

Model **N**

Investor Overview

FIRST QUARTER FISCAL YEAR 2024 FINANCIAL RESULTS

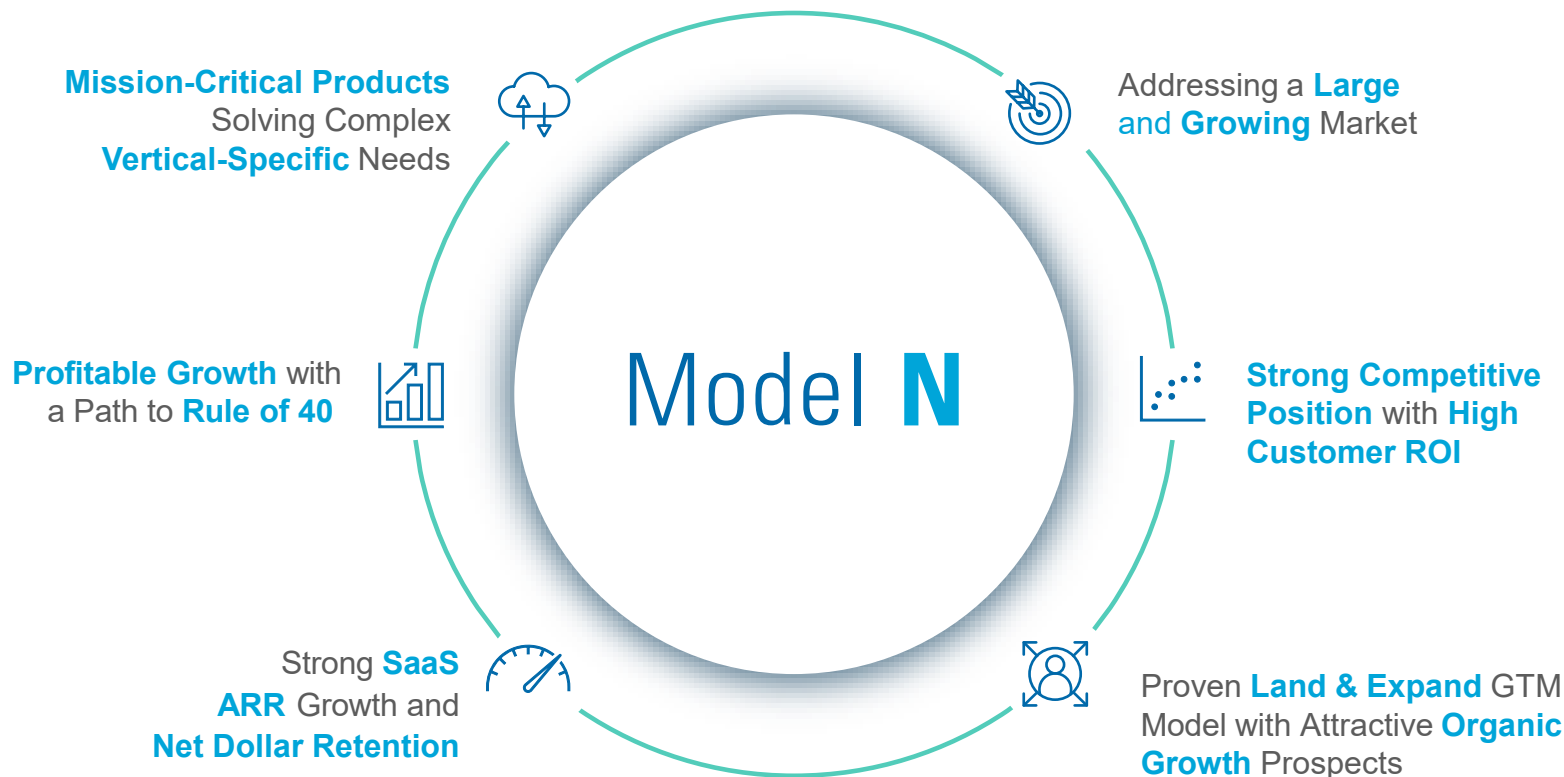
February 6, 2024

Safe Harbor Statement

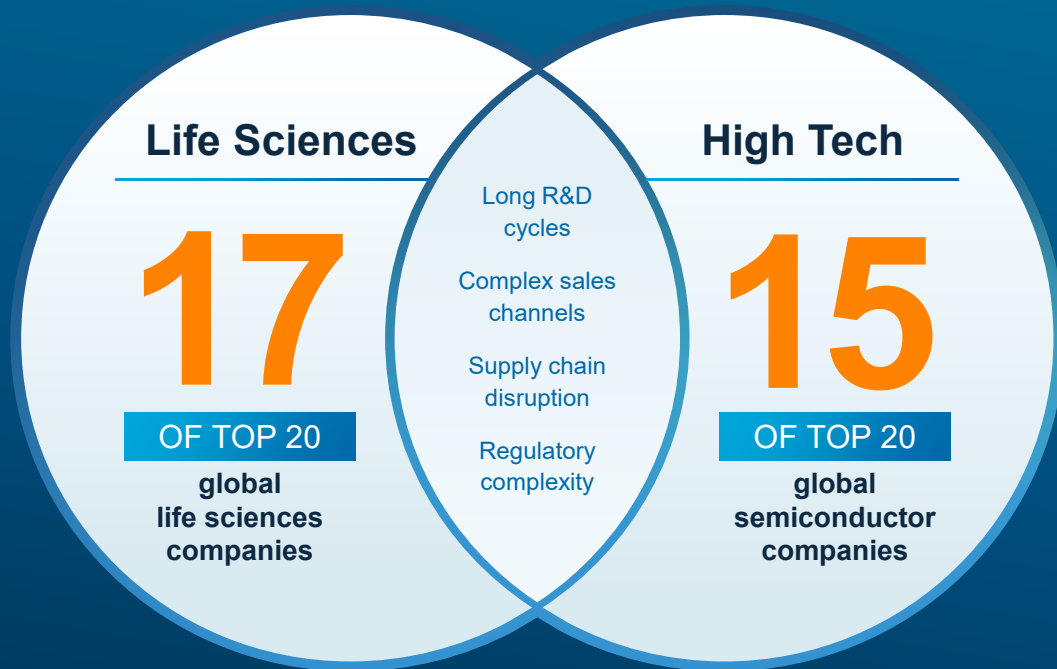
This presentation may contain forward-looking statements including, among other things, statements regarding Model N's first quarter and full fiscal year 2024 guidance, future prospects and financial results, including the ability to continue to execute on business strategy. All statements other than statements of historical fact contained in this presentation are forward-looking statements. In some cases, you can identify forward-looking statements by terminology such as “may,” “will,” “should,” “expects,” “plans,” “anticipates,” “believes,” “estimates,” “predicts,” “potential” “maintain profitable growth” or “continue” or the negative of these terms or other comparable terminology. These statements are only current predictions and are subject to known and unknown risks, uncertainties, assumptions and other factors that may cause our or our industry's actual results, levels of activity, performance or achievements to be materially different from those anticipated by the forward-looking statements. Risks include, but are not limited to: (i) delays in closing customer contracts; (ii) our ability to improve and sustain our sales execution; (iii) the timing of new orders and the associated revenue recognition; (iv) adverse changes in general economic or market conditions; (v) delays or reductions in information technology spending and resulting variability in customer orders from quarter to quarter; (vi) competitive factors, including but not limited to pricing pressures, industry consolidation, entry of new competitors and new applications and marketing initiatives by our competitors; (vii) our ability to manage our growth effectively; (viii) acceptance of our applications and services by customers; (ix) success of new products; (x) the risk that the strategic initiatives that we may pursue will not result in significant future revenues; (xi) changes in health care regulation and policy and tax in the United States and worldwide; (xii) our ability to retain customers; (xiii) adverse impacts on our business and financial condition due to macroeconomic and geopolitical factors, such as inflation, rising interests, pandemics and geopolitical conflicts. These forward-looking statements are subject to a number of risks, including those described under the heading “Risk Factors” in our most recent Annual Report of Form 10-K and Quarterly Reports on Form 10-Q that we have filed with the SEC. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, performance or achievements. Except as required by law, we are under no duty to update or revise any of the forward-looking statements, whether as a result of new information, future events or otherwise, after the date of this presentation. In addition to U.S. GAAP financials, this presentation includes certain non-GAAP financial measures. These non-GAAP financial measures are in addition to, and not a substitute for or superior to, measures of financial performance prepared in accordance with U.S. GAAP. A reconciliation of GAAP to Non-GAAP numbers is available in the 8-K filed on 02/06/2024 related to our Q1 earnings release. This presentation may also contain statistical data that we obtained from industry publications and reports generated by third parties. Although we believe that the publications and reports are reliable, we have not independently verified this statistical data.

Model N Today

Leading Provider of Cloud-based Revenue Management Solutions for Life Sciences & High Tech



A Market Leading Vertical Software Company

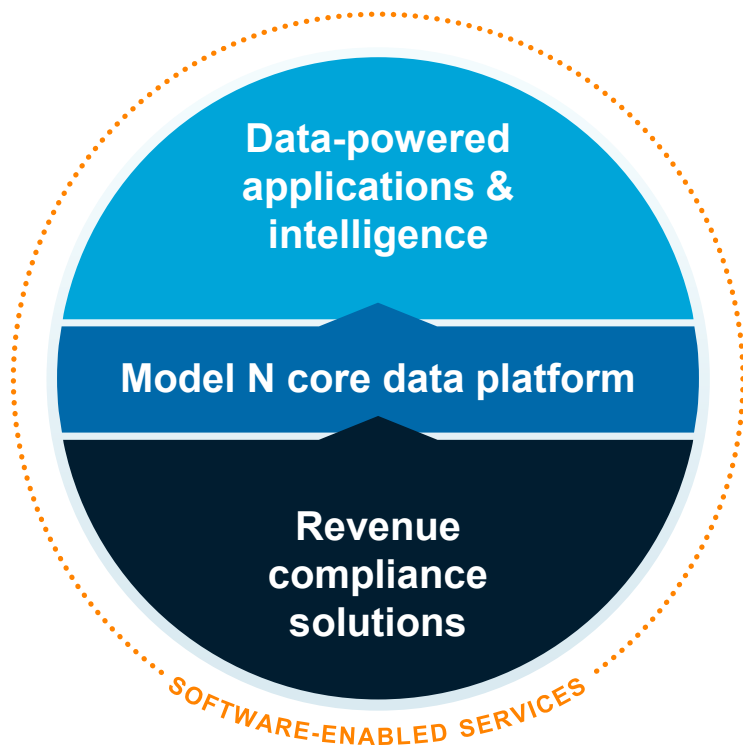


Complex pricing strategies

Commercial and regulatory compliance is paramount to profitability

Model N Solution Platform

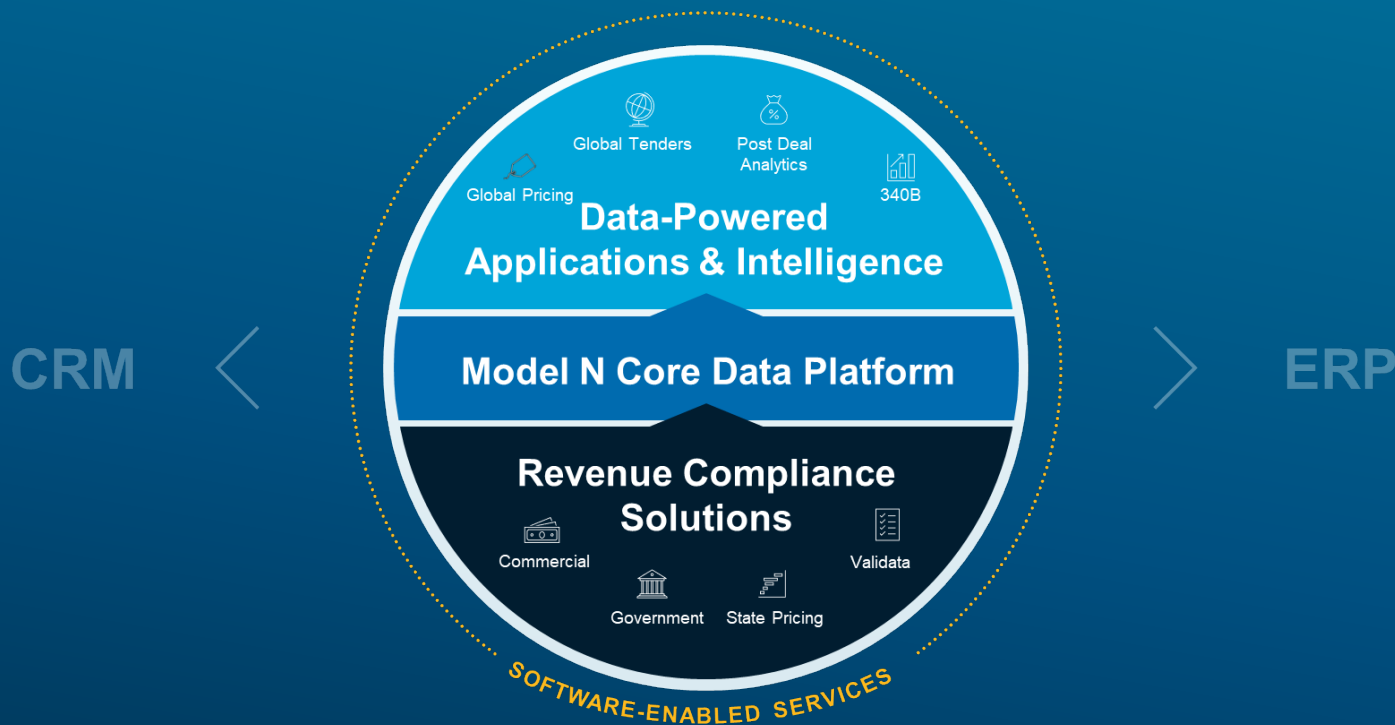
Revenue Optimization & Compliance Solutions



- Core Revenue Compliance Management solutions are the foundation of Model N
- Transactional data from Revenue Compliance Solutions feed the Core Data Platform
- Data-powered Applications & Intelligence solutions are delivered on top of the Core Data Platform
- Software-enabled services provide an end-to-end solution offering for customers, combining the Model N platform with industry expertise

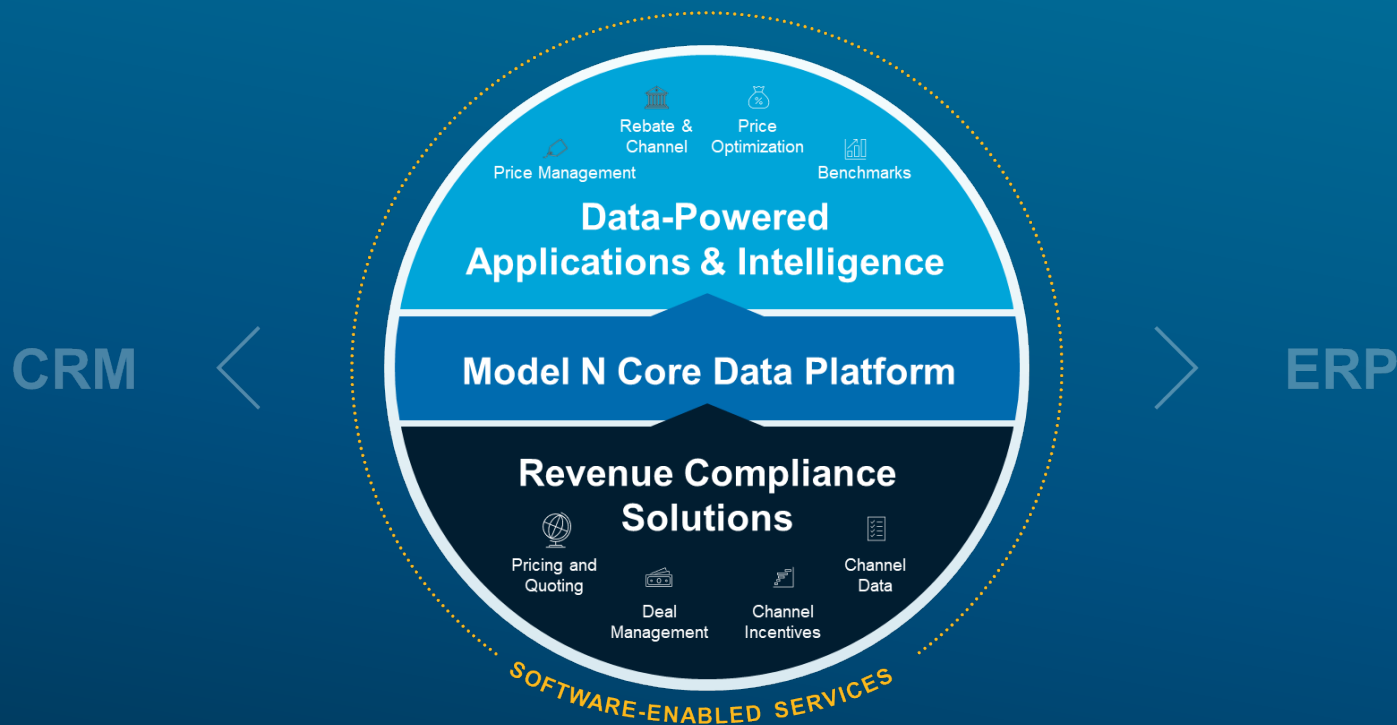
Model N Life Sciences Product Portfolio

Mission-Critical Products Solving Complex Vertical-Specific Needs



Model N High Tech Product Portfolio

Mission-Critical Products Solving Complex Vertical-Specific Needs

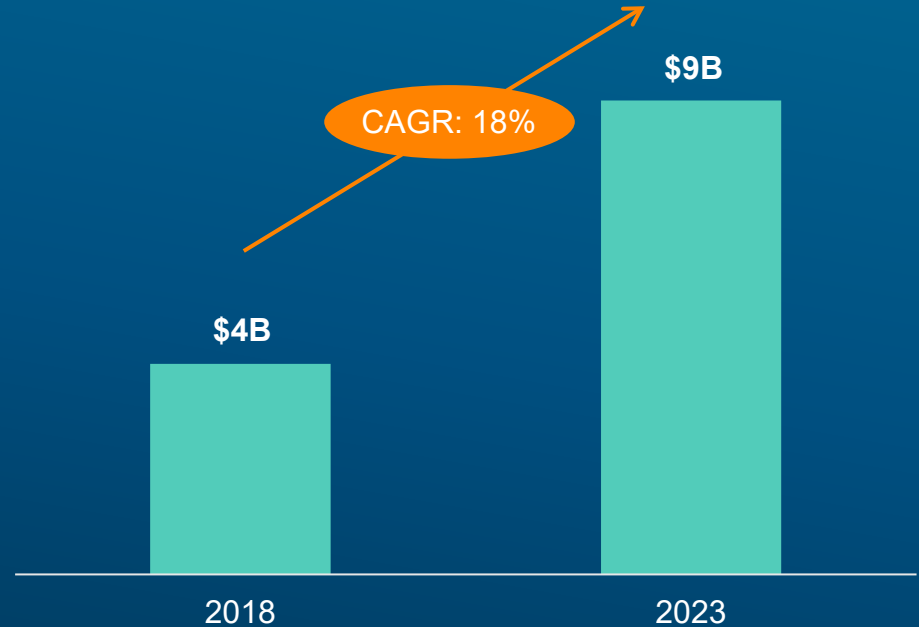


Model N's Market Opportunity is Expanding

We continue to drive innovation in strong and growing vertical markets

- Life Sciences
- High Tech
- Data & Analytics

Total Addressable Market

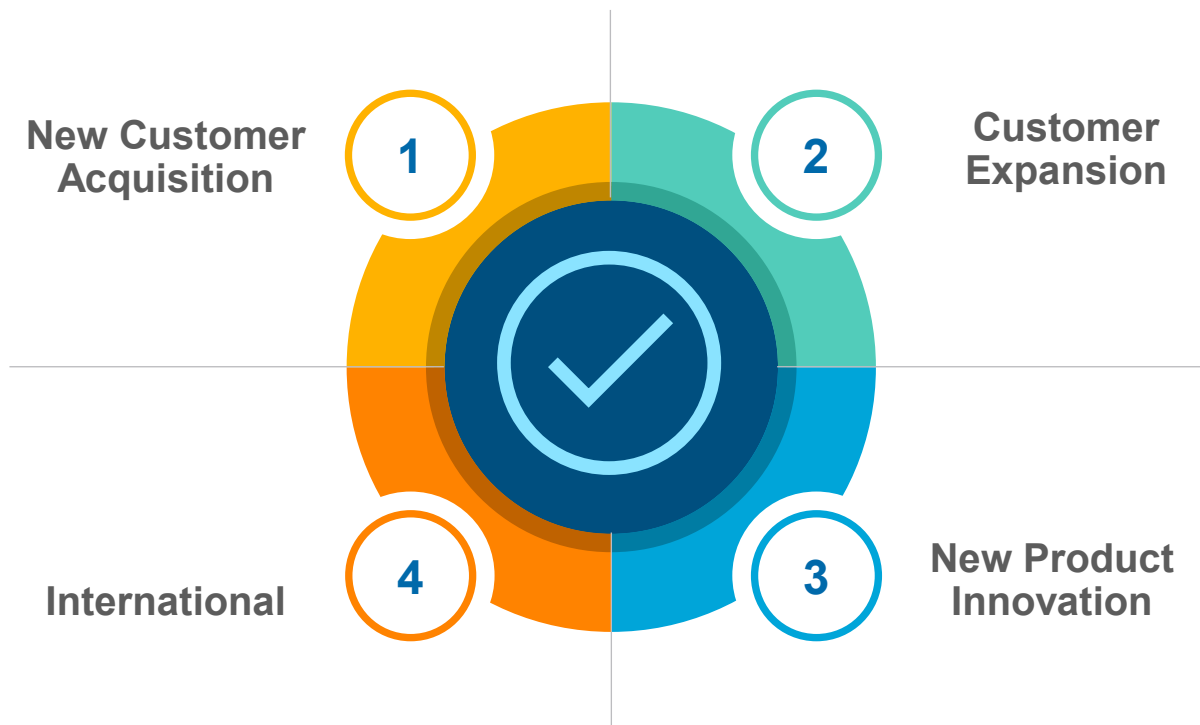


Industry Leading Customers

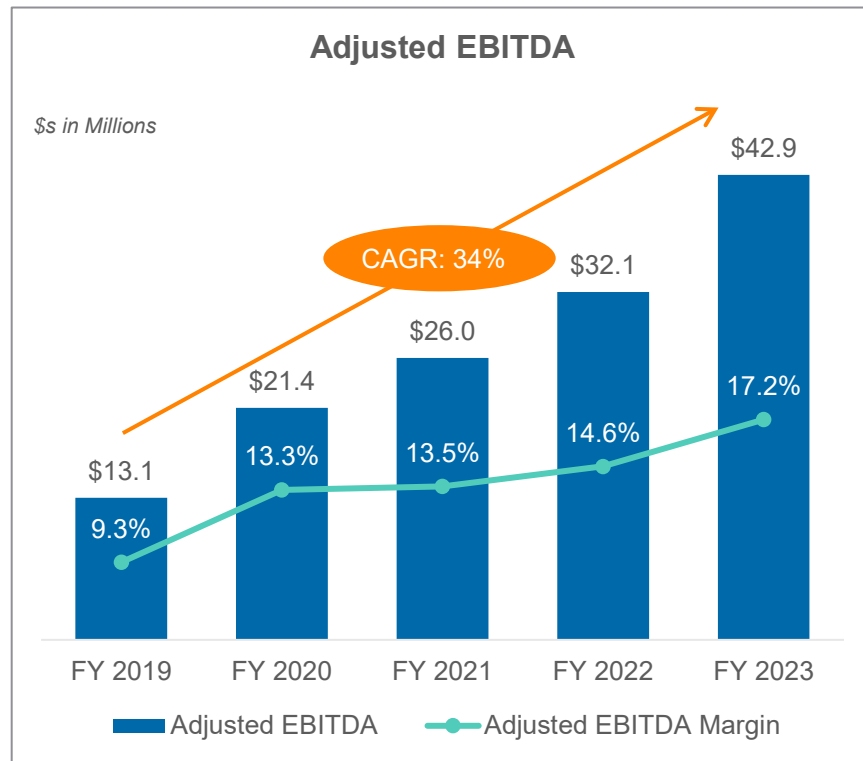
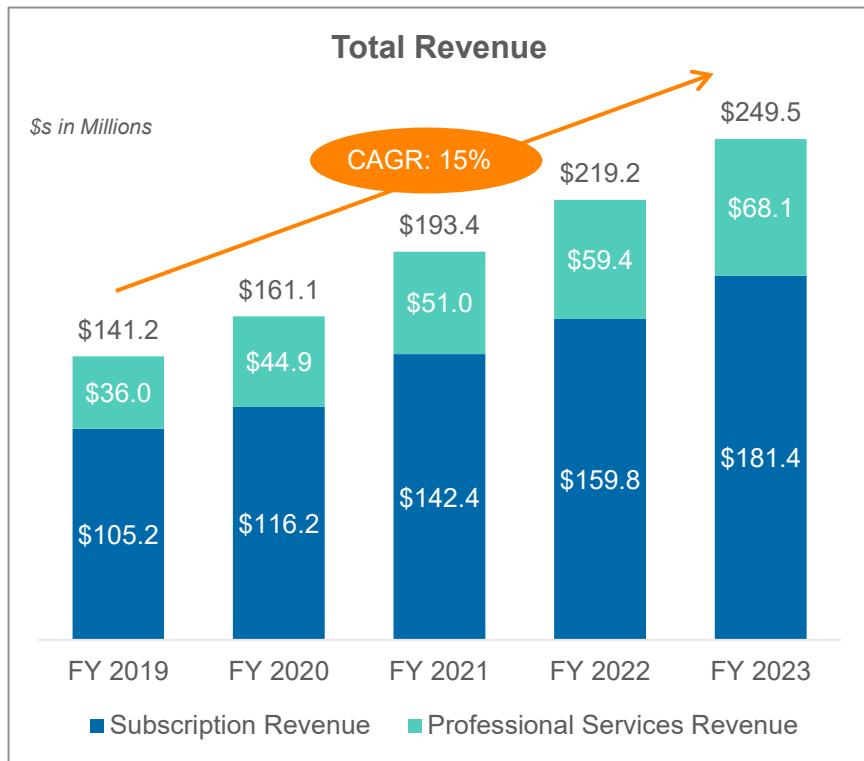
Serving Emerging Innovators and Global Leaders



Focused on Pursuing Four Organic Growth Levers

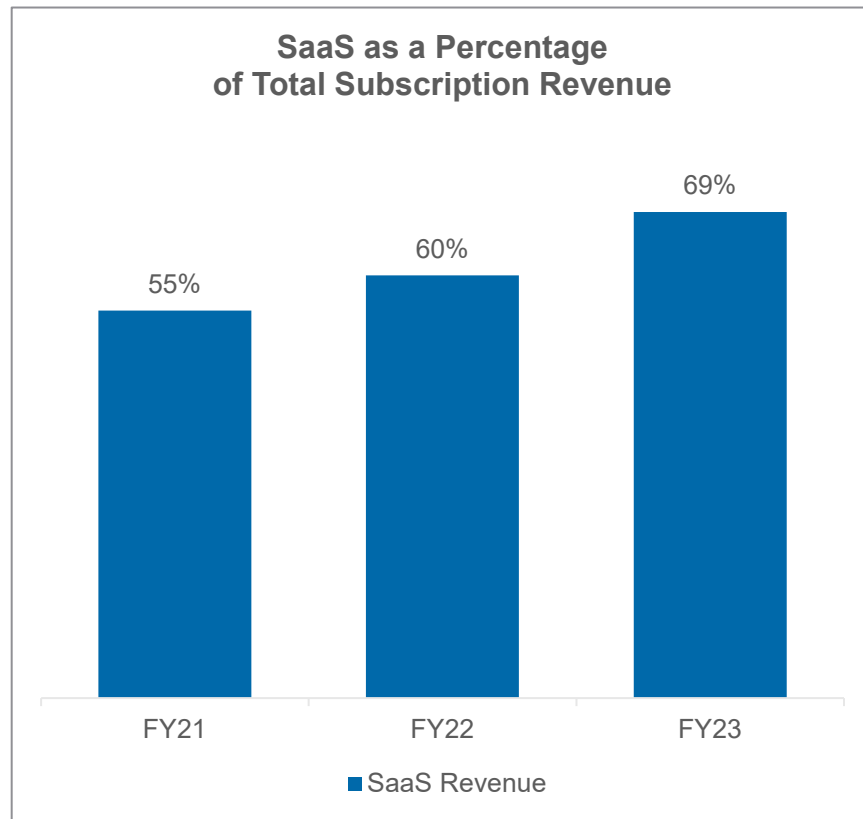
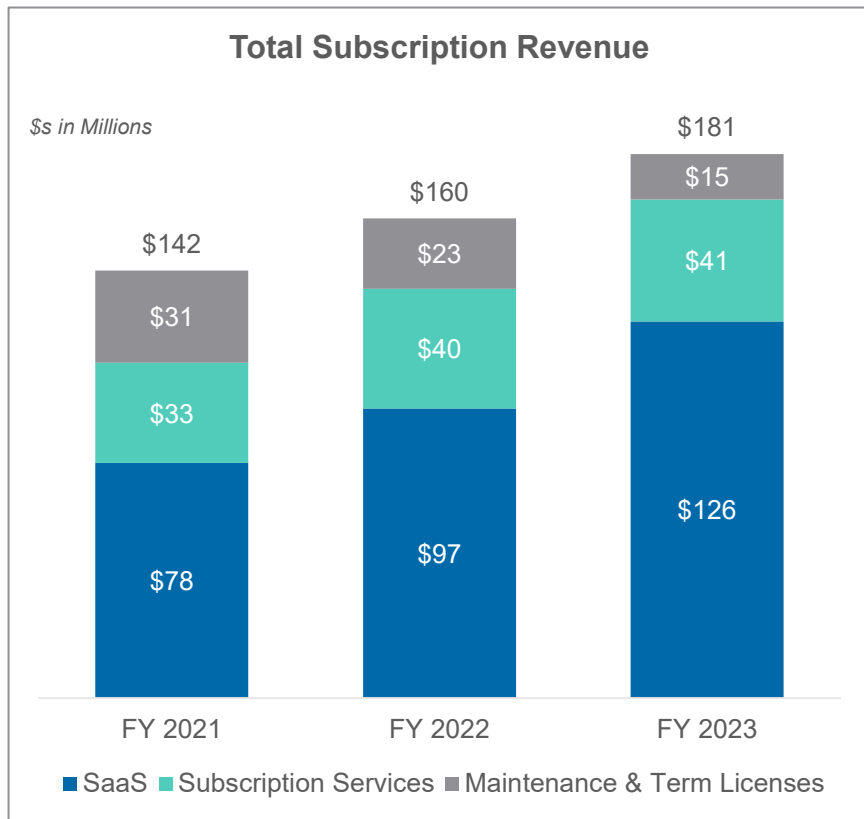


Strong Track Record of Driving Profitable Growth



Business Model Transition

SaaS is now the key driver of Subscription Revenue



Rapidly Growing SaaS Business

As of Q1 FY24

SaaS ARR ⁽¹⁾
(Annual Recurring Revenue)

\$134.8 Million

Up 16% year-over-year

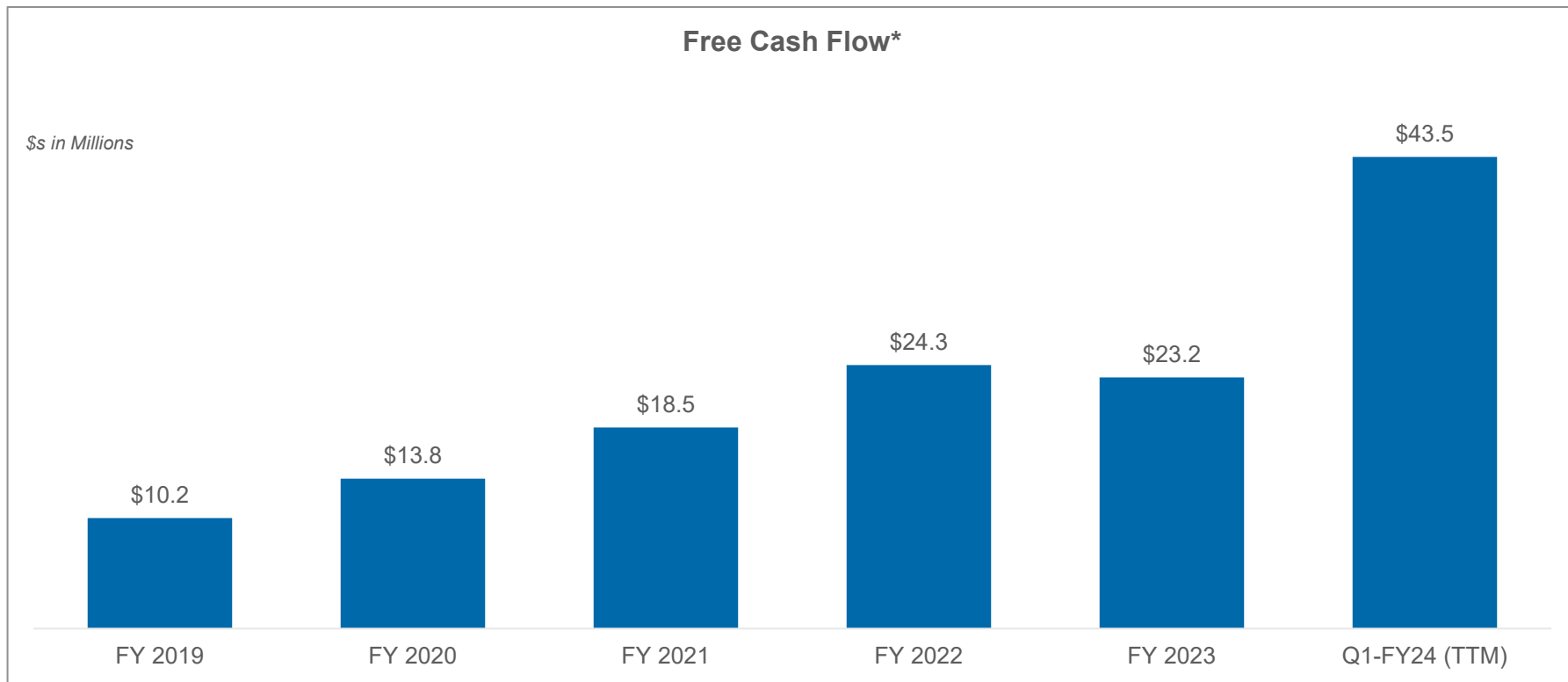
SaaS NDR ⁽²⁾
(Net Dollar Retention)

115%

(1) SaaS ARR is defined as the annualized value of our SaaS revenue, which is derived by taking the SaaS portion of our recurring subscription revenue for the quarter, dividing it by the number of days in the quarter, and multiplying it by 365 to get an annualized number.

(2) SaaS Net Dollar Retention uses the same SaaS ARR calculations to measure the percentage change in SaaS ARR from customers that are in both the current period and the year-ago period. SaaS ARR that has been added from new customers that were not in the year-ago calculation is excluded from the SaaS Net Dollar Retention calculation.

Generating Strong Free Cash Flow



* Note: Free cash flow defined as cash flow from operating activities less purchases of property and equipment

Q1-FY24 Results vs. Prior Guidance

<i>In \$ millions (except per share)</i>	FY24-Q1 Actual	FY24-Q1 Guidance
Total Revenues	\$63.5	\$61.5 – 62.5
Subscription Revenues	\$47.7	\$46.5 - \$47.0
Non-GAAP Income from Operations ⁽¹⁾	\$9.6	\$8.2 – 9.2
Non-GAAP Net Income per Share ⁽¹⁾	\$0.28	\$0.29 - \$0.31
Adjusted EBITDA ⁽¹⁾	\$9.9	\$8.5 - \$9.5

⁽¹⁾ Reconciliation of GAAP to Non-GAAP numbers is available in the 8-K filed on 02/06/2024 related to Q1 fiscal year 2024 earnings release.

Q2-FY24 and Fiscal Year 2024 Guidance

<i>In \$ millions (except per share)</i>	FY24-Q2 Guidance*	FY24 Full Year Guidance*
Total Revenues	\$63.5 – 64.5	\$260.5 - \$263.5
Subscription Revenues	\$48.5 - \$49.0	\$193.5 - \$195.5
Non-GAAP Income from Operations	\$9.2 – 10.2	\$46.9 - \$49.9
Non-GAAP Net Income per Share	\$0.24 - \$0.27	\$1.25 - \$1.32
Adjusted EBITDA	\$9.0 – 10.0	\$48.0 - \$51.0

* Guidance as of February 6, 2024

Mid-term Financial Targets

Continued margin expansion and return to double-digit subscription growth post transition

	FY23 Actual	FY24 Guidance*	Mid-term Target
Subscription Revenue Growth			
SaaS	30%		15-20%
Subscription Services	2%		4-6%
Maintenance & Term Licenses	-35%		0%
Total Subscription Growth	14%	7-8%	10-15%
Adjusted EBITDA Margin	17%	18-19%	23-26%
Subscription Growth + EBITDA Margin	31%	25-27%	33-41%

* Guidance as of February 6, 2024

Appendix

GAAP Income Statement

Model N, Inc. Condensed Consolidated Statements of Operations - GAAP (Unaudited, in thousands)										
	Q2'22	Q3'22	Q4'22	FY'22	Q1'23	Q2'23	Q3'23	Q4'23	FY'23	Q1'24
Revenues:										
Subscription	\$ 38,243	\$ 40,554	\$ 42,881	\$ 159,766	\$ 44,214	\$ 44,925	\$ 45,789	\$ 46,425	\$ 181,353	\$ 47,655
Professional services	15,037	15,618	15,290	59,398	14,940	17,679	17,947	17,544	68,110	15,836
Total revenues	53,280	56,172	58,171	219,164	59,154	62,604	63,736	63,969	249,463	63,491
Cost of Revenues:										
Subscription	14,464	14,869	15,260	58,509	15,606	16,121	15,841	15,929	63,497	16,711
Professional services	9,587	9,938	10,351	38,611	10,665	11,499	11,424	11,133	44,721	11,158
Total cost of revenues	24,051	24,807	25,611	97,120	26,271	27,620	27,265	27,062	108,218	27,869
Gross profit	29,229	31,365	32,560	122,044	32,883	34,984	36,471	36,907	141,245	35,622
Operating Expenses:										
Research and development	11,811	11,797	12,569	47,604	12,764	12,403	11,361	11,924	48,452	12,680
Sales and marketing	12,039	11,795	12,845	47,719	12,977	14,222	13,332	13,479	54,010	13,960
General and administrative	9,322	9,857	12,060	39,676	10,691	11,481	8,849	11,879	42,900	11,649
Total operating expenses	33,172	33,449	37,474	134,999	36,432	38,106	33,542	37,282	145,362	38,289
Income (loss) from operations	(3,943)	(2,084)	(4,914)	(12,955)	(3,549)	(3,122)	2,929	(375)	(4,117)	(2,667)
Interest expense	3,868	3,953	4,037	15,642	1,434	1,508	1,830	1,829	6,601	1,834
Loss on extinguishment of debt	—	—	—	—	—	29,493	—	—	29,493	—
Interest income	(20)	(159)	(693)	(879)	(1,300)	(1,789)	(2,561)	(3,440)	(9,090)	(3,540)
Other expenses (income), net	(112)	(271)	(277)	(558)	(65)	83	102	(163)	(43)	117
Income (loss) before income taxes	(7,679)	(5,607)	(7,981)	(27,160)	(3,618)	(32,417)	3,558	1,399	(31,078)	(1,078)
Provision for income taxes	360	611	131	1,475	432	902	740	770	2,844	720
Net income (loss)	(8,039)	(6,218)	(8,112)	(28,635)	(4,050)	(33,319)	2,818	629	(33,922)	(1,798)
These schedules have been derived from, and should be read in conjunction with, our financial statements in our reports on Forms 10-Q and 10-K which are filed with the SEC.										

Non-GAAP Adjustments

Model N, Inc.
Condensed Consolidated Statements of Operations --- Non GAAP Adjustments
(Unaudited, in thousands)

	Q2'22	Q3'22	Q4'22	FY'22	Q1'23	Q2'23	Q3'23	Q4'23	FY'23	Q1'24
Amortization of intangible assets	\$ 709	\$ 709	\$ 709	\$ 2,836	\$ 709	\$ 427	\$ 427	\$ 427	\$ 1,990	\$ 427
Stock-based compensation	1,065	1,380	1,585	4,888	1,337	1,307	1,265	1,226	5,134	1,229
Total adjustment to cost of revenue - subscription	1,774	2,089	2,294	7,724	2,046	1,734	1,692	1,653	7,124	1,656
Stock-based compensation	871	1,194	1,387	4,073	1,140	1,063	1,020	1,008	4,231	985
Total adjustment to cost of revenue - professional services	871	1,194	1,387	4,073	1,140	1,063	1,020	1,008	4,231	985
Stock-based compensation	1,509	1,826	2,039	6,655	1,821	1,831	1,659	1,614	6,925	1,719
Total adjustment to operating expenses - research and development	1,509	1,826	2,039	6,655	1,821	1,831	1,659	1,614	6,925	1,719
Amortization of intangible assets	1,299	1,299	1,299	5,196	1,299	1,299	1,299	1,299	5,195	1,299
Stock-based compensation	1,826	2,223	2,467	8,136	2,388	2,561	2,172	2,355	9,476	2,561
Total adjustment to operating expenses - sales and marketing	3,125	3,522	3,766	13,332	3,687	3,860	3,471	3,654	14,671	3,860
Stock-based compensation	3,051	3,255	3,389	12,301	3,718	3,600	2,480	3,201	12,999	4,071
Total adjustment to operating expenses - general and administrative	3,051	3,255	3,389	12,301	3,718	3,600	2,480	3,201	12,999	4,071
Loss on extinguishment of debt	—	—	—	—	—	29,493	—	—	29,493	—
Total loss on extinguishment of debt	—	—	—	—	—	29,493	—	—	29,493	—
Amortization of debt discount and issuance costs	2,736	2,819	2,904	11,114	302	327	418	416	1,463	421
Total adjustment to interest expense, net	2,736	2,819	2,904	11,114	302	327	418	416	1,463	421

These schedules have been derived from, and should be read in conjunction with, our financial statements in our reports on Forms 10-Q and 10-K which are filed with the SEC.

Adjusted EBITDA

Model N, Inc.
Reconciliation of Adjusted EBITDA
(Unaudited, in thousands)

	Q2'22	Q3'22	Q4'22	FY'22	Q1'23	Q2'23	Q3'23	Q4'23	FY'23	Q1'24
Reconciliation of Adjusted EBITDA:										
Net income (loss)	\$ (8,039)	\$ (6,218)	\$ (8,112)	\$ (28,635)	\$ (4,050)	\$ (33,319)	\$ 2,818	\$ 629	\$ (33,922)	\$ (1,798)
Adjustments:										
Stock-based compensation expense	8,322	9,878	10,867	36,054	10,404	10,362	8,596	9,404	38,765	10,565
Depreciation and amortization	2,239	2,246	2,266	8,991	2,273	1,989	1,992	1,972	8,225	1,960
Interest expense	3,868	3,953	4,037	15,642	1,434	1,508	1,830	1,829	6,601	1,834
Loss on extinguishment of debt	—	—	—	—	—	29,493	—	—	29,493	—
Interest income	(20)	(159)	(693)	(879)	(1,300)	(1,789)	(2,561)	(3,440)	(9,090)	(3,540)
Other expenses (income), net	(112)	(271)	(277)	(558)	(65)	83	102	(163)	(43)	117
Provision for income taxes	360	611	131	1,475	432	902	740	770	2,844	720
Adjusted EBITDA	\$ 6,618	\$ 10,040	\$ 8,219	\$ 32,090	\$ 9,128	\$ 9,229	\$ 13,517	\$ 11,001	\$ 42,873	\$ 9,858

These schedules have been derived from, and should be read in conjunction with, our financial statements in our reports on Forms 10-Q and 10-K which are filed with the SEC.

Free Cash Flow

Model N, Inc. Free Cash Flow (Unaudited, in thousands)										
	Q2'22	Q3'22	Q4'22	FY'22	Q1'23	Q2'23	Q3'23	Q4'23	FY'23	Q1'24
Cash flows from operating activities	12,613	14,405	7,954	\$ 25,287	\$ (18,292)	\$ 12,142	\$ 29,614	\$ 133	\$ 23,597	\$ 2,105
Purchases of property and equipment	(24)	(137)	(507)	(993)	(26)	(80)	(131)	(210)	(447)	(99)
Free cash flow	12,589	14,268	7,447	\$ 24,294	\$ (18,318)	\$ 12,062	\$ 29,483	\$ (77)	\$ 23,150	\$ 2,006
These schedules have been derived from, and should be read in conjunction with, our financial statements in our reports on Forms 10-Q and 10-K which are filed with the SEC.										