

YEXT, INC.
Condensed Consolidated Balance Sheets
(In thousands, except share and per share data)
(unaudited)

	July 31, 2019	January 31, 2019
Assets		
Current assets:		
Cash and cash equivalents	\$ 268,801	\$ 91,755
Marketable securities	5,394	51,021
Accounts receivable, net of allowances of \$119 and \$256, respectively	37,033	55,341
Prepaid expenses and other current assets	13,776	14,135
Costs to obtain revenue contracts, current	20,242	17,817
Total current assets	345,246	230,069
Restricted cash	12,100	—
Property and equipment, net	14,208	11,077
Operating lease right-of-use assets	110,314	—
Costs to obtain revenue contracts, non-current	18,339	18,366
Goodwill	4,566	4,660
Intangible assets, net	1,550	1,960
Other long term assets	1,830	996
Total assets	\$ 508,153	\$ 267,128
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable, accrued expenses and other current liabilities	\$ 43,070	\$ 44,236
Unearned revenue, current	122,731	135,544
Operating lease liabilities, current	6,911	—
Total current liabilities	172,712	179,780
Operating lease liabilities, non-current	108,699	—
Other long term liabilities	1,603	2,799
Total liabilities	283,014	182,579
Commitments and contingencies		
Stockholders' equity:		

Preferred stock, \$0.001 par value per share; 50,000,000 shares authorized at July 31, 2019 and January 31, 2019; zero shares issued and outstanding at July 31, 2019 and January 31, 2019	—	—
Common stock, \$0.001 par value per share; 500,000,000 shares authorized at July 31, 2019 and January 31, 2019; 119,187,662 and 108,678,234 shares issued at July 31, 2019 and January 31, 2019, respectively; 112,682,328 and 102,172,900 shares outstanding at July 31, 2019 and January 31, 2019, respectively	119	109
Additional paid-in capital	588,255	398,882
Accumulated other comprehensive loss	(1,971)	(1,428)
Accumulated deficit	(349,359)	(301,109)
Treasury stock, at cost	(11,905)	(11,905)
Total stockholders' equity	<u>225,139</u>	<u>84,549</u>
Total liabilities and stockholders' equity	<u>\$ 508,153</u>	<u>\$ 267,128</u>

YEXT, INC.

Condensed Consolidated Statements of Operations and Comprehensive Loss
(In thousands, except share and per share data)
(unaudited)

	Three months ended July 31,		Six months ended July 31,	
	2019	2018	2019	2018
Revenue	\$ 72,373	\$ 54,923	\$ 141,081	\$ 105,911
Cost of revenue	19,269	14,086	35,742	26,886
Gross profit	53,104	40,837	105,339	79,025
Operating expenses:				
Sales and marketing	52,371	38,298	98,769	74,125
Research and development	12,686	9,983	22,592	17,712
General and administrative	18,344	12,060	33,535	23,598
Total operating expenses	83,401	60,341	154,896	115,435
Loss from operations	(30,297)	(19,504)	(49,557)	(36,410)
Interest income	1,377	402	2,283	759
Interest expense	(79)	(35)	(132)	(72)
Other expense, net	(203)	(219)	(409)	(389)
Loss from operations before income taxes	(29,202)	(19,356)	(47,815)	(36,112)
(Provision for) benefit from income taxes	(89)	(40)	(435)	(325)
Net loss	\$ (29,291)	\$ (19,396)	\$ (48,250)	\$ (36,437)
Net loss per share attributable to common stockholders, basic and diluted	\$ (0.26)	\$ (0.20)	\$ (0.44)	\$ (0.38)
Weighted-average number of shares used in computing net loss per share attributable to common stockholders, basic and diluted	111,777,703	97,511,660	109,159,753	96,248,506
Other comprehensive (loss) income:				
Foreign currency translation adjustment	\$ (899)	\$ (12)	\$ (585)	\$ (105)
Unrealized gain on marketable securities, net	7	113	42	111
Total comprehensive loss	\$ (30,183)	\$ (19,295)	\$ (48,793)	\$ (36,431)

YEXT, INC.
Condensed Consolidated Statements of Cash Flows
(In thousands)
(unaudited)

	Six months ended July 31,	
	2019	2018
Operating activities:		
Net loss	\$ (48,250)	\$ (36,437)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	3,822	3,241
Provision for bad debts	19	353
Stock-based compensation expense	29,825	19,021
Deferred income taxes	(58)	(57)
Amortization of deferred financing costs	117	66
Amortization of (discount) premium on marketable securities	(129)	47
Amortization of operating lease right-of-use assets	4,710	—
Changes in operating assets and liabilities:		
Accounts receivable	17,927	16,489
Prepaid expenses and other current assets	72	(3,690)
Costs to obtain revenue contracts	(2,563)	(4,659)
Other long term assets	(1,058)	(94)
Accounts payable, accrued expenses and other current liabilities	(561)	5,706
Unearned revenue	(12,205)	(2,397)
Operating lease liabilities	(2,399)	—
Other long term liabilities	114	(605)
Net cash used in operating activities	(10,617)	(3,016)
Investing activities:		
Purchases of marketable securities	—	(24,692)
Maturities of marketable securities	45,797	31,067
Capital expenditures	(4,449)	(2,703)
Net cash provided by investing activities	41,348	3,672
Financing activities:		
Proceeds from common stock offering, net of underwriting discounts and commissions	147,000	—

Payments of deferred common stock offering issuance costs	(530)	—
Proceeds from exercise of stock options	9,167	10,165
Payments of deferred financing costs	(260)	(159)
Proceeds, net from employee stock purchase plan withholdings	3,647	2,479
Net cash provided by financing activities	<u>159,024</u>	<u>12,485</u>
Effect of exchange rate changes on cash, cash equivalents and restricted cash	(609)	(353)
Net increase in cash, cash equivalents and restricted cash	<u>189,146</u>	<u>12,788</u>
Cash, cash equivalents and restricted cash at beginning of period	91,755	34,367
Cash, cash equivalents and restricted cash at end of period	<u>\$ 280,901</u>	<u>\$ 47,155</u>

YEXT, INC.

**Reconciliation of GAAP to Non-GAAP Financial Measures
(in thousands)
(unaudited)**

Three months ended July 31, 2019

	GAAP	Stock-Based Compensation Expense	Non-GAAP
Cost and expenses:			
Cost of revenue	\$ 19,269	\$ (988)	\$ 18,281
Gross profit	\$ 53,104	\$ 988	\$ 54,092
Sales and marketing	\$ 52,371	\$ (8,229)	\$ 44,142
Research and development	\$ 12,686	\$ (3,058)	\$ 9,628
General and administrative	\$ 18,344	\$ (4,334)	\$ 14,010
Loss from operations	\$ (30,297)	\$ 16,609	\$ (13,688)
Net loss	\$ (29,291)	\$ 16,609	\$ (12,682)
Net loss margin	(40.5)%	23.0 %	(17.5)%

Three months ended July 31, 2018

	GAAP	Stock-Based Compensation Expense	Non-GAAP
Cost and expenses:			
Cost of revenue	\$ 14,086	\$ (646)	\$ 13,440
Gross profit	\$ 40,837	\$ 646	\$ 41,483
Sales and marketing	\$ 38,298	\$ (5,669)	\$ 32,629
Research and development	\$ 9,983	\$ (2,086)	\$ 7,897
General and administrative	\$ 12,060	\$ (2,627)	\$ 9,433
Loss from operations	\$ (19,504)	\$ 11,028	\$ (8,476)
Net loss	\$ (19,396)	\$ 11,028	\$ (8,368)
Net loss margin	(35.3)%	20.1 %	(15.2)%

YEXT, INC.

**Reconciliation of GAAP to Non-GAAP Financial Measures
(in thousands)
(unaudited)**

Six months ended July 31, 2019

	GAAP	Stock-Based Compensation Expense	Non-GAAP
Cost and expenses:			
Cost of revenue	\$ 35,742	\$ (1,806)	\$ 33,936
Gross profit	\$ 105,339	\$ 1,806	\$ 107,145
Sales and marketing	\$ 98,769	\$ (15,069)	\$ 83,700
Research and development	\$ 22,592	\$ (5,630)	\$ 16,962
General and administrative	\$ 33,535	\$ (7,320)	\$ 26,215
Loss from operations	\$ (49,557)	\$ 29,825	\$ (19,732)
Net loss	\$ (48,250)	\$ 29,825	\$ (18,425)
Net loss margin	(34.2)%	21.1 %	(13.1)%

Six months ended July 31, 2018

	GAAP	Stock-Based Compensation Expense	Non-GAAP
Cost and expenses:			
Cost of revenue	\$ 26,886	\$ (1,212)	\$ 25,674
Gross profit	\$ 79,025	\$ 1,212	\$ 80,237
Sales and marketing	\$ 74,125	\$ (9,439)	\$ 64,686
Research and development	\$ 17,712	\$ (3,642)	\$ 14,070
General and administrative	\$ 23,598	\$ (4,728)	\$ 18,870
Loss from operations	\$ (36,410)	\$ 19,021	\$ (17,389)
Net loss	\$ (36,437)	\$ 19,021	\$ (17,416)
Net loss margin	(34.4)%	18.0 %	(16.4)%

YEXT, INC.

**Reconciliation of GAAP to Non-GAAP Financial Measures
(in thousands, except share and per share data)
(unaudited)**

	Three months ended July 31,	
	2019	2018
Net loss	\$ (29,291)	\$ (19,396)
Stock-based compensation expense	16,609	11,028
Non-GAAP net loss	\$ (12,682)	\$ (8,368)
Net loss per share attributable to common stockholders, basic and diluted	\$ (0.26)	\$ (0.20)
Stock-based compensation expense per share	0.15	0.11
Non-GAAP net loss per share attributable to common stockholders, basic and diluted	\$ (0.11)	\$ (0.09)
Weighted-average number of shares used in computing net loss per share attributable to common stockholders, basic and diluted	111,777,703	97,511,660
	Six months ended July 31,	
	2019	2018
Net loss	\$ (48,250)	\$ (36,437)
Stock-based compensation expense	29,825	19,021
Non-GAAP net loss	\$ (18,425)	\$ (17,416)
Net loss per share attributable to common stockholders, basic and diluted	\$ (0.44)	\$ (0.38)
Stock-based compensation expense per share	0.27	0.20
Non-GAAP net loss per share attributable to common stockholders, basic and diluted	\$ (0.17)	\$ (0.18)
Weighted-average number of shares used in computing net loss per share attributable to common stockholders, basic and diluted	109,159,753	96,248,506

