



Investor Presentation

Second Quarter 2021



Safe harbor and other information.

Certain statements in this presentation may constitute “forward-looking” statements and information, within the meaning of Section 27A of the Securities Act of 1933, Section 21E of the Securities Exchange Act of 1934, and the safe harbor provisions of the U.S. Private Securities Litigation Reform Act of 1995 that relate to our current expectations and views of future events. In some cases, these forward-looking statements can be identified by words or phrases such as “may,” “might,” “will,” “could,” “would,” “should,” “expect,” “plan,” “anticipate,” “intend,” “seek,” “believe,” “estimate,” “predict,” “potential,” “continue,” “contemplate,” “possible” or similar words. 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 the COVID-19 pandemic, including variants, 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; 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 percentage of our remaining performance obligations that we expect to recognize as revenue; our ability to effectively develop and expand our marketing and sales capabilities; risks related to our international operations and our ability to expand our international business operations; the effects of unfavorable conditions in our industry or the global economy or reductions in information technology spending; and other risk factors set forth in the section titled “Risk Factors” in our Prospectus filed with the Securities and Exchange Commission on June 16, 2021, 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 press release. 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 metrics used by management in its financial and operational decision making. Non-GAAP financial metrics have limitations as analytical tools and may differ from similarly titled metrics 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 and amortization of acquired intangibles. 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 income (loss) from operations excluding share-based compensation and amortization of acquired intangibles. 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 and amortization of acquired intangibles. 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 ordinary shares outstanding after accounting for the exchange of our outstanding convertible preferred shares into ordinary shares as though such event had occurred at the beginning of the periods.

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 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.

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



2011

Founded



950

Employees



117%

\$-Net Retention T4Q, customers with +500 employees.



\$191M

Annual Recurring Revenue



48%

Y/Y Increase in RPO and 68% LT Y/Y.



31%

Y/Y Subscription Revenue Growth. Total Revenue growth at 28%



900M

Unique Users in 2020



38M

Automations Triggered in 2020



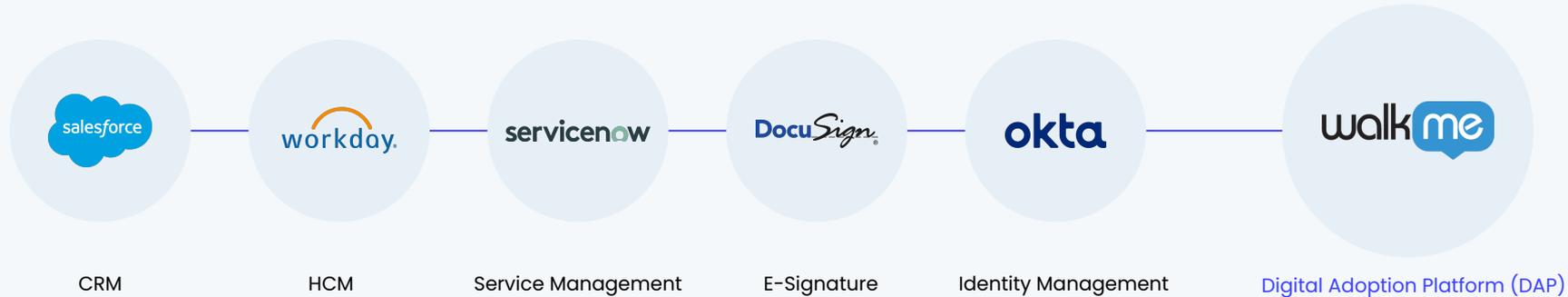
21B

Interactions with WalkMe in 2020

Realize exponential value with technology.



Defining and Leading a new market category - Digital Adoption.



“

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

Gartner | November 2020

Digital Adoption

TAM

\$34B

Our value proposition.

CIO & Management

Realize the ROI of digital transformation

Gain visibility into the tech stack as you constantly identify gaps and problem areas to drive user adoption of digital assets.

Employees & Customers

Experience success

Effortlessly use any digital asset as you remain efficient and productive across digital journeys.

The digital transformation challenge.

A steady stream of new applications creates a compounding problem.



CIO Lacks Visibility

Without insight to digital assets and business processes, extracting value from apps requires clicking through logs in every app to find actionable data. Each new app makes it that much harder to have proper visibility to the entire tech stack.

Poor User Experiences

Software for single use cases do not, by their nature, consider the user experience across all of the apps required to complete business processes. With no UI standards for apps, employees and customers are increasingly overwhelmed.

Achieving digital transformation remains elusive for organizations.

70%

of digital transformations **fall** short of their objectives ⁽¹⁾

- ⊗ Inability to drive change in user behaviors
 - ⊗ Proliferation of enterprise applications
 - ⊗ Lack of analytics to optimize digital initiatives
-

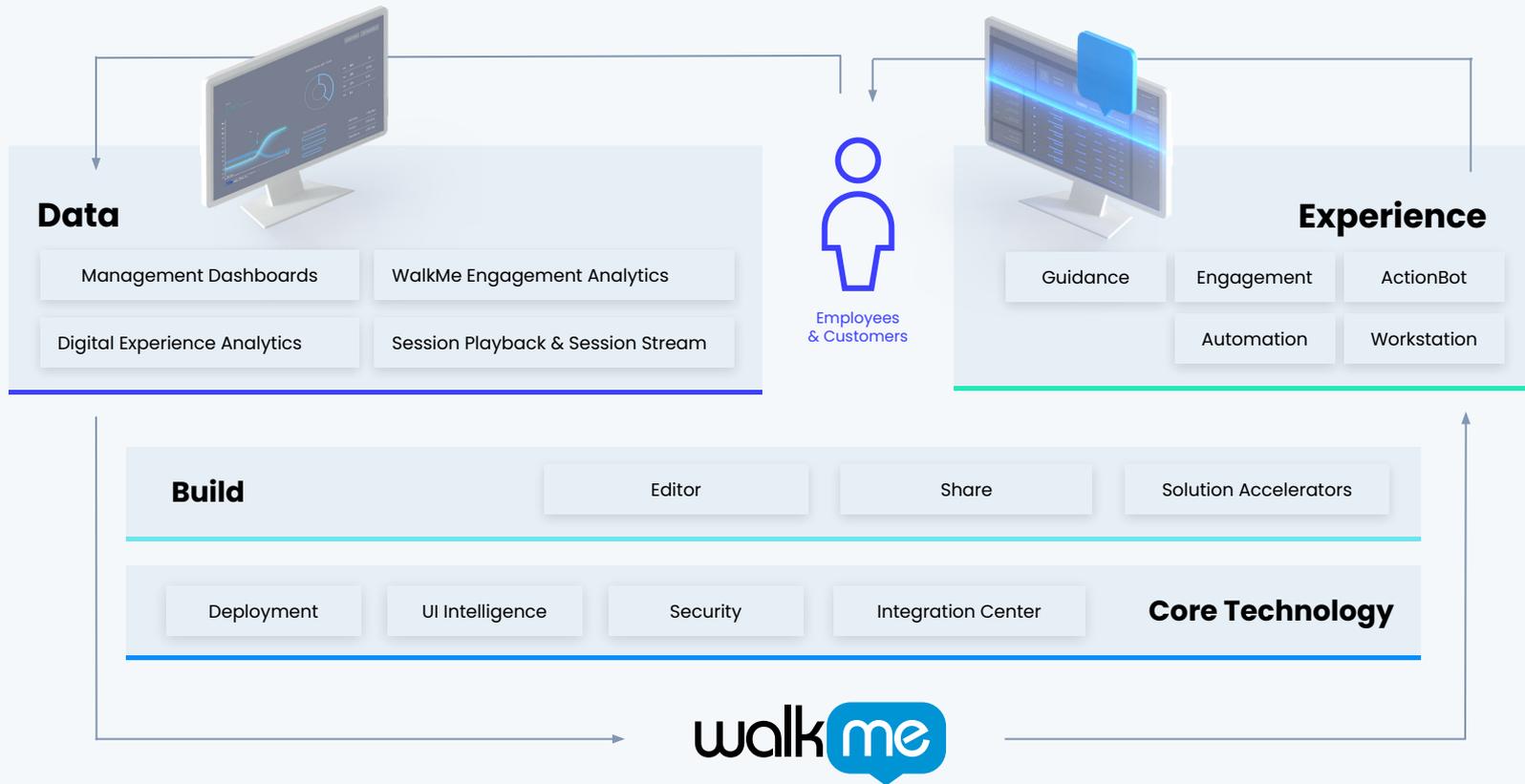
Inconsistent user adoption drives **low **return** on technology investments.**

The Digital Adoption Platform.

WalkMe's Digital Adoption Platform (DAP)

is a code-free software & platform that enables organizations to measure, drive, and act to ultimately maximize the impact of their digital transformation and accelerate the return on their software investment.

The WalkMe Digital Adoption Platform.



Data & visibility.

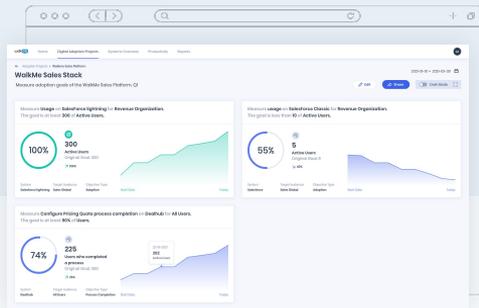
WalkMe provides business executives with visibility across the tech stack and the insights needed to measure, drive, and act to ultimately maximize the impact of their digital transformation strategy.

Management Dashboards

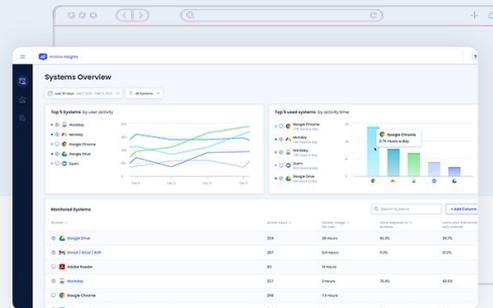
WalkMe Engagement Analytics

Digital Experience Analytics

Session Playback & Session Stream



Track & measure digital transformation initiatives



Analyze tech-stack adoption and utilization



Make data-based decisions across your organization

Experience.

User experience is the driving force of WalkMe. Design unified, contextual and personalized experiences that engage and drive user adoption of your digital assets on mobile, web, and desktop.

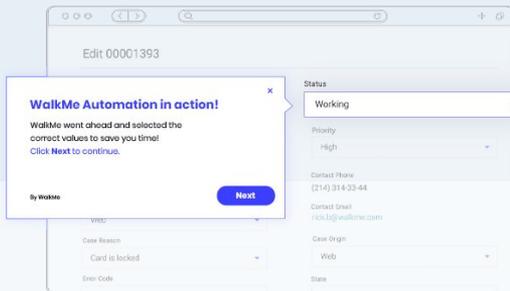
Engagement

Guidance

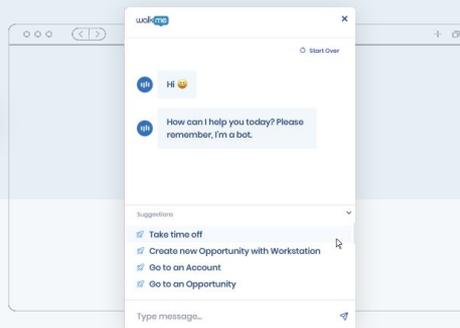
ActionBot

Automation

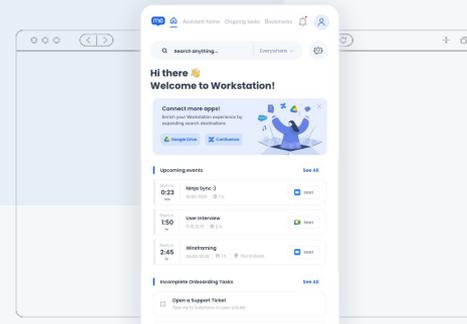
Workstation



Proactively drive users to complete any business process across applications



Simplify user experiences by automating mundane tasks- within and across applications.



Centralize and simplify search, form fills or the need to sift through convoluted flows

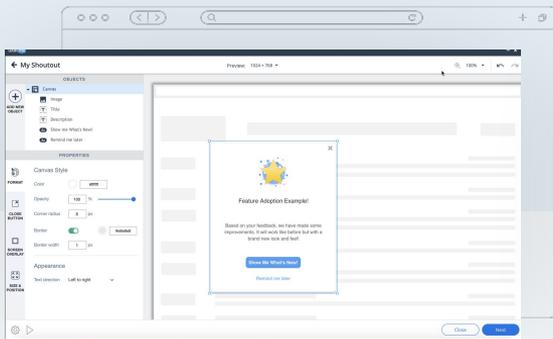
Build.

With WalkMe's code-free editor, design elegant experiences for employees and customers using a suite of features to deliver guidance and drive user engagement, productivity, and efficiency.

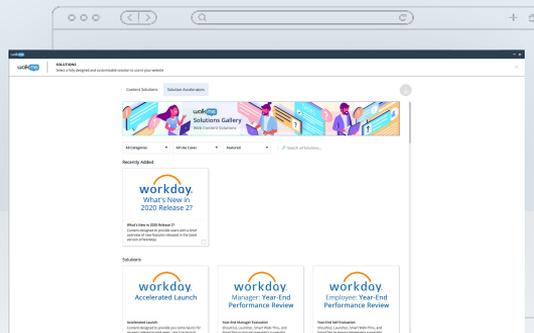
Editor

Share

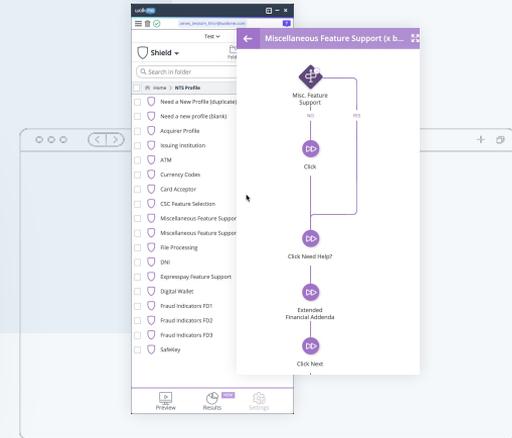
Solution Accelerators



No-code simplicity, enterprise grade functionality



Best practices and templates for ease of use and immediate time-to-value



Agile to website changes, browser updates, and platform version releases

Core technology.

Powered by UI Intelligence, our core, patented technology leverages machine learning and AI to drive users to success.

Deployment

UI Intelligence

Security

Integration Center

- Simple and flexible deployment across any enterprise environment
- Cloud-native architecture for performance, reliability, and availability
- Security and privacy by design



Customers & ROI.

Global customers.

CONSUMER & RETAIL



FINANCIAL SERVICES



HEALTHCARE & LIFE SCIENCES



EDUCATION & NON PROFIT



TECHNOLOGY



ENERGY, INDUSTRIAL, & TRANSPORTATION



COMMUNICATIONS



2000
Global customers

32%
Fortune 500

Demonstrated customer value & return on investment.

“

We want to be able to effectively understand how people are using our tools and services, and WalkMe allows us to do that—to gain insights we wouldn't be able to gain otherwise.

Chief Information Officer, Red Hat

20+

Applications utilize WalkMe to boost productivity

93%

Fewer clicks for a key sales-related process

93%

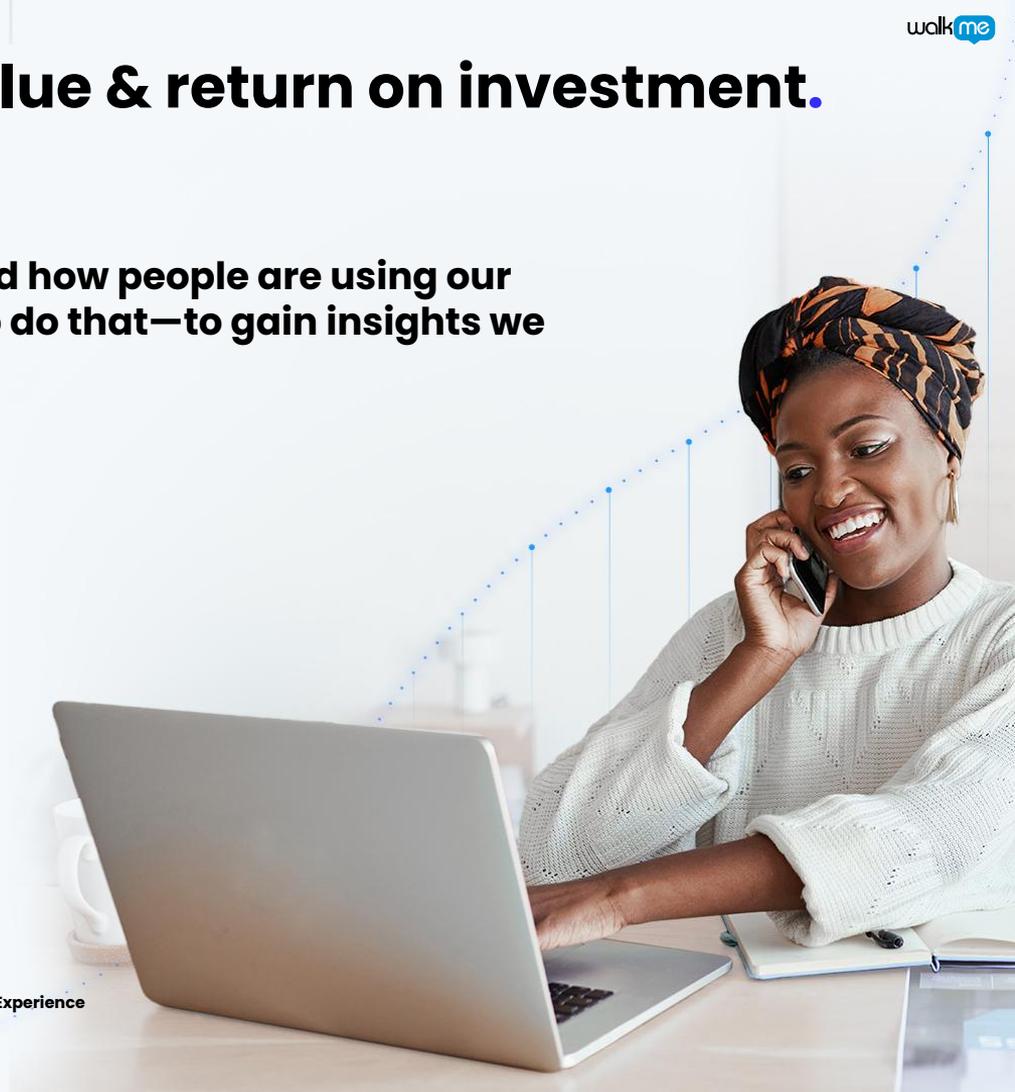
Projected annual savings in software licences

**Red Hat**

Customer Since:
2016

Company Size:
~12,000 employees

Use Case:
Employee Experience



Demonstrated customer value & return on investment.

“

Ultimately, all of our investments in technology are to improve the quality of healthcare we provide to our patients, and WalkMe helps make that a reality.

Head of Talent Technology, CHRISTUS Health

30+

Applications use WalkMe to support rapid digital transformation

\$1M
month

In improved payment outcomes

90%+

Open rates for internal announcements sent through Workstation



Customer Since:
2018

Company Size:
45,000+ employees

Use Case:
Employee Experience



Demonstrated customer value & return on investment.

“

WalkMe allows us to create a frictionless user experience internally and externally. This helps us make our customers happier and supports our growth goals

VP Customer Delight & Operations, Sprinklr

11+

Internal applications utilize WalkMe to improve user experience

330%

Increase in feature adoption

84%

Increase in engagement with new product announcements

~85%

Reduction in support on travel and expense applications



Customer Since:
2019

Company Size:
2000+ employees

Use Case:
**Employee Experience
Customer Experience**



Total economic impact of WalkMe.

368% <3 Month
Payback Period

\$20,042,842 Present Value Benefits
over 3 Years

Benefits from employee-facing apps

60% Reduction in
training time

50% Savings in IT and
Help Desk tickets

20% Savings in software
licensing fees

Benefits from customer-facing services

35% Increase in
customer retention

10% Revenue growth from
current customers

50% Savings in customer
support costs

FORRESTER[®]

Source: Forrester Consulting, The Total Economic Impact of WalkMe Digital Adoption Platform, October 2020 | Note: The Forrester Consulting study referred to above was based on information provided to Forrester Consulting during interviews they conducted with organizational decision-makers from four representative customers, selected by us, with experience using our Digital Adoption Platform, as well as Forrester's assumptions based on its own research. In selecting customers to participate in the study, we sought to assemble a group of customers that would provide a fulsome representation of our platform's capabilities. As a result, we selected customers from diverse industries, each with a diverse portfolio of use cases. All customers we selected to participate in the study agreed to participate. The information provided during these customer interviews was then used by Forrester Consulting to create a modeled composite of representative customers reflecting characteristics of the interviewed organizations in order to examine the return on investment that organizations may potentially realize from deploying our Digital Adoption Platform.

Financial Overview.

Q2-21 Financial Highlights.



\$191.0M

Annual Recurring Revenue



117%

\$-Net Retention T4Q, Customers with +500 Employees



129%

Y/Y DAP ARR Growth in (34% of total ARR)



\$13.4M

Q2 21 Net New ARR



31%

Y/Y Subscription Revenue Growth.
Total Revenue Growth at 28%



48%

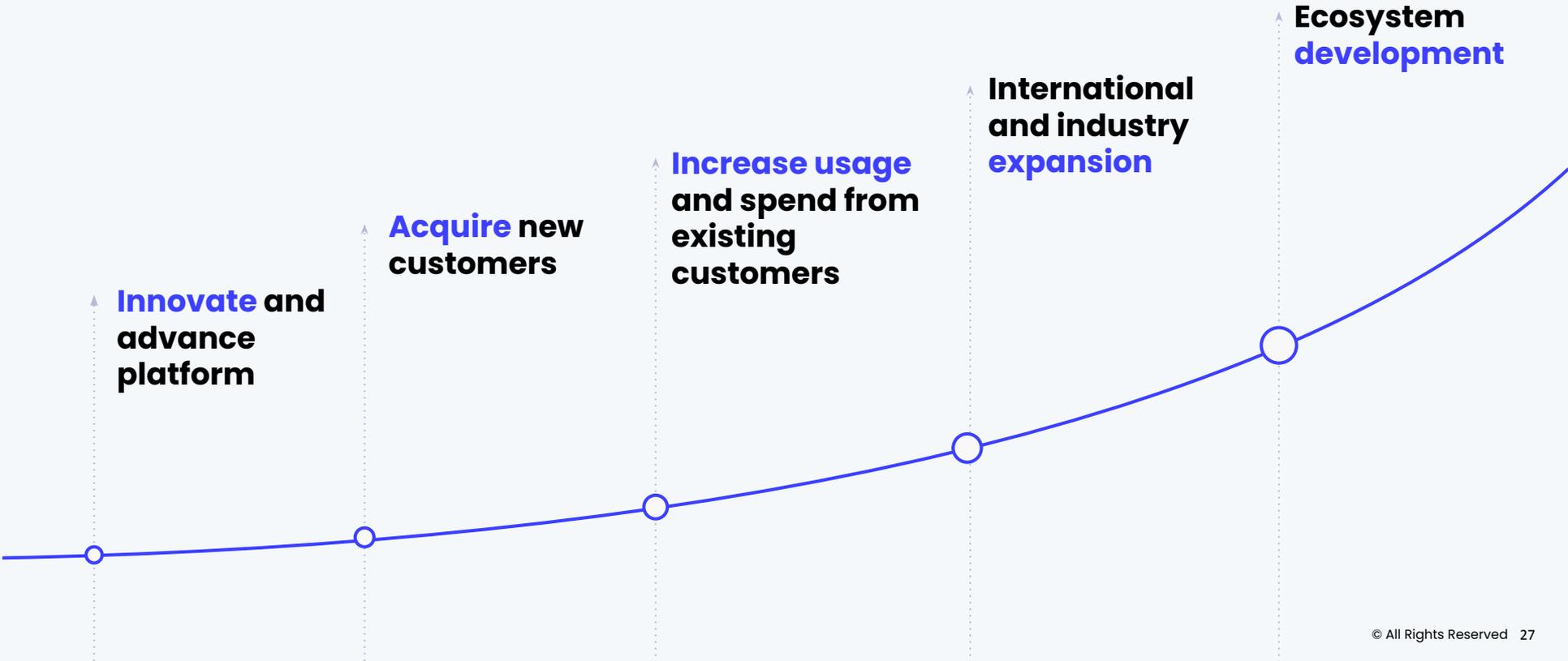
Y/Y Increase in RPO and
68% LT YoY



30%

Y/Y Growth in # of
Customers >\$100k

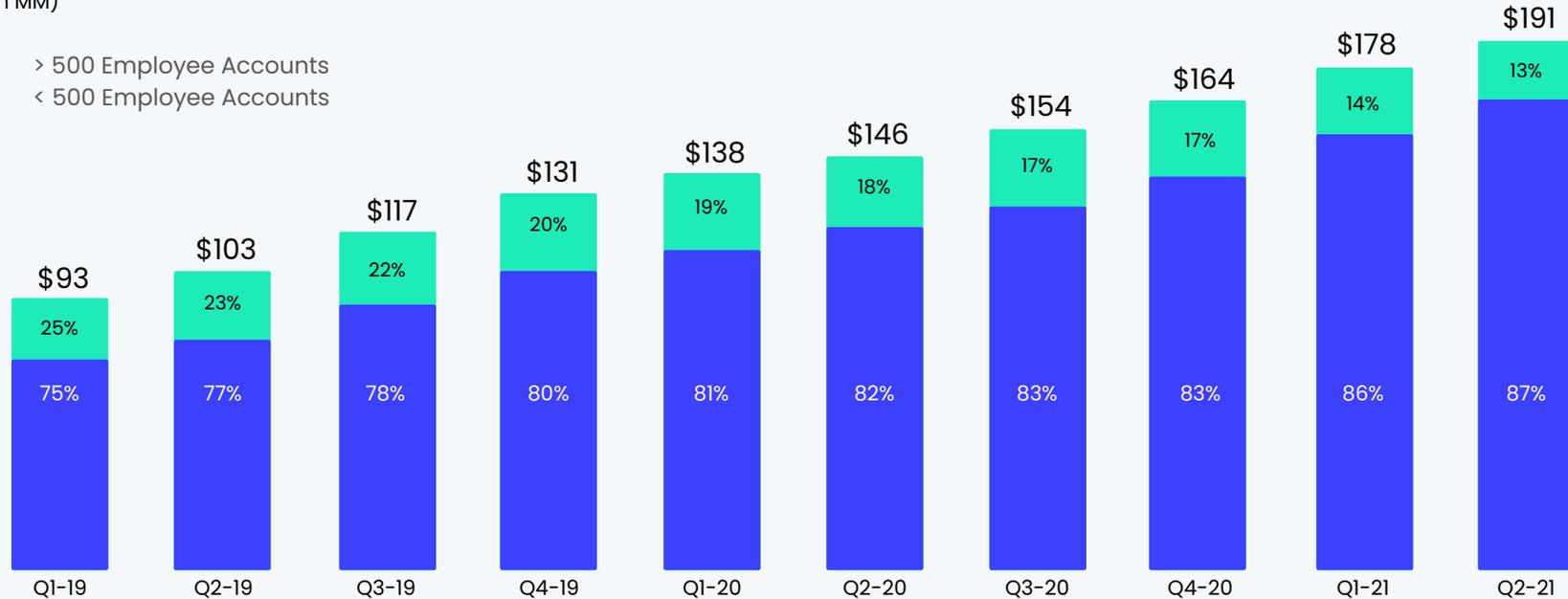
Multiple growth drivers.



Increasing Annualized Recurring Revenue.

(\$ in MM)

- > 500 Employee Accounts
- < 500 Employee Accounts



> 500 Employee Accounts ARR
Y/Y Growth

59%

50%

39%

31%

36%

38%

Total ARR
Y/Y Growth

48%

41%

32%

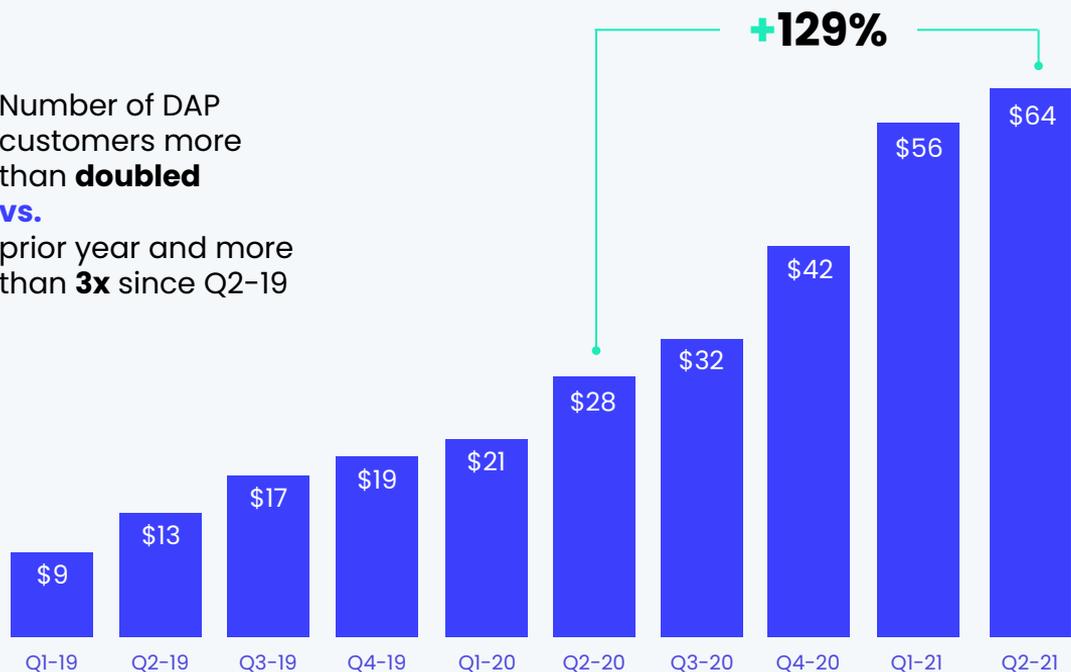
25%

29%

31%

Increasing ARR from customers who have broadly adopted*.

Number of DAP customers more than **doubled** vs. prior year and more than **3x** since Q2-19



103 (110% y/y growth)

Customers as of Q2-21

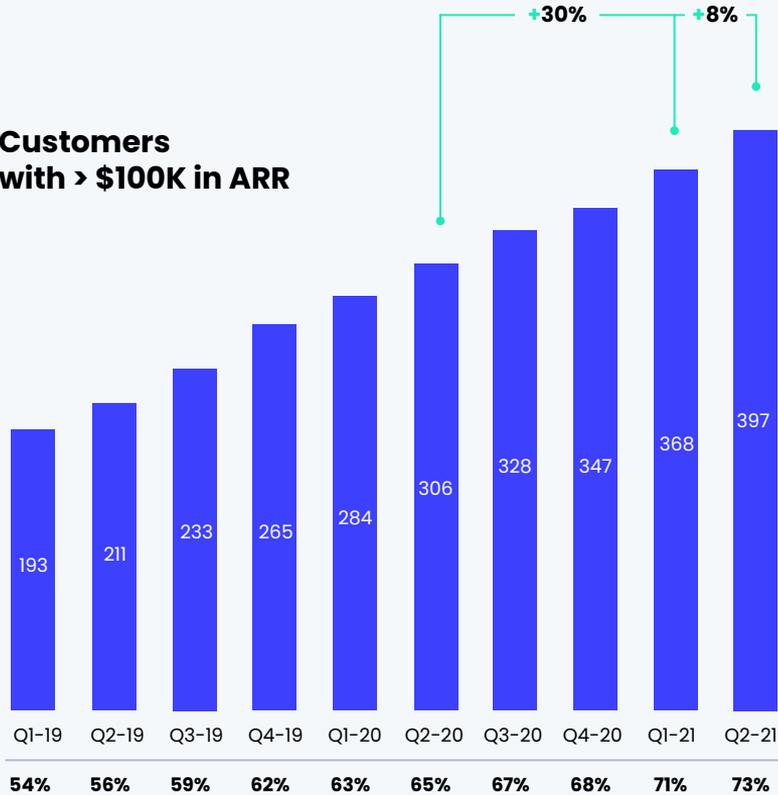
\$624k (9% y/y growth)

Q2-21 ARR

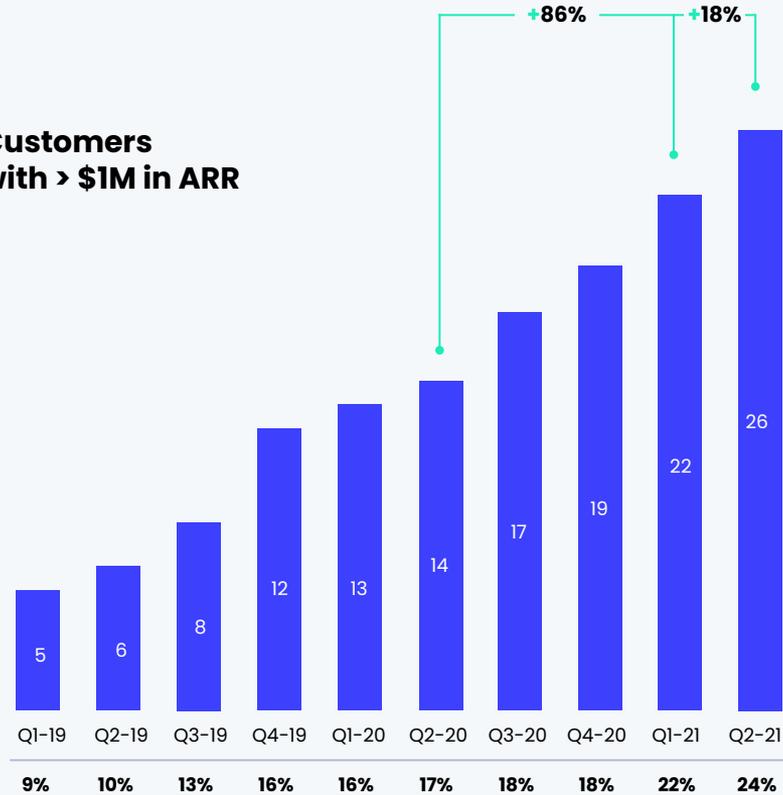
* Customers who have purchased enterprise-wide subscriptions or who have department-wide usage of our Digital Adoption Platform across four or more applications

Growing mix of large customers.

Customers
with > \$100K in ARR

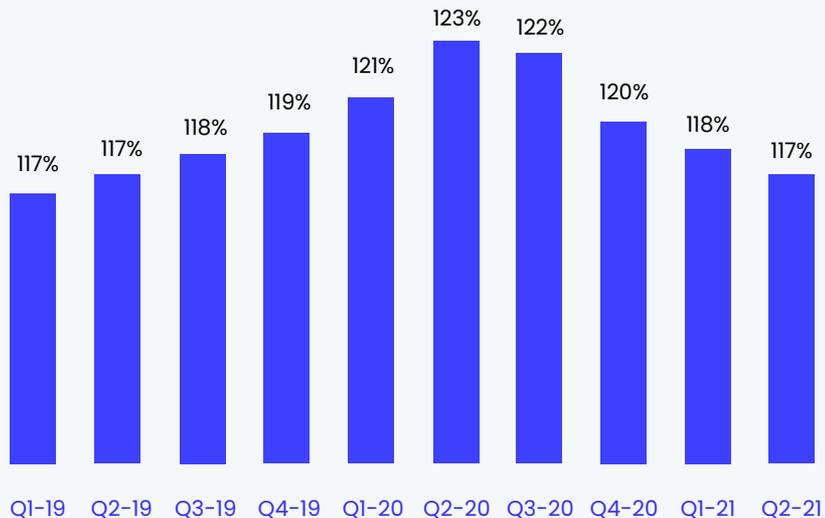


Customers
with > \$1M in ARR

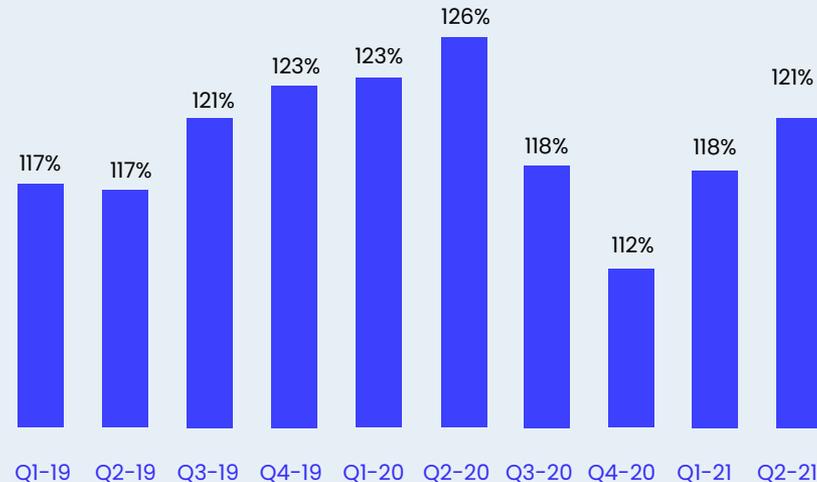


Re-accelerating \$-based Net Retention.

Greater than 500 Employees



Trailing 4 Quarters



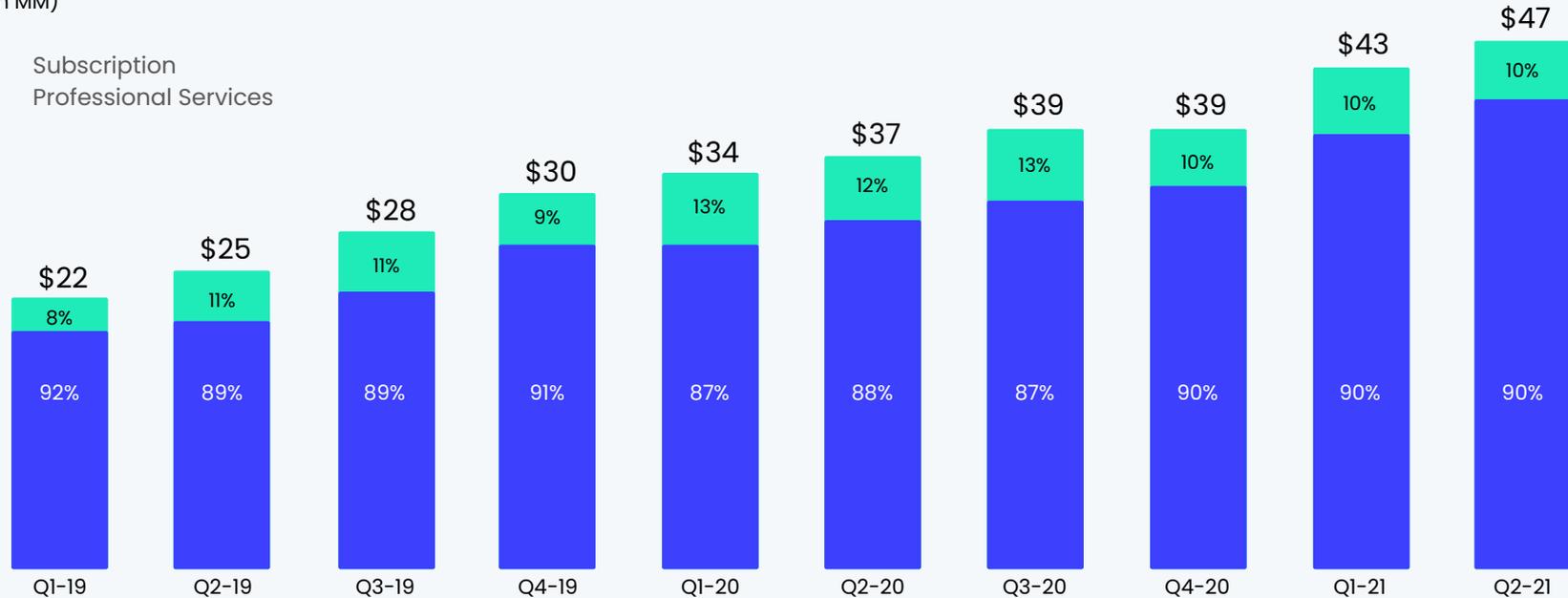
Quarterly View

\$-Based Net Retention Definition: Trailing four quarters customer value growth; reflects customer renewals, expansion, contraction and churn. Enterprise is customers with 500 employees or more.

Delivering Rapid Subscription Revenue Growth.

(\$ in MM)

Subscription
Professional Services



Subscription Revenue
Y/Y Growth

47%

45%

35%

27%

30%

31%

Total Revenue
Y/Y Growth

56%

47%

38%

28%

25%

28%

Growing Remaining Performance Obligations.

Numbers in millions

Long Term Short Term



GAAP to Non-GAAP Reconciliation.

Reconciliation from GAAP to Non-GAAP Results.

(In thousands; unaudited)

	Three months ended		Six months ended	
	June 30,		June 30,	
	2021	2020	2021	2020
Reconciliation of gross profit and gross margin				
GAAP gross profit	\$ 35,609	\$ 27,577	\$ 67,494	\$ 52,538
Plus: Share-based compensation expense	279	43	456	77
Plus: Amortization of acquired intangibles	56	-	56	44
Non-GAAP gross profit	<u>\$ 35,944</u>	<u>\$ 27,620</u>	<u>\$ 68,006</u>	<u>\$ 52,659</u>
GAAP gross margin	76%	76%	75%	74%
Non-GAAP gross margin	77%	76%	76%	74%
Reconciliation of operating loss and operating margin				
GAAP operating loss	\$ (17,838)	\$ (3,515)	\$ (30,883)	\$ (14,764)
Plus: Share-based compensation expense	6,085	617	9,617	1,398
Plus: Amortization of acquired intangibles	56	-	56	44
Non-GAAP operating loss	<u>\$ (11,697)</u>	<u>\$ (2,898)</u>	<u>\$ (21,210)</u>	<u>\$ (13,322)</u>
GAAP operating margin	(38)%	(10)%	(35)%	(21)%
Non-GAAP operating margin	(25)%	(8)%	(24)%	(19)%

Reconciliation from GAAP to Non-GAAP Results (cont.).

(In thousands, except per share; unaudited)

	Three months ended		Six months ended	
	June 30,		June 30,	
	2021	2020	2021	2020
Reconciliation of net loss				
GAAP net loss attributable to WalkMe Ltd.	\$ (22,546)	\$ (3,607)	\$ (46,520)	\$ (20,477)
Plus: Share-based compensation expense	6,085	617	9,617	1,398
Plus: Amortization of acquired intangibles	56	-	56	44
Plus: Adjustment attributable to non-controlling interest	4,287	481	15,103	962
Plus: Deemed dividend to ordinary shareholders	-	-	-	4,569
Non-GAAP net loss attributable to WalkMe Ltd.	<u>\$ (12,118)</u>	<u>\$ (2,509)</u>	<u>\$ (21,744)</u>	<u>\$ (13,504)</u>
Non-GAAP net loss per share attributable to WalkMe Ltd. basic and diluted	<u>\$ (0.16)</u>	<u>\$ (0.04)</u>	<u>\$ (0.29)</u>	<u>\$ (0.19)</u>
Shares used in non-GAAP per share calculations:				
GAAP weighted-average shares used to compute net loss per share, basic and diluted	24,960,581	13,078,576	19,509,660	12,935,628
Add:				
Additional weighted average shares giving effect to exchange of convertible preferred shares at the beginning of the period	<u>50,075,826</u>	<u>58,030,923</u>	<u>54,603,023</u>	<u>57,542,205</u>
Non-GAAP weighted-average shares used to compute net loss per share, basic and diluted	<u>75,036,407</u>	<u>71,109,499</u>	<u>74,112,683</u>	<u>70,477,833</u>

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

(In thousands; unaudited)

	Three months ended		Six months ended	
	June 30,		June 30,	
	2021	2020	2021	2020
Net cash provided by (used in) operating activities	\$ (6,185)	\$ 443	\$ (9,067)	\$ (6,985)
Less: Purchases of property and equipment	(340)	(151)	(828)	(557)
Less: Capitalized software development costs	(911)	(406)	(1,622)	(723)
Free cash flow	<u>\$ (7,436)</u>	<u>\$ (114)</u>	<u>\$ (11,517)</u>	<u>\$ (8,265)</u>