine months ended September 30,	
	2023	2022	2023	2022
GAAP research and development	\$ 13,259	\$ 13,909	\$ 41,743	\$ 45,504
Less: Share-based compensation expense	(3,030)	(1,756)	(7,948)	(5,396)
Less: Restructuring expense	-	-	(86)	-
Non-GAAP research and development	\$ 10,229	\$ 12,153	\$ 33,709	\$ 40,108
GAAP Research and development margin	20%	22%	21%	25%
Non-GAAP research and development margin	15%	19%	17%	22%
GAAP sales and marketing	\$ 39,118	\$ 45,801	\$ 123,035	\$ 130,993
Less: Share-based compensation expense	(4,578)	(5,478)	(13,133)	(13,935)
Less: Restructuring Expense	-	-	(964)	-
Non-GAAP sales and marketing	\$ 34,540	\$ 40,323	\$ 108,938	\$ 117,058
GAAP sales and marketing margin	58%	72%	62%	73%
Non-GAAP sales and marketing margin	52%	64%	55%	65%
GAAP general and administrative	\$ 15,865	\$ 16,483	\$ 53,086	\$ 49,501
Less: Share-based compensation expense	(4,992)	(5,505)	(18,817)	(15,891)
Less: impairment of acquired intangible assets	-	-	-	(979)
Less: Restructuring Expense	-	-	(160)	-
Non-GAAP general and administrative	\$ 10,873	\$ 10,978	\$ 34,109	\$ 32,631
GAAP general and administrative margin	24%	26%	27%	27%
Non-GAAP general and administrative margin	16%	17%	17%	18%

# Reconciliation from GAAP to Non-GAAP Results.

(\$ In thousands, except share and per share; unaudited)

	Three months ended September 30,		Nine months ended September 30,	
	2023	2022	2023	2022
<b>Reconciliation of net loss</b>				
GAAP net loss attributable to WalkMe Ltd.	\$ (8,762)	\$ (23,090)	\$ (48,489)	\$ (74,013)
Plus: Share-based compensation expense	13,089	13,814	41,959	38,108
Plus: Amortization and impairment of acquired intangibles	68	68	204	1,399
Plus: Restructuring expense	-	-	1,473	-
Plus: Adjustment attributable to non-controlling interest	(567)	(3,010)	1,680	(12,642)
Non-GAAP net income (loss) attributable to WalkMe Ltd.	\$ 3,828	\$ (12,218)	\$ (3,173)	\$ (47,148)
Non-GAAP net income (loss) per share attributable to WalkMe Ltd.				
Basic	\$ 0.04	\$ (0.14)	\$ (0.04)	\$ (0.56)
Diluted	\$ 0.04	\$ (0.14)	\$ (0.04)	\$ (0.56)
Weighted-average Shares used in non-GAAP per share calculations:				
Basic	89,374,207	85,508,974	88,429,867	84,739,275
Diluted	92,730,007	85,508,974	88,429,867	84,739,275

# Reconciliation of GAAP Cash Flow from Operating Activities to Free Cash Flow.

(\$ In thousands; unaudited)

	Three months ended September 30,		Nine months ended September 30,	
	2023	2022	2023	2022
<b>Net cash provided by (used in) operating activities</b>	\$ 7,422	\$ (9,697)	\$ 6,124	\$ (38,009)
Less: Purchases of property and equipment	(182)	(635)	(511)	(2,673)
Less: Capitalized software development costs	(1,005)	(879)	(2,483)	(3,064)
<b>Free cash flow</b>	\$ 6,235	\$ (11,211)	\$ 3,130	\$ (43,746)

# Selected Other Data.

(\$ In thousands; unaudited)

	As of September 30,	
	2023	2022
\$100,000+ ARR Customers	539	511
Dollar-Based Net Retention Rate Trailing 4 quarters (all customers)	102%	116%
Dollar-Based Net Retention Rate Trailing 4 Quarters (customers having 500 or more employees)	104%	120%