The Customer Engagement Company

SEPTEMBER 2021

Forward Looking Statements

The presentation contains "forward-looking statements," including statements regarding expectations, predictions, views, opportunities, plans, strategies, beliefs, and statements of similar effect relating to Verint Systems Inc. These forward-looking statements are not guarantees of future performance and they are based on management's expectations that involve a number of known and unknown risks, uncertainties, assumptions, and other important factors, any of which could cause our actual results to differ materially from those expressed in or implied by the forward-looking statements. The forward-looking statements contained in this presentation are made as of the date of this presentation and, except as required by law, Verint assumes no obligation to update or revise them, or to provide reasons why actual results may differ. For a more detailed discussion of how these and other risks, uncertainties, and assumptions could cause Verint's actual results to differ materially from those indicated in its forward-looking statements, see Verint's filings with the Securities and Exchange Commission. Please note that all guidance is provided on a non-GAAP basis.

Non-GAAP Financial Measures

This presentation includes financial measures which are not prepared in accordance with generally accepted accounting principles ("GAAP"), including certain constant currency measures. For a description of these non-GAAP financial measures, including the reasons management uses each measure, and reconciliations of these non-GAAP financial measures to the most directly comparable financial measures prepared in accordance with GAAP, please see the GAAP to non-GAAP reconciliation found under the Investor Relations tab on Verint's website Verint.com and in the appendix of this presentation.

Pure Play Customer Engagement Leader

Momentum Driven By Digital and Cloud Acceleration

Strong Start to the Year

- H1 Results Ahead of Expectations
- Crossed Midpoint of SaaS Transition

Recently Raised Annual Outlook (FYE22)

- 15% New PLE Bookings Growth and 35% Cloud Revenue Growth
- $872 Million of Revenue +/- 2% and $2.25 Diluted EPS at Midpoint

Strong Momentum Drives Three-Year Targets (FYE24)

- $1 Billion of Revenue; High Single Digit Revenue Growth
- Approaching $650 Million of Cloud Revenue

Note: FYE22 guidance and three-year targets are provided on a non-GAAP basis. PLE is New Perpetual License Equivalent Bookings.

Digital Transformation is Accelerating

Rapid growth in Digital Interactions

Brands lead with Customer Experience

Emergence of Future of Work

The Engagement Capacity Gap is Widening

Digital Transformation Drives Growth in Interactions and Higher Consumer Expectations

50 Million Knowledge Workers

$2 Trillion Labor Cost

$65 Billion Customer Engagement Software TAM

Organizations Can No Longer Afford Hiring Workers → **Strong Demand for Platforms and Automation to Reduce Labor Cost and Elevate CX**

Note: We estimated our total addressable market for customer engagement software, the market growth rate, the number of knowledge workers and labor costs using data from the US Bureau of Labor Statistics, McGee Smith Analytics, Pelorus Associates and Gartner as well as company estimates of $150 to $200 per month for the amount of software that is spent on each knowledge worker in the contact center and half that amount for knowledge workers in other customer engagement touch points.

Verint Customer Engagement Cloud Platform

Drive Automation in Customer Engagement Across Enterprise

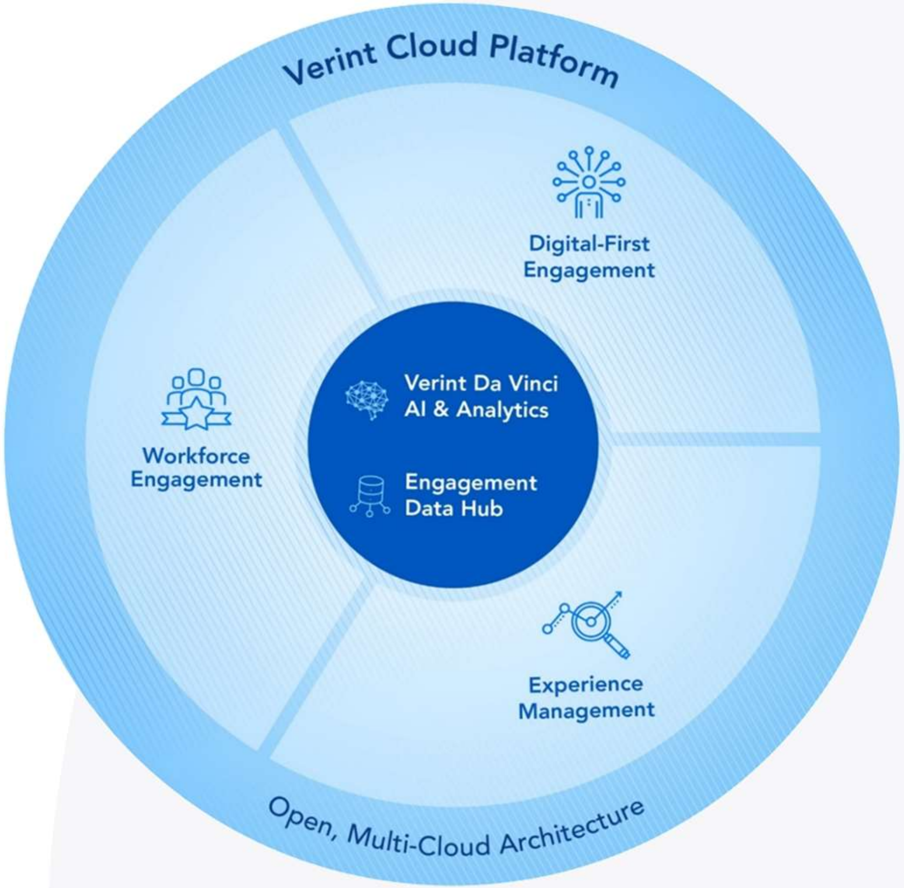
Help Brands Close the Capacity Gap

Embracing digital-first engagement

Powering a workforce of humans & bots

Embracing an enterprise-wide CX culture

Harnessing data to drive AI & Analytics



Industry Landscape

Verint: Enterprise Application Leader and Infrastructure Agnostic

Customer Engagement Application Vendors

servicenow, salesforce, Microsoft, zendesk, VERINT, PEGA, qualtrics XM, Medallia, NICE

Infrastructure Vendors (CCaaS, UCaaS, CPaaS)

ttec, zoom, Five9, amazon, OPTUS, AVAYA, talkdesk, cisco, BT, 8x8, GENESYS, twilio, NICE, TELUS, VONAGE

System Integrators

accenture, Capgemini, KPMG, pwc, Telstra

Verint Growth Strategy

Lead with open cloud platform

Help brands accelerate digital first

Continue to expand partner network

Benefit from infrastructure neutrality

Recent Wins – Leading Brands Select Verint

- **<u>New Customers:</u>** Winning many new brands through our direct salesforce and growing partner ecosystem

- **<u>Existing Customers:</u>** Cloud platform makes it easier for existing customers to add additional applications

Advance Auto Parts · Agilent Technologies · AssistRx · Australia Post · Department of State United States of America · Dollar Shave Club · DoorDash · FedEx · gettyimages · globalpayments · Google · Highmark · lyft · Lenovo · Mohawk Industries, Inc. · Netspend · NortonLifeLock · Progressive · Reckitt Benckiser · Singapore Airlines · Societe Generale · Telmex · TSYS · Yale · YETI

Note: Customer has placed an order within last 18 months.

Financial Review

Pure Play Customer Engagement Company – Our Journey

FYE19 – FYE21

Executed Cloud First Strategy

February 1, 2021

Became Pure Play Customer Engagement with Cognyte Spin

Q1 FYE22

Crossed Midpoint of Cloud Transition and Raised Annual Outlook

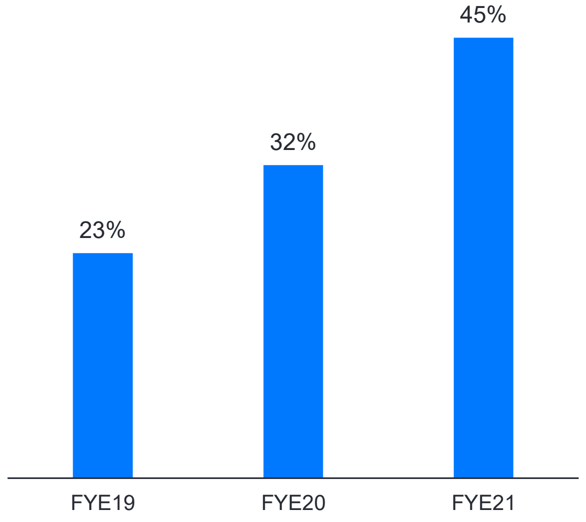
Q2 FYE22

Results Ahead of Expectations and Raised Annual Outlook

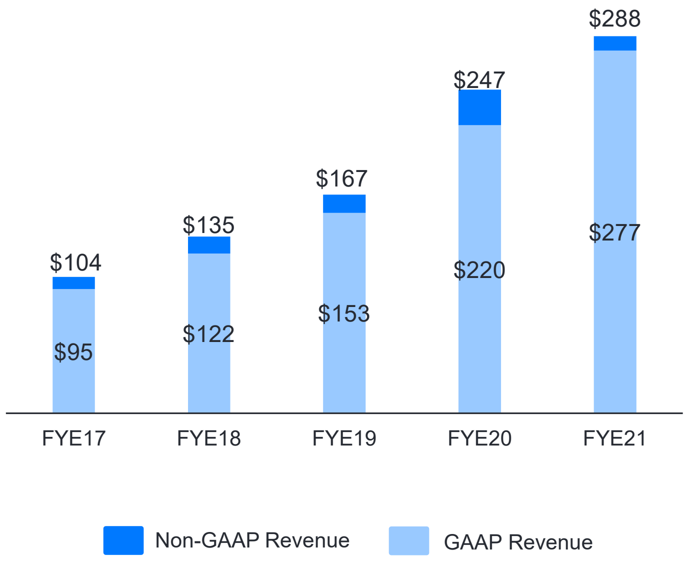
FYE19 – FYE21

Executed Cloud First Strategy – Market Cloud Adoption Accelerated During COVID

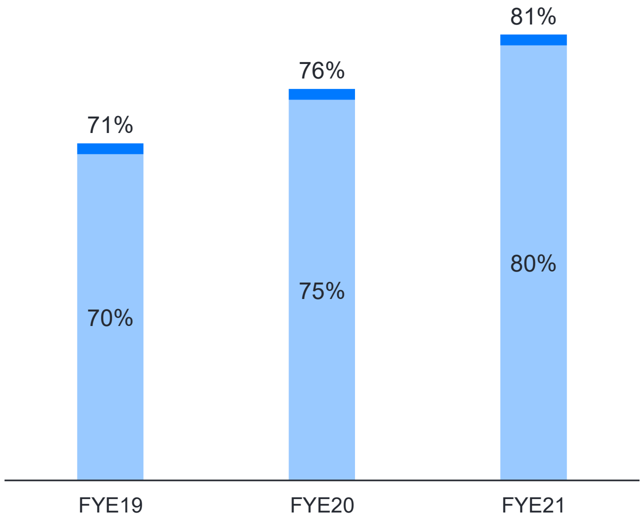
PLE Mix (% from SaaS)



Cloud Revenue



Recurring Revenue (% of SW)

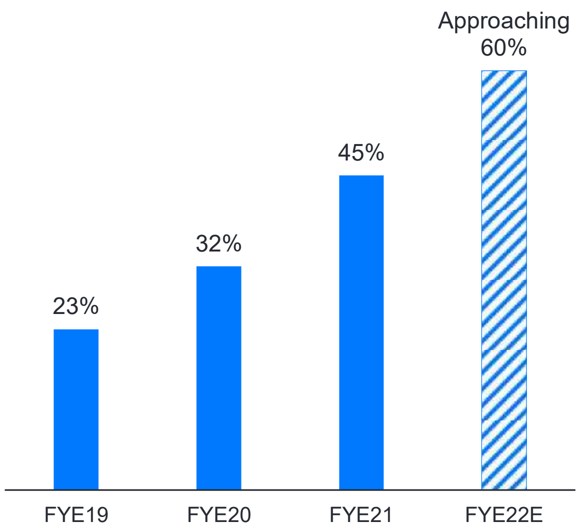


Note: Amounts are in USD millions.

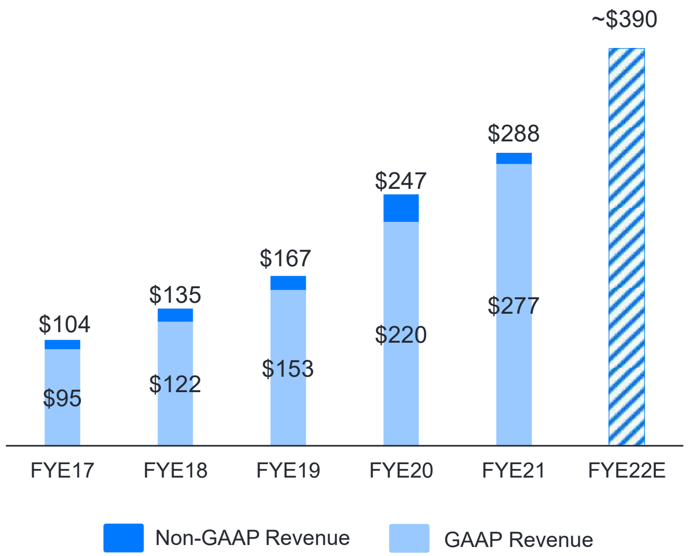
Strong FYE22 Guidance as We Cross Transition Midpoint

15% PLE Growth with over Half from SaaS
35% Cloud Revenue Growth
Software Recurring Revenue Approaching 85%

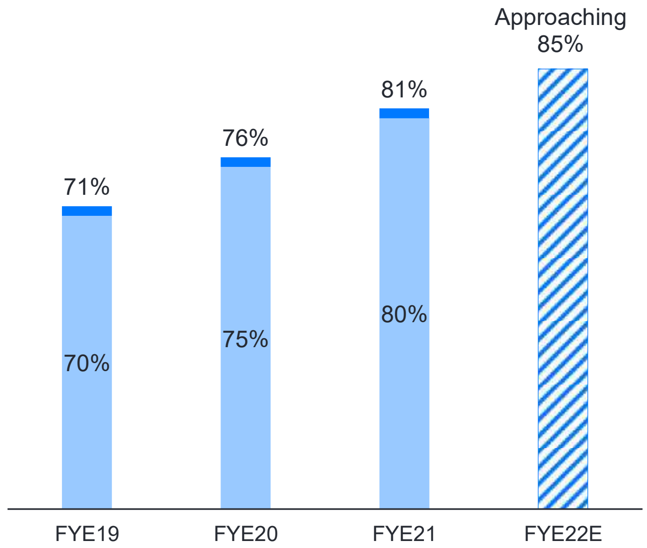
PLE Mix (% from SaaS)



Cloud Revenue



Recurring Revenue (% of SW)



Note: Amounts are in USD millions. FYE22 guidance is provided on a non-GAAP basis.

Posted Strong H1 – Strong Momentum Post Spin

Crossed Midpoint of Cloud Transition with Accelerating Bookings Growth

Bookings Metrics

⬆ 22%	52%	⬆ 60%	⬆ 59%	⬆ 29%
New PLE Bookings Growth	% of New PLE Bookings from SaaS	# of $1 Million+ SaaS Orders	New SaaS ACV Growth	Remaining Performance Obligations Growth

Revenue Dynamics

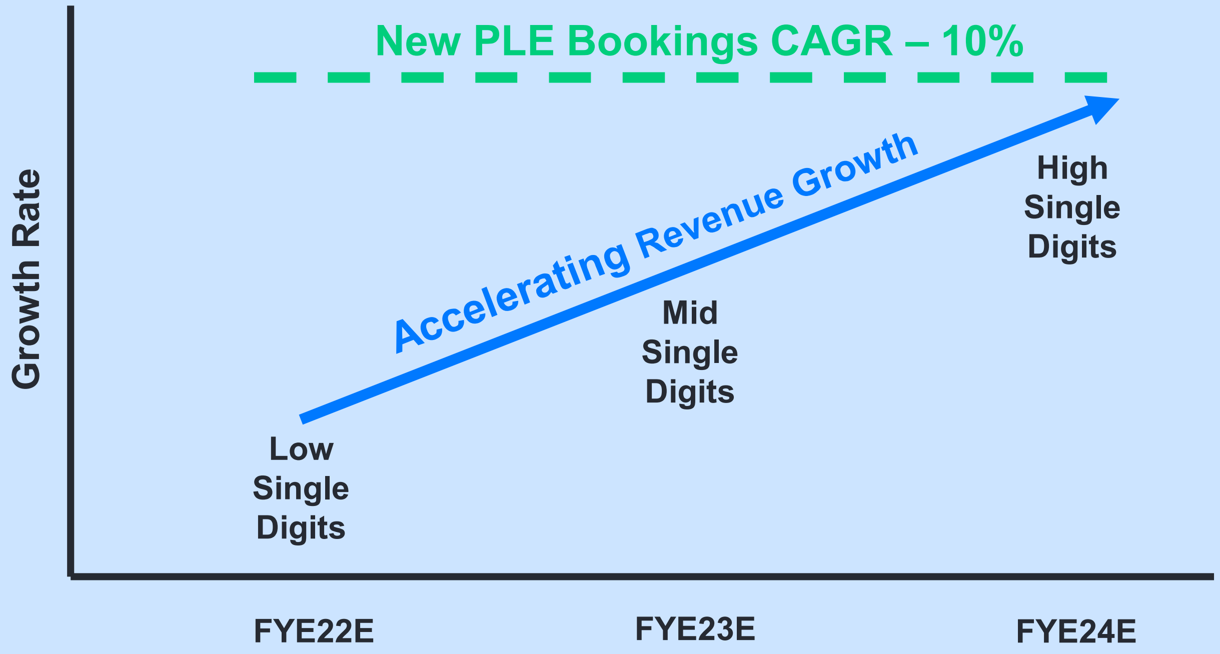
% of Software Revenue Recurring	Cloud Revenue Growth	Total Revenue Growth
83%	GAAP: 47% Non-GAAP: 42%	GAAP: 7% Non-GAAP: 5%

Note: Growth rates are on a year-over-year basis. Percentage of software revenue recurring is the same on a GAAP and non-GAAP basis.

Three-Year Growth Assumptions

Model Assumes 10% New PLE Bookings CAGR Driving Revenue Growth Acceleration

Digital-First Creates Opportunity to Grow PLE Bookings Even Faster

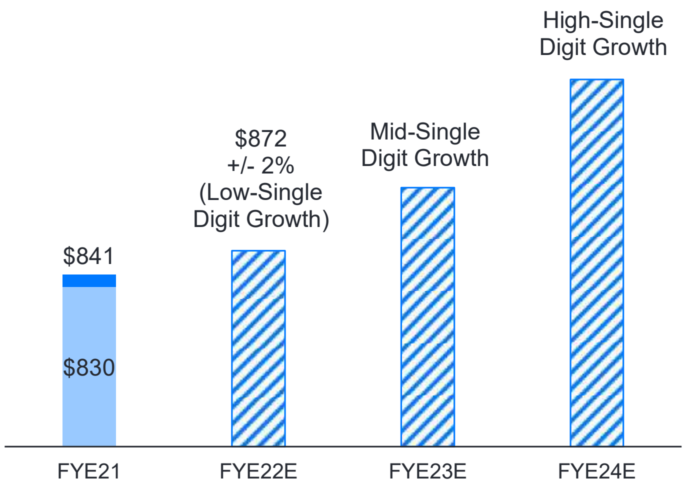


Note: FYE22 guidance and three-year targets are provided on a non-GAAP basis

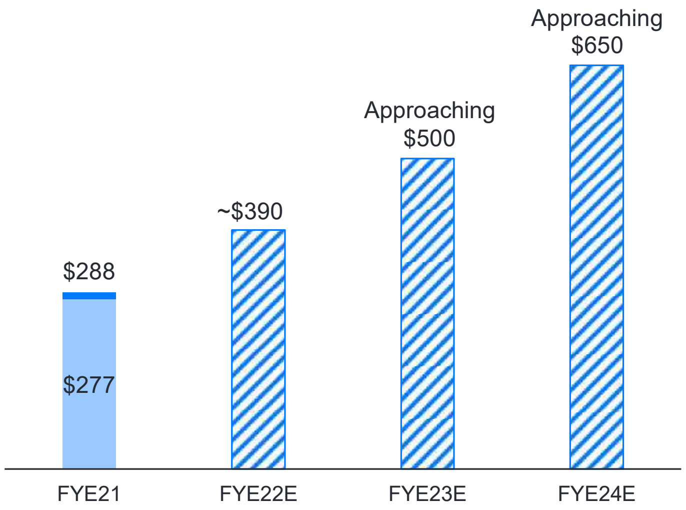
Three-Year Targets

$1 Billion of Revenue in FYE24
Approaching $650 Million of Cloud Revenue; 30% CAGR
Approaching 90% of Software Revenue Recurring

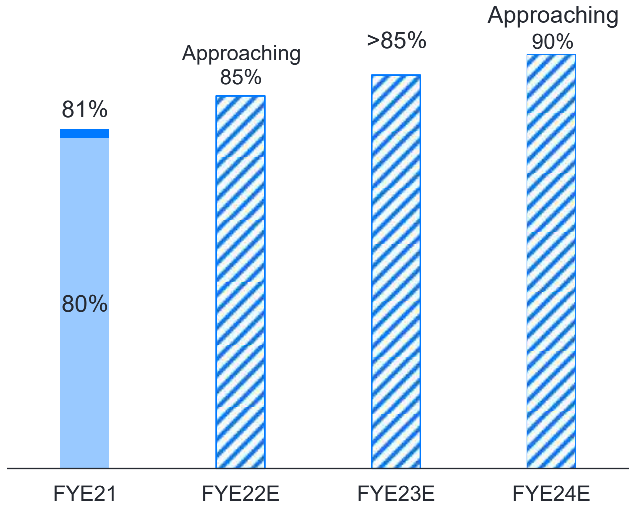
Total Revenue Growth



Cloud Revenue – 30% CAGR



Recurring Revenue (% of SW)



Non-GAAP Revenue
GAAP Revenue

Note: Amounts are in USD millions. FYE22 guidance and three-year targets are provided on a non-GAAP basis.

Three-Year Plan Growth Pillars

Driven by Our Existing Platform Capabilities

Complete Cloud Transition

Better Economics and Improved Visibility

Ride the Digital-First Evolution

Strong AI to Help Brands Close the Engagement Capacity Gap

Expand Partner Network

Open Platform Attractive to our Growing Ecosystem

Appendix

Illustrative Economic Example - $100 Perpetual Software Deal

Perpetual License vs. SaaS

Perpetual License	Year 1	Year 2	Year 3	Year 4	Year 5	Cumulative	Revenue and Cashflow
Point-in-time	100						**Revenue:** $200 over five years **Cashflow**: Timing matches revenue recognition
Over-time	20	20	20	20	20		
Total Revenue	**120**	**20**	**20**	**20**	**20**	**200**	
Cash flow	120	20	20	20	20	200	

Bundled SaaS	Year 1	Year 2	Year 3	Year 4	Year 5	Cumulative	Revenue and Cashflow (1.8x compared to perpetual)
Point-in-time							**Revenue**: $360 over five years **Cashflow:** Timing matches revenue recognition
Over-time	72	72	72	72	72		
Total Revenue	**72**	**72**	**72**	**72**	**72**	**360**	
Cash flow	72	72	72	72	72	360	

Verint’s Focus on ESG

In 2021 we issued our latest ESG Report, which includes performance highlights across Verint’s Environmental, Social and Governance initiatives

Environmental

Verint is committed to protecting the environment and the health and safety of our employees, customers, partners, and the public.

We focus on a variety of areas from measuring our energy consumption to factoring in environmental design elements and end-of-life thinking into our products.

Social

We emphasize employee development by providing development programs and technical and leadership training to facilitate employee success. We strive to provide competitive, fair compensation to all of our employees as well as substantial non-paid benefits.

Verint is proud to support our employees’ community service activities, including with programs for donating employee time to qualified children’s organizations and matching grants, as well as through direct engagement with our local communities under our Next Generation program.

Governance

We are committed to conducting all aspects of our business ethically, consistent with our core values — integrity, transparency, humility, passion, and innovation — and in compliance with our Code of Conduct and applicable law.

We are also committed to good governance practices, which take into consideration the interests of our key stakeholders, including customers, partners, employees, and investors.

Visit Verint’s Website to Learn More:

Corporate Responsibility: Click Here
Corporate Governance: Click Here
Diversity and Inclusion: Click Here

Financial Outlook

Our non-GAAP outlook for the three months ending October 31, 2021 and year ending January 31, 2022 excludes the following GAAP measures which we are able to quantify with reasonable certainty:

- Amortization of intangible assets of approximately $11 million and $45 million, for the three months ending October 31, 2021 and year ending January 31, 2022, respectively.
- Expenses and losses on debt modification or retirement of $0 million and $2 million, for the three months ending October 31, 2021 and year ending January 31, 2022, respectively.
- Favorable change in fair value of future tranche right of $0 million and $16 million, for the three months ending October 31, 2021 and year ending January 31, 2022, respectively.
- Unrealized losses on derivatives, net of $0 million and $14 million, for the three months ending October 31, 2021 and year ending January 31, 2022, respectively.

Our non-GAAP outlook for the three months ending October 31, 2021 and year ending January 31, 2022 excludes the following GAAP measures for which we are able to provide a range of probable significance:

- Revenue adjustments are expected to be between approximately $1 million and $2 million, and $3 million and $4 million, for the three months ending October 31, 2021 and year ending January 31, 2022, respectively.
- Stock-based compensation expenses are expected to be between approximately $15 million and $17 million, and $64 million and $70 million, for the three months ending October 31, 2021 and year ending January 31, 2022, respectively, assuming market prices for our common stock approximately consistent with current levels.
- Further costs associated with Verint's February 1, 2021 separation into two independent public companies are expected to be between approximately $2 million and $3 million, and $12 million and $15 million, for the three months ending October 31, 2021 and year ending January 31, 2022, respectively.

Our non-GAAP outlook does not include the potential impact of any in-process business acquisitions that may close after the date hereof, and, unless otherwise specified, reflects foreign currency exchange rates approximately consistent with current rates.

We are unable, without unreasonable efforts, to provide a reconciliation for other GAAP measures which are excluded from our non-GAAP outlook, including the impact of future business acquisitions or acquisition expenses, future restructuring expenses, and non-GAAP income tax adjustments due to the level of unpredictability and uncertainty associated with these items. For these same reasons, we are unable to assess the probable significance of these excluded items. While historical results may not be indicative of future results, actual amounts for the three and six months ended July 31, 2021 and 2020 for the GAAP measures excluded from our non-GAAP outlook appear in this presentation.

Financial Outlook (cont'd)

Our non-GAAP three-year targets exclude various GAAP measures, including:

- Amortization of intangible assets.
- Losses on early retirement of debt.
- Change in fair value of future tranche right.
- Unrealized losses on derivatives, net.
- Revenue adjustments.
- Stock-based compensation expenses.
- Acquisition expenses.
- Restructuring expenses.
- Separation expenses.

Our non-GAAP three-year targets also reflect income tax provisions on a non-GAAP basis.

We are unable, without unreasonable efforts, to provide a reconciliation for these GAAP measures which are excluded from our non-GAAP three-year targets, due to the level of unpredictability and uncertainty associated with these items. For these same reasons, we are unable to assess the probable significance of these excluded items.

Our non-GAAP three-year targets reflect foreign currency exchange rates approximately consistent with current rates.

Summary Metrics – FYE22 To Date

	($ in millions)	Three Months Ended 4/30/2020 GAAP	4/30/2020 Non-GAAP/ Operating Metric	7/31/2020 GAAP	7/31/2020 Non-GAAP/ Operating Metric	Three Months Ended 4/30/2021 GAAP	4/30/2021 Non-GAAP/ Operating Metric	7/31/2021 GAAP	7/31/2021 Non-GAAP/ Operating Metric
Revenue Metrics	**Recurring Revenue**	$129.1	$132.3	$139.3	$142.3	$144.5	$145.5	$156.2	$157.2
	Cloud	$55.0	$58.2	$62.6	$65.6	$80.1	$81.1	$93.3	$94.3
	Support	$74.1	$74.1	$76.7	$76.8	$64.4	$64.4	$62.9	$62.9
	Nonrecurring Revenue	$56.8	$56.8	$64.8	$64.8	$56.5	$56.5	$58.4	$58.4
	Perpetual	$28.5	$28.5	$35.8	$35.8	$29.3	$29.3	$32.3	$32.3
	Professional Services	$28.3	$28.3	$29.0	$29.0	$27.1	$27.1	$26.1	$26.1
	Total Revenue	$185.9	$189.1	$204.1	$207.1	$200.9	$201.9	$214.6	$215.6
	Reported Revenue Growth	-10.3%	-12.4%	-3.5%	-5.2%	8.1%	6.8%	5.2%	4.1%
	Constant Currency Revenue Growth	-9.2%	-11.5%	-3.0%	-4.8%	5.5%	4.2%	2.9%	1.9%
Recurring Revenue Mix	***% of Revenue that is Software Revenue***	84.8%	85.1%	85.8%	86.0%	86.5%	86.6%	87.8%	87.9%
	% of Software Revenue that is Recurring Revenue*	81.9%	82.3%	79.5%	79.9%	83.1%	83.2%	82.8%	82.9%
Bookings Metrics	**New SaaS ACV**		$11.9		$16.7		$18.8		$26.6
	New SaaS ACV Growth YoY		45.3%		64.7%		58.1%		59.1%
	New Perpetual License Equivalent Bookings		$47.7		$62.2		$61.0		$73.1
	Year-over-Year Growth		-23.7%		1.1%		27.9%		17.4%
	% of New Perpetual License Equivalent Bookings from SaaS		40.2%		43.1%		51.2%		52.6%
Cloud Detail	**Cloud Revenue**	$55.0	$58.2	$62.6	$65.6	$80.1	$81.1	$93.3	$94.3
	SaaS Bundled Revenue	$33.4	$36.3	$35.8	$38.5	$39.3	$40.1	$42.9	$43.8
	SaaS Unbundled Revenue	$7.5	$7.5	$12.4	$12.5	$24.3	$24.3	$33.4	$33.4
	Optional Managed Services Revenue	$14.1	$14.4	$14.3	$14.6	$16.5	$16.6	$16.9	$17.0
	Cloud Revenue Growth YoY	15.1%	3.2%	27.9%	17.5%	45.5%	39.2%	49.1%	43.7%
	SaaS Revenue Growth YoY	19.7%	3.8%	38.8%	23.8%	55.5%	47.1%	58.4%	51.5%
Gross Profit Metrics	**Gross Profit**	$115.0	$125.8	$137.2	$146.3	$128.6	$135.8	$142.1	$149.0
	Gross Margin %	61.9%	66.5%	67.2%	70.6%	64.0%	67.3%	66.2%	69.1%
	Recurring Gross Profit	$94.1	$98.9	$106.3	$110.2	$106.4	$108.3	$118.5	$120.2
	Recurring Gross Margin %	72.9%	74.7%	76.4%	77.4%	73.6%	74.4%	75.9%	76.5%
	Nonrecurring Gross Profit	$25.2	$26.9	$35.0	$36.1	$26.6	$27.6	$27.9	$28.8
	Nonrecurring Gross Margin %	44.3%	47.4%	54.1%	55.6%	47.1%	48.8%	47.8%	49.3%
Operating Expense Metrics	**Research and Development, net**	$32.4	$27.8	$30.1	$26.3	$29.1	$26.7	$31.8	$29.6
	% of Revenue	17.4%	14.7%	14.8%	12.7%	14.5%	13.2%	14.8%	13.7%
	Selling, General and Administrative	$76.8	$60.6	$77.7	$56.4	$87.6	$66.5	$91.4	$67.7
	% of Revenue	41.3%	32.0%	38.1%	27.2%	43.6%	32.9%	42.6%	31.4%
Profitability Metrics	**Operating (Loss) Income**	($2.0)	$37.5	$21.6	$63.6	$4.4	$42.6	$11.5	$51.8
	Operating Margin %	-1.1%	19.8%	10.6%	30.7%	2.2%	21.1%	5.4%	24.0%
	Adjusted EBITDA		$44.4		$70.6		$48.9		$57.8
	Adjusted EBITDA Margin		23.5%		34.1%		24.2%		26.8%
	Diluted EPS	($0.23)	$0.40	($0.18)	$0.78	($0.04)	$0.44	$0.00	$0.58

Summary Metrics – FYE17 – FYE21

	($ in millions)	Year Ended 1/31/2017		Year Ended 1/31/2018		Year Ended 1/31/2019		Year Ended 1/31/2020		Year Ended 1/31/2021	
		GAAP	Non-GAAP/ Operating Metric	GAAP	Non-GAAP/ Operating Metric	GAAP	Non-GAAP/ Operating Metric	GAAP	Non-GAAP/ Operating Metric	GAAP	Non-GAAP/ Operating Metric
Revenue Metrics	**Recurring Revenue**	$398.1	$407.8	$425.7	$440.6	$465.7	$480.7	$534.4	$561.1	$575.6	$586.0
	Cloud	$95.4	$104.2	$122.1	$135.0	$152.6	$167.2	$220.5	$246.8	$277.4	$287.6
	Support	$302.7	$303.6	$303.6	$305.6	$313.1	$313.5	$313.9	$314.2	$298.2	$298.4
	Nonrecurring Revenue	$307.8	$308.3	$314.4	$314.4	$330.6	$330.6	$312.1	$312.1	$254.6	$254.6
	Perpetual	$172.3	$172.5	$181.7	$181.7	$196.1	$196.1	$179.9	$179.9	$141.8	$141.8
	Professional Services	$135.5	$135.8	$132.7	$132.7	$134.5	$134.5	$132.3	$132.3	$112.8	$112.8
	Total Revenue	$705.9	$716.2	$740.1	$755.0	$796.3	$811.3	$846.5	$873.2	$830.2	$840.6
	Reported Revenue Growth	*1.6%*	*2.6%*	*4.8%*	*5.4%*	*7.6%*	*7.5%*	*6.3%*	*7.6%*	*-1.9%*	*-3.7%*
	Constant Currency Revenue Growth	*2.9%*	*4.0%*	*4.7%*	*5.1%*	*7.6%*	*7.4%*	*7.4%*	*8.7%*	*-2.1%*	*-3.9%*
Recurring Revenue Mix	***% of Revenue that is Software Revenue***	*80.8%*	*81.0%*	*82.1%*	*82.4%*	*83.1%*	*83.4%*	*84.4%*	*84.8%*	*86.4%*	*86.6%*
	% of Software Revenue that is Recurring Revenue*	*69.8%*	*70.3%*	*70.1%*	*70.8%*	*70.4%*	*71.0%*	*74.8%*	*75.7%*	*80.2%*	*80.5%*
Bookings Metrics	**New SaaS ACV**		$10.9		$18.4		$29.1		$49.7		$66.2
	New SaaS ACV Growth YoY				*69.3%*		*57.6%*		*71.0%*		*33.1%*
	New Perpetual License Equivalent Bookings (11)						$257.2		$270.8		$258.3
	Year-over-Year Growth								*5.3%*		*-4.6%*
Cloud Detail	**Cloud Revenue**	$95.4	$104.2	$122.1	$135.0	$152.6	$167.2	$220.5	$246.8	$277.4	$287.6
	SaaS Bundled Revenue	$47.7	$52.1	$77.6	$85.7	$84.7	$94.4	$115.9	$139.4	$146.0	$155.0
	SaaS Unbundled Revenue	$8.8	$8.8	$2.8	$3.2	$26.7	$29.5	$48.0	$49.0	$72.0	$72.2
	Optional Managed Services Revenue	$38.9	$43.4	$41.7	$46.1	$41.1	$43.3	$56.5	$58.4	$59.5	$60.5
	Cloud Revenue Growth YoY			*28.1%*	*29.6%*	*24.9%*	*23.9%*	*44.5%*	*47.6%*	*25.8%*	*16.5%*
	SaaS Revenue Growth YoY			*42.4%*	*46.2%*	*38.5%*	*39.3%*	*47.1%*	*52.0%*	*32.9%*	*20.5%*
Operating Expense Metrics	**Estimated Fully Allocated Research and Development, net**	$98.2	$89.1	$105.2	$96.0	$116.6	$109.7	$127.1	$116.9	$121.0	$113.0
	% of Revenue	*13.9%*	*12.4%*	*14.2%*	*12.7%*	*14.6%*	*13.5%*	*15.0%*	*13.4%*	*14.6%*	*13.4%*
	Estimated Fully Allocated Selling, General and Administrative	$272.1	$224.9	$277.0	$234.3	$281.0	$240.1	$321.6	$263.4	$313.6	$246.3
	% of Revenue	*38.5%*	*31.4%*	*37.4%*	*31.0%*	*35.3%*	*29.6%*	*38.0%*	*30.2%*	*37.8%*	*29.3%*
Profitability Metrics	**Estimated Fully Allocated Gross Profit**	$442.7	$482.7	$469.5	$515.1	$521.1	$559.8	$546.5	$602.8	$546.3	$580.8
	Estimated Fully Allocated Gross Margin %	*62.7%*	*67.4%*	*63.4%*	*68.2%*	*65.4%*	*69.0%*	*64.6%*	*69.0%*	*65.8%*	*69.1%*
	Estimated Fully Allocated Operating Income	$29.8	$168.7	$54.0	$184.7	$93.1	$209.9	$67.0	$222.5	$82.0	$221.5
	Estimated Fully Allocated Operating Margin %	*4.2%*	*23.6%*	*7.3%*	*24.5%*	*11.7%*	*25.9%*	*7.9%*	*25.5%*	*9.9%*	*26.4%*
	Estimated Fully Allocated Adjusted EBITDA		$188.0		$204.7		$229.3		$244.2		$248.8
	Estimated Fully Allocated Adjusted EBITDA Margin		*26.2%*		*27.1%*		*28.3%*		*28.0%*		*29.6%*

Revenue Metrics – FYE22 To Date

($ in millions)	Three Months Ended 4/30/2020	Three Months Ended 7/31/2020	Three Months Ended 4/30/2021	Three Months Ended 7/31/2021
Recurring revenue- GAAP	**$ 129.1**	**$ 139.3**	**$ 144.5**	**$ 156.2**
Cloud revenue - GAAP	55.0	62.6	80.1	93.3
Support revenue - GAAP	74.1	76.7	64.4	62.9
Nonrecurring revenue - GAAP	**56.8**	**64.8**	**56.5**	**58.4**
Perpetual revenue - GAAP	28.5	35.8	29.3	32.3
Professional services revenue - GAAP	28.3	29.0	27.1	26.1
Total revenue - GAAP	**$ 185.9**	**$ 204.1**	**$ 200.9**	**$ 214.6**
Estimated recurring revenue adjustments	**3.3**	**3.1**	**1.0**	**1.0**
Estimated cloud revenue adjustments	3.2	3.0	1.0	1.0
Estimated support revenue adjustments	0.1	0.0	0.0	0.0
Estimated nonrecurring revenue adjustments	**-**	**-**	**-**	**-**
Estimated perpetual revenue adjustments	-	-	-	-
Estimated professional services revenue adjustments	-	-	-	-
Total estimated revenue adjustments	**3.3**	**3.1**	**1.0**	**1.0**
Recurring revenue- non-GAAP	**$ 132.3**	**$ 142.3**	**$ 145.5**	**$ 157.2**
Cloud revenue - non-GAAP	58.2	65.6	81.1	94.3
Support revenue - non-GAAP	74.1	76.8	64.4	62.9
Nonrecurring revenue - non-GAAP	**56.8**	**64.8**	**56.5**	**58.4**
Perpetual revenue - non-GAAP	28.5	35.8	29.3	32.3
Professional services revenue - non-GAAP	28.3	29.0	27.1	26.1
Total revenue - non-GAAP	**$ 189.1**	**$ 207.1**	**$ 201.9**	**$ 215.6**

Revenue Metrics – FYE17 – FYE21

($ in millions)	Year Ended 1/31/2017	Year Ended 1/31/2018	Year Ended 1/31/2019	Year Ended 1/31/2020	Year Ended 1/31/2021
Software (includes cloud and support) - GAAP	**$ 570.4**	**$ 607.4**	**$ 661.8**	**$ 714.2**	**$ 717.5**
Perpetual revenue - GAAP	172.3	181.7	196.1	179.9	141.8
Cloud revenue - GAAP	95.4	122.1	152.6	220.5	277.4
Support revenue - GAAP	302.7	303.6	313.1	313.9	298.2
Professional services revenue - GAAP	**135.5**	**132.7**	**134.5**	**132.3**	**112.8**
Total revenue - GAAP	**$ 705.9**	**$ 740.1**	**$ 796.3**	**$ 846.5**	**$ 830.2**
% of Revenue from Software (includes cloud and support)	*80.8%*	*82.1%*	*83.1%*	*84.4%*	*86.4%*
% of Revenue from Software (includes cloud and support) that is Recurring	*69.8%*	*70.1%*	*70.4%*	*74.8%*	*80.2%*
Estimated software (includes cloud and support) revenue adjustments	**9.9**	**14.9**	**15.1**	**26.7**	**10.3**
Estimated perpetual revenue adjustments	0.2	-	-	-	-
Estimated cloud revenue adjustments	8.8	12.9	14.7	26.3	10.2
Estimated support revenue adjustments	0.9	2.0	0.4	0.3	0.2
Estimated professional services revenue adjustments	**0.3**	**-**	**-**	**-**	**-**
Total estimated revenue adjustments	**10.3**	**14.9**	**15.1**	**26.7**	**10.3**
Software (includes cloud and support) revenue - non-GAAP	**$ 580.3**	**$ 622.3**	**$ 676.8**	**$ 740.9**	**$ 727.8**
Perpetual revenue - non-GAAP	172.5	181.7	196.1	179.9	141.8
Cloud revenue - non-GAAP	104.2	135.0	167.2	246.8	287.6
Support revenue - non-GAAP	303.6	305.6	313.5	314.2	298.4
Professional services revenue - non-GAAP	**135.8**	**132.7**	**134.5**	**132.3**	**112.8**
Total revenue - non-GAAP	**$ 716.2**	**$ 755.0**	**$ 811.3**	**$ 873.2**	**$ 840.6**
% of Revenue from Software (includes cloud and support)	*81.0%*	*82.4%*	*83.4%*	*84.8%*	*86.6%*
% of Revenue from Software (includes cloud and support) that is Recurring	*70.3%*	*70.8%*	*71.0%*	*75.7%*	*80.5%*

Constant Currency – FYE22 To Date

($ in millions)	Three Months Ended 4/30/2020	Three Months Ended 7/31/2020	Three Months Ended 4/30/2021	Three Months Ended 7/31/2021
GAAP				
Revenue for the three months ended prior period	$ 207.1	$ 211.4	$ 185.9	$ 204.1
Revenue for the three months ended current period	$ 185.9	$ 204.1	$ 200.9	$ 214.6
Revenue for the three months ended current period at constant currency (1)	$ 188.0	$ 205.0	$ 196.0	$ 210.0
Reported period-over-period revenue growth	-10.3%	-3.5%	8.1%	5.2%
% impact from change in foreign currency exchange rates	1.1%	0.5%	-2.6%	-2.3%
Constant currency period-over-period revenue growth	**-9.2%**	**-3.0%**	**5.5%**	**2.9%**
Non-GAAP				
Revenue for the three months ended prior period	$ 215.9	$ 218.4	$ 189.1	$ 207.1
Revenue for the three months ended current period	$ 189.1	$ 207.1	$ 201.9	$ 215.6
Revenue for the three months ended current period at constant currency (1)	$ 191.0	$ 208.0	$ 197.0	$ 211.0
Reported period-over-period revenue growth	-12.4%	-5.2%	6.8%	4.1%
% impact from change in foreign currency exchange rates	0.9%	0.4%	-2.6%	-2.2%
Constant currency period-over-period revenue growth	**-11.5%**	**-4.8%**	**4.2%**	**1.9%**

Constant Currency – FYE17 – FYE21

($ in millions)	Year Ended 1/31/2017	Year Ended 1/31/2018	Year Ended 1/31/2019	Year Ended 1/31/2020	Year Ended 1/31/2021
GAAP					
Revenue for the three months ended prior period	$ 694.9	$ 705.9	$ 740.1	$ 796.3	$ 846.5
Revenue for the three months ended current period	$ 705.9	$ 740.1	$ 796.3	$ 846.5	$ 830.2
Revenue for the three months ended current period at constant currency (10)	$ 715.0	$ 739.0	$ 796.0	$ 855.0	$ 829.0
Reported period-over-period revenue growth	1.6%	4.8%	7.6%	6.3%	-1.9%
% impact from change in foreign currency exchange rates	1.3%	-0.1%	0.0%	1.1%	-0.2%
Constant currency period-over-period revenue growth	**2.9%**	**4.7%**	**7.6%**	**7.4%**	**-2.1%**
Non-GAAP					
Revenue for the three months ended prior period	$ 698.3	$ 716.2	$ 755.0	$ 811.3	$ 873.2
Revenue for the three months ended current period	$ 716.2	$ 755.0	$ 811.3	$ 873.2	$ 840.6
Revenue for the three months ended current period at constant currency (10)	$ 726.0	$ 753.0	$ 811.0	$ 882.0	$ 839.0
Reported period-over-period revenue growth	2.6%	5.4%	7.5%	7.6%	-3.7%
% impact from change in foreign currency exchange rates	1.4%	-0.3%	-0.1%	1.1%	-0.2%
Constant currency period-over-period revenue growth	**4.0%**	**5.1%**	**7.4%**	**8.7%**	**-3.9%**

Cloud Metrics – FYE22 To Date

($ in millions)	Three Months Ended 4/30/2020	Three Months Ended 7/31/2020	Three Months Ended 4/30/2021	Three Months Ended 7/31/2021
SaaS revenue - GAAP	$ 40.9	$ 48.2	$ 63.6	$ 76.4
Bundled SaaS revenue - GAAP	33.4	35.8	39.3	42.9
Unbundled SaaS revenue - GAAP	7.5	12.4	24.3	33.4
Optional managed services revenue - GAAP	14.1	14.3	16.5	16.9
Cloud revenue - GAAP	**$ 55.0**	**$ 62.6**	**$ 80.1**	**$ 93.3**
Estimated SaaS revenue adjustments	2.9	2.8	0.8	0.9
Estimated bundled SaaS revenue adjustments	2.9	2.7	0.8	0.9
Estimated unbundled SaaS revenue adjustments	0.0	0.0	0.1	-
Estimated optional managed services revenue adjustments	0.3	0.3	0.2	0.1
Estimated cloud revenue adjustments	**3.2**	**3.0**	**1.0**	**1.0**
SaaS revenue - non-GAAP	43.8	51.0	64.4	77.3
Bundled SaaS revenue - non-GAAP	36.3	38.5	40.1	43.8
Unbundled SaaS revenue - non-GAAP	7.5	12.5	24.3	33.4
Optional managed services revenue - non-GAAP	14.4	14.6	16.6	17.0
Cloud revenue - non-GAAP	**$ 58.2**	**$ 65.6**	**$ 81.1**	**$ 94.3**

Cloud Metrics – FYE17 – FYE21

($ in millions)	Year Ended 1/31/2017 (1)	Year Ended 1/31/2018 (1)	Year Ended 1/31/2020	Year Ended 1/31/2021
SaaS revenue - GAAP	$ 56.5	$ 80.4	$ 163.9	$ 218.0
Bundled SaaS revenue - GAAP	47.7	77.6	115.9	146.0
Unbundled SaaS revenue - GAAP (12)	8.8	2.8	48.0	72.0
Optional managed services revenue - GAAP	38.9	41.7	56.5	59.5
Cloud revenue - GAAP	**$ 95.4**	**$ 122.1**	**$ 220.5**	**$ 277.4**
Estimated SaaS revenue adjustments	4.3	8.5	24.5	9.2
Estimated bundled SaaS revenue adjustments	4.3	8.1	23.5	9.0
Estimated unbundled SaaS revenue adjustments	-	0.4	1.0	0.2
Estimated optional managed services revenue adjustments	4.5	4.4	1.9	1.0
Estimated cloud revenue adjustments	**8.8**	**12.9**	**26.3**	**10.2**
SaaS revenue - non-GAAP	60.8	88.9	188.4	227.1
Bundled SaaS revenue - non-GAAP	52.1	85.7	139.4	155.0
Unbundled SaaS revenue - non-GAAP (12)	8.8	3.2	49.0	72.2
Optional managed services revenue - non-GAAP	43.4	46.1	58.4	60.5
Cloud revenue - non-GAAP	**$ 104.2**	**$ 135.0**	**$ 246.8**	**$ 287.6**

Gross Profit – FYE22 To Date

($ in millions)	Three Months Ended		Three Months Ended	
	4/30/2020	7/31/2020	4/30/2021	7/31/2021
Gross Profit and Gross Margin				
Total GAAP revenue	**$ 185.9**	**$ 204.1**	**$ 200.9**	**$ 214.6**
Recurring costs	34.9	32.9	38.1	37.6
Nonrecurring costs	31.6	29.8	29.9	30.5
Amortization of acquired technology	4.4	4.2	4.4	4.4
Total GAAP cost of revenue	**70.9**	**66.9**	**72.3**	**72.6**
GAAP gross profit	**$ 115.0**	**$ 137.2**	**$ 128.6**	**$ 142.1**
GAAP gross margin	**61.9%**	**67.2%**	**64.0%**	**66.2%**
Revenue adjustments	3.3	3.1	1.0	1.0
Amortization of acquired technology	4.4	4.2	4.4	4.4
Stock-based compensation expenses	0.5	1.2	1.3	1.4
Acquisition expenses, net	0.2	0.1	0.0	0.0
Restructuring expenses	1.6	(0.1)	0.5	0.1
Separation expenses (2)	-	-	0.1	-
Discontinued operations corporate overhead adjustment	1.4	0.5	-	-
Allocation methodology difference	(0.5)	0.3	-	-
Non-GAAP gross profit	**$ 125.8**	**$ 146.3**	**$ 135.8**	**$ 149.0**
Non-GAAP gross margin	**66.5%**	**70.6%**	**67.3%**	**69.1%**
Recurring Gross Profit and Gross Margin				
GAAP recurring revenue	$ 129.1	$ 139.3	$ 144.5	$ 156.2
GAAP recurring costs	34.9	32.9	38.1	37.6
GAAP recurring gross profit	**94.1**	**106.3**	**106.4**	**118.5**
GAAP recurring gross margin	**72.9%**	**76.4%**	**73.6%**	**75.9%**
Recurring revenue adjustments	3.3	3.1	1.0	1.0
Recurring stock-based compensation expenses	0.3	0.5	0.4	0.6
Recurring acquisition expenses, net	0.0	0.0	0.0	0.0
Recurring restructuring expenses	0.8	0.0	0.4	0.1
Recurring separation expenses (2)	-	-	0.0	-
Recurring discontinued operations corporate overhead adjustment	0.2	0.2	-	-
Recurring allocation methodology difference	0.2	0.1	-	-
Non-GAAP recurring gross profit	**$ 98.9**	**$ 110.2**	**$ 108.3**	**$ 120.2**
Non-GAAP recurring gross margin	**74.7%**	**77.4%**	**74.4%**	**76.5%**
Nonrecurring Gross Profit and Gross Margin				
GAAP nonrecurring revenue	$ 56.8	$ 64.8	$ 56.5	$ 58.4
GAAP nonrecurring costs	31.6	29.8	29.9	30.5
GAAP nonrecurring gross profit	**25.2**	**35.0**	**26.6**	**27.9**
GAAP nonrecurring gross margin	**44.3%**	**54.1%**	**47.1%**	**47.8%**
Nonrecurring revenue adjustments	-	-	-	-
Nonrecurring stock-based compensation expenses	0.3	0.7	0.8	0.9
Nonrecurring acquisition expenses, net	0.2	0.0	-	-
Nonrecurring restructuring expenses	0.8	(0.1)	0.1	(0.0)
Nonrecurring separation expenses (2)	-	-	0.0	-
Nonrecurring discontinued operations corporate overhead adjustment	1.2	0.2	-	-
Nonrecurring allocation methodology difference	(0.8)	0.2	-	-
Non-GAAP nonrecurring gross profit	**$ 26.9**	**$ 36.1**	**$ 27.6**	**$ 28.8**
Non-GAAP nonrecurring gross margin	**47.4%**	**55.6%**	**48.8%**	**49.3%**

Gross Profit – FYE17 – FYE21

($ in millions)	Year Ended 1/31/2017	Year Ended 1/31/2018	Year Ended 1/31/2019	Year Ended 1/31/2020	Year Ended 1/31/2021
Total GAAP revenue	**$ 705.9**	**$ 740.1**	**$ 796.3**	**$ 846.5**	**$ 830.2**
Segment product costs	32.7	34.7	35.0	35.5	34.5
Segment service expenses	192.1	199.2	209.3	226.6	218.9
Amortization of acquired technology	21.2	22.2	18.0	21.6	18.0
Stock-based compensation expenses (3)	7.1	6.8	4.4	6.3	4.2
Shared support expenses allocation (4)	10.2	7.6	8.5	10.1	8.4
Total GAAP cost of revenue	**$ 263.2**	**$ 270.6**	**$ 275.2**	**$ 300.0**	**$ 284.0**
GAAP gross profit	**$ 442.7**	**$ 469.5**	**$ 521.1**	**$ 546.5**	**$ 546.3**
GAAP gross margin	**62.7%**	**63.4%**	**65.4%**	**64.6%**	**65.8%**
Revenue adjustments	10.3	14.9	15.0	26.7	10.3
Amortization of acquired technology	21.2	22.2	18.0	21.6	18.0
Stock-based compensation expenses (3)	7.1	6.9	4.4	6.3	4.2
Acquisition expenses, net (5)	-	0.1	0.3	0.1	0.2
Restructuring expenses (5)	1.5	1.5	1.0	1.6	1.4
Separation expenses (5)	-	-	-	-	0.1
Impairment charges (5)	-	-	-	-	0.3
Estimated fully allocated non-GAAP gross profit	**$ 482.7**	**$ 515.1**	**$ 559.8**	**$ 602.8**	**$ 580.8**
Estimated fully allocated non-GAAP gross margin	**67.4%**	**68.2%**	**69.0%**	**69.0%**	**69.1%**

Note: Figures based on historical consolidated Verint data

Operating Expenses – FYE22 To Date

($ in millions)	Three Months Ended 4/30/2020	7/31/2020	Three Months Ended 4/30/2021	7/31/2021
Research and Development, net				
GAAP research and development, net	**$ 32.4**	**$ 30.1**	**$ 29.1**	**$ 31.8**
as a % of GAAP revenue	**17.4%**	**14.8%**	**14.5%**	**14.8%**
Stock-based compensation expenses	(1.2)	(1.5)	(1.8)	(2.0)
Acquisition expenses, net	(0.2)	(0.0)	(0.0)	(0.1)
Restructuring expenses	(0.9)	(0.2)	(0.2)	(0.1)
Separation expenses (2)	-	-	(0.5)	(0.0)
Other Adjustments	-	-	-	-
Discontinued operations corporate overhead adjustment	(4.5)	(4.0)	-	-
Allocation methodology difference	2.2	1.8	-	-
Non-GAAP research and development, net	**$ 27.8**	**$ 26.3**	**$ 26.7**	**$ 29.6**
as a % of non-GAAP revenue	**14.7%**	**12.7%**	**13.2%**	**13.7%**
Selling, General and Administrative expenses				
GAAP selling, general and administrative expenses	**$ 76.8**	**$ 77.7**	**$ 87.6**	**$ 91.4**
as a % of GAAP revenue	**41.3%**	**38.1%**	**43.6%**	**42.6%**
Stock-based compensation expenses	(9.0)	(10.7)	(13.4)	(14.6)
Acquisition benefit (expenses), net	3.7	(3.1)	(1.6)	(3.3)
Restructuring expenses	(2.0)	(0.5)	(0.6)	(1.9)
Separation expenses (2)	-	-	(5.5)	(3.2)
Other Adjustments	(0.1)	0.9	(0.0)	(0.6)
Discontinued operations corporate overhead adjustment	(7.6)	(6.2)	-	-
Allocation methodology difference	(1.4)	(1.7)	-	-
Non-GAAP selling, general and administrative expenses	**$ 60.6**	**$ 56.4**	**$ 66.5**	**$ 67.7**
as a % of non-GAAP revenue	**32.0%**	**27.2%**	**32.9%**	**31.4%**

Operating Expenses – FYE17 – FYE21

($ in millions)		Year Ended 1/31/2017		Year Ended 1/31/2018		Year Ended 1/31/2019		Year Ended 1/31/2020		Year Ended 1/31/2021
Research and Development, net										
Segment expenses	$	79.9	$	84.4	$	94.9	$	101.0	$	95.8
Stock-based compensation expenses (6)		7.8		8.6		6.5		8.8		6.2
Shared support service allocation (7)		10.6		12.2		15.2		17.3		19.0
GAAP research and development, net	**$**	**98.2**	**$**	**105.2**	**$**	**116.6**	**$**	**127.1**	**$**	**121.0**
as a % of GAAP revenue		**13.9%**		**14.2%**		**14.6%**		**15.0%**		**14.6%**
Stock-based compensation expenses (6)		(7.8)		(8.6)		(6.5)		(8.8)		(6.2)
Acquisition expenses, net (8)		(0.1)		-		(0.1)		(0.5)		(0.3)
Restructuring expenses (8)		(1.2)		(0.6)		(0.3)		(0.9)		(1.1)
Separation expenses (8)		-		-		-		-		(0.2)
Other Adjustments (8)		-		-		-		-		(0.0)
Estimated fully allocated non-GAAP research and development, net	**$**	**89.1**	**$**	**96.0**	**$**	**109.7**	**$**	**116.9**	**$**	**113.0**
as a % of non-GAAP revenue		**12.4%**		**12.7%**		**13.5%**		**13.4%**		**13.4%**
Selling, General and Administrative expenses										
Segment expenses	$	148.0	$	155.0	$	159.2	$	179.4	$	159.4
Stock-based compensation expenses (6)		30.3		31.3		33.3		39.8		30.6
Shared support service allocation (7)		93.8		90.6		88.6		102.3		123.5
GAAP selling, general and administrative expenses	**$**	**272.1**	**$**	**277.0**	**$**	**281.0**	**$**	**321.6**	**$**	**313.6**
as a % of GAAP revenue		**38.5%**		**37.4%**		**35.3%**		**38.0%**		**37.8%**
Stock-based compensation expenses (6)		(30.3)		(31.3)		(33.3)		(39.8)		(30.6)
Acquisition expenses, net (8)		(8.5)		(1.0)		(6.1)		(6.5)		(0.8)
Restructuring expenses (8)		(7.8)		(6.8)		(1.9)		(1.8)		(5.5)
Separation expenses (8)		(0.4)		(0.8)		(0.2)		(3.4)		(30.9)
Impairment charges (8)		-		(2.2)		-		-		-
Other adjustments (8)		(0.3)		(0.5)		0.6		(6.6)		0.5
Estimated fully allocated non-GAAP selling, general and administrative expenses	**$**	**224.9**	**$**	**234.3**	**$**	**240.1**	**$**	**263.4**	**$**	**246.3**
as a % of non-GAAP revenue		**31.4%**		**31.0%**		**29.6%**		**30.2%**		**29.3%**

Note: Figures based on historical consolidated Verint data

Operating Margins – FYE22 To Date

($ in millions)	Three Months Ended 4/30/2020	Three Months Ended 7/31/2020	Three Months Ended 4/30/2021	Three Months Ended 7/31/2021
GAAP operating income	**$ (2.0)**	**$ 21.6**	**$ 4.4**	**$ 11.5**
GAAP operating margin	**-1.1%**	**10.6%**	**2.2%**	**5.4%**
Revenue adjustments	3.3	3.1	1.0	1.0
Amortization of acquired technology	4.4	4.2	4.4	4.4
Amortization of other acquired intangible assets	7.8	7.7	7.3	7.3
Stock-based compensation expenses	10.7	13.3	16.4	18.1
Acquisitions (benefit) expenses, net	(3.4)	3.2	1.7	3.4
Restructuring expenses	4.6	0.6	1.3	2.1
Separation expenses (2)	-	-	6.1	3.2
Impairment charges	-	-	-	-
Other adjustments	0.1	(0.9)	0.0	0.6
Discontinued operations corporate overhead adjustment	13.5	10.6	-	-
Allocation methodology difference	(1.4)	0.1	-	-
Non-GAAP operating income	**$ 37.5**	**$ 63.6**	**$ 42.6**	**$ 51.8**
Non-GAAP operating margin	**19.8%**	**30.7%**	**21.1%**	**24.0%**

Operating and Adjusted EBITDA Margins – FYE17 – FYE21

($ in millions)	Year Ended 1/31/2017	Year Ended 1/31/2018	Year Ended 1/31/2019	Year Ended 1/31/2020	Year Ended 1/31/2021
GAAP operating income	**$ 29.8**	**$ 54.0**	**$ 93.1**	**$ 67.0**	**$ 82.0**
GAAP operating margin	**4.2%**	**7.3%**	**11.7%**	**7.9%**	**9.9%**
Revenue adjustments	10.3	14.9	15.0	26.7	10.3
Amortization of acquired technology	21.2	22.2	18.0	21.6	18.0
Amortization of other acquired intangible assets	42.5	33.3	30.3	30.9	29.8
Stock-based compensation expenses	45.2	46.8	44.2	54.9	41.0
Acquisitions expenses, net	8.6	1.1	6.5	7.1	1.4
Restructuring expenses	10.5	8.9	3.2	4.3	8.0
Separation expenses	0.4	0.8	0.2	3.4	31.2
Impairment charges	-	2.2	-	-	0.3
Other adjustments	0.3	0.5	(0.6)	6.6	(0.5)
Estimated fully allocated non-GAAP operating income	**$ 168.7**	**$ 184.7**	**$ 209.9**	**$ 222.5**	**221.5**
Depreciation and amortization (9)	19.3	20.0	19.4	21.7	27.3
Estimated adjusted EBITDA	**$ 188.0**	**$ 204.7**	**$ 229.3**	**$ 244.2**	**$ 248.8**
Estimated fully allocated non-GAAP operating margin	**23.6%**	**24.5%**	**25.9%**	**25.5%**	**26.4%**
Estimated fully allocated adjusted EBITDA margin	**26.2%**	**27.1%**	**28.3%**	**28.0%**	**29.6%**

Note: Figures based on historical consolidated Verint data

Adjusted EBITDA – FYE22 To Date

($ in millions)	Three Months Ended 4/30/2020	Three Months Ended 7/31/2020	Three Months Ended 4/30/2021	Three Months Ended 7/31/2021
GAAP net loss (income) from continuing operations	**$ (14.4)**	**$ (9.4)**	**$ 1.1**	**$ 5.3**
As a percentage of GAAP revenue	**-7.8%**	**-4.6%**	**0.5%**	**2.5%**
Provision for (benefit from) income taxes	0.3	8.3	(0.1)	4.2
Other expense, net	12.0	22.6	3.4	2.0
Depreciation and amortization (3)	19.0	18.9	18.3	17.8
Revenue adjustments	3.3	3.1	1.0	1.0
Stock-based compensation expenses	10.7	13.3	16.4	18.1
Acquisitions (benefit) expenses, net	(3.4)	3.2	1.7	3.4
Restructuring expenses	4.6	0.6	1.3	2.1
Separation expenses (2)	-	-	5.7	3.2
Impairment charges	-	-	-	-
Other adjustments	0.1	(0.9)	0.0	0.6
Discontinued operations corporate overhead adjustment	13.5	10.6	-	-
Allocation methodology difference	(1.4)	0.1	-	-
Adjusted EBITDA	**$ 44.4**	**$ 70.6**	**$ 48.9**	**57.8**
As a percentage of non-GAAP revenue	**23.5%**	**34.1%**	**24.2%**	**26.8%**

EPS and Diluted Shares Outstanding – FYE22 To Date

($ in millions, except share and per share data; shares in thousands)	Three Months Ended 4/30/2020	Three Months Ended 7/31/2020	Three Months Ended 4/30/2021	Three Months Ended 7/31/2021
GAAP diluted net loss from continuing operations per common share attributable to Verint Systems Inc.	$ (0.23)	$ (0.18)	$ (0.04)	$ -
Non-GAAP diluted net income from continuing operations per common share attributable to Verint Systems Inc. (4)	$ 0.40	$ 0.78	$ 0.44	$ 0.58
GAAP weighted-average shares used in computing diluted net loss from continuing operations per common share	**64,376**	**65,849**	**65,661**	**65,194**
Additional weighted-average shares applicable to non-GAAP net income from continuing operations per common share attributable to Verint Systems Inc	1,233	3,495	10,031	10,684
Non-GAAP diluted weighted-average shares used in computing net income from continuing operations per common share (4)	**65,609**	**69,344**	**75,692**	**75,878**

Footnotes for FYE22 To Date Appendix Pages

(1) Revenue for the current period at constant currency is calculated by translating current-period GAAP or non-GAAP foreign currency revenue (as applicable) into U.S. dollars using average foreign currency exchange rates for the same prior period rather than actual current-period foreign currency exchange rates.

(2) For the quarter ended April 30, 2020 and July 31, 2020, separation expenses are considered part of discontinued operations and are, therefore, not included in the reported results from continuing operations.

(3) Represents depreciation and amortization expenses that are adjusted for financing fee amortization.

(4) EPS calculation includes the more dilutive of either preferred stock dividends or conversion of preferred stock shares.

Footnotes for FYE17 – FYE21 Annual Appendix Pages

(1) To conform with the presentation described in footnote 2 of our April 30, 2019 and July 31, 2019 Form 10-Q, the classification of Customer Engagement unbundled SaaS revenue for the three months ended April 30, 2018, July 31, 2018, October 31, 2018 and January 31, 2019 and the year ended January 31, 2018 has been updated to reflect unbundled SaaS revenue which had previously been presented within perpetual and professional services revenue.

(2) To conform with the presentation described in footnote 2 of our April 30, 2019 and July 31, 2019 Form 10-Q, the classification of Customer Engagement unbundled SaaS revenue for the three months ended April 30, 2018, July 31, 2018, October 31, 2018 and January 31, 2019 and the year ended January 31, 2018 has been updated to reflect cloud revenue which had previously been presented within perpetual and professional services revenue.

(3) Represents the stock-based compensation expenses applicable to cost of revenue, allocated approximately proportional to our segment operations and service expense wage for each segment for the annual prior full year ended, which we believe provides a reasonable approximation for purposes of understanding the relative GAAP and non-GAAP gross margins of our two businesses.

(4) Represents the portion of our shared support expenses (as disclosed in segment footnote in Form 10-Qs and 10-Ks) applicable to cost of revenue, allocated approximately proportional to our non-GAAP segment revenue for the annual prior full year ended, which we believe provides a reasonable approximation for purposes of understanding the relative GAAP and non-GAAP gross margins of our two businesses.

(5) Represents the portion of our acquisition expenses, net, restructuring expenses, separation expenses and impairment charges applicable to cost of revenue, allocated approximately proportional to our non-GAAP segment revenue for the annual prior full year ended, which we believe provides a reasonable approximation for purposes of understanding the relative GAAP and non-GAAP gross margins of our two businesses.

(6) Represents the stock-based compensation expenses applicable to research and development, net and selling, general and administrative, allocated approximately proportional to our non-GAAP segment revenue for the annual prior full year ended, which we believe provides a reasonable approximation for purposes of understanding the relative non-GAAP operating margins of our two businesses.

(7) Represents our shared support expenses (as disclosed in segment footnote in Form 10-Qs and 10-Ks), including general and administrative shared services acquisition expenses, net, restructuring expenses, separation expenses, impairment charges and other adjustments, allocated approximately proportional to our non-GAAP segment revenue for the annual prior full year ended, which we believe provides a reasonable approximation for purposes of understanding the relative non-GAAP operating margins of our two businesses.

(8) Represents the portion of our acquisition expenses, net, restructuring expenses, separation expenses, impairment charges and other adjustments, allocated approximately proportional to our annual non-GAAP segment revenue prior full year ended, which we believe provides a reasonable approximation for purposes of understanding the relative GAAP and non-GAAP gross margins of our two businesses.

(9) Represents certain depreciation and amortization expenses, which are otherwise included in our non-GAAP operating income, allocated approximately proportional to our non-GAAP segment revenue for the prior full year ended, which we believe provides a reasonable approximation for purposes of understanding the relative adjusted EBITDA of our two businesses.

(10) Revenue for the current period at constant currency is calculated by translating current-period GAAP or non-GAAP foreign currency revenue (as applicable) into U.S. dollars using average foreign currency exchange rates for the same prior period rather than actual current-period foreign currency exchange rates.

(11) As our bookings mix has rapidly shifted to cloud, we are now calculating the conversion factor based on the in-period mix. The conversion factor was 2.0x, 1.9x and 1.9x for the years ended January 31, 2019, 2020 and 2021, respectively. Historically, we used in our dashboard a conversion factor of 2.0x which was based on our historical mix and represented a good approximation.

(12) As our bookings mix has rapidly shifted to cloud, we are now including support revenue associated with unbundled SaaS within SaaS. In order to conform with this presentation, unbundled SaaS revenue for the quarters ended April 30, 2020, July 31, 2020 and October 31, 2020 have been updated to reflect $2.0 million, $2.4 million and $2.8 million, respectively and the years ended January 31, 2020 and 2019 has been updated to reflect $4.7 million and $1.8 million, respectively, of unbundled SaaS support revenue which had previously been presented within support revenue.

Supplemental Info

The following tables include reconciliations of certain financial measures not prepared in accordance with Generally Accepted Accounting Principles ("GAAP"), consisting of non-GAAP revenue, non-GAAP software revenue (includes cloud and support), non-GAAP perpetual revenue, non-GAAP support revenue, non-GAAP professional services revenue, non-GAAP recurring revenue, non-GAAP nonrecurring revenue, non-GAAP cloud revenue, non-GAAP SaaS revenue, non-GAAP bundled SaaS revenue, non-GAAP unbundled SaaS revenue, non-GAAP optional managed services revenue, non-GAAP recurring gross profit and gross margins, non-GAAP nonrecurring gross profit and gross margins, non-GAAP gross profit and gross margins, non-GAAP research and development, net, non-GAAP selling, general and administrative expenses, non-GAAP operating income and operating margins, non-GAAP other income (expense), net, non-GAAP provision for (benefit from) income taxes and non-GAAP effective income tax rate, non-GAAP net income from continuing operations attributable to Verint Systems Inc. common shares, non-GAAP diluted net income from continuing operations per common share attributable to Verint Systems Inc., adjusted EBITDA and adjusted EBITDA margins, net debt and constant currency measures. The tables above include a reconciliation of each non-GAAP financial measure for completed periods presented in this press release to the most directly comparable GAAP financial measure.

We believe these non-GAAP financial measures, used in conjunction with the corresponding GAAP measures, provide investors with useful supplemental information about the financial performance of our business by:

- facilitating the comparison of our financial results and business trends between periods, by excluding certain items that either can vary significantly in amount and frequency, are based upon subjective assumptions, or in certain cases are unplanned for or difficult to forecast,
- facilitating the comparison of our financial results and business trends with other technology companies who publish similar non-GAAP measures, and
- allowing investors to see and understand key supplementary metrics used by our management to run our business, including for budgeting and forecasting, resource allocation, and compensation matters.

We also make these non-GAAP financial measures available because a number of our investors have informed us that they find this supplemental information useful.

Non-GAAP financial measures should not be considered in isolation as substitutes for, or superior to, comparable GAAP financial measures. The non-GAAP financial measures we present have limitations in that they do not reflect all of the amounts associated with our results of operations as determined in accordance with GAAP, and these non-GAAP financial measures should only be used to evaluate our results of operations in conjunction with the corresponding GAAP financial measures. These non-GAAP financial measures do not represent discretionary cash available to us to invest in the growth of our business, and we may in the future incur expenses similar to or in addition to the adjustments made in these non-GAAP financial measures. Other companies may calculate similar non-GAAP financial measures differently than we do, limiting their usefulness as comparative measures.

Our non-GAAP financial measures are calculated by making the following adjustments to our GAAP financial measures:

- ***Revenue adjustments.*** We exclude from our non-GAAP revenue the impact of fair value adjustments required under GAAP relating to cloud services and customer support contracts acquired in a business acquisition, which would have otherwise been recognized on a stand-alone basis. We believe that it is useful for investors to understand the total amount of revenue that we and the acquired company would have recognized on a stand-alone basis under GAAP, absent the accounting adjustment associated with the business acquisition. Our non-GAAP revenue also reflects certain adjustments from aligning an acquired company's revenue recognition policies to our policies. We believe that our non-GAAP revenue measure helps management and investors understand our revenue trends and serves as a useful measure of ongoing business performance.
- ***Amortization of acquired technology and other acquired intangible assets***. When we acquire an entity, we are required under GAAP to record the fair values of the intangible assets of the acquired entity and amortize those assets over their useful lives. We exclude the amortization of acquired intangible assets, including acquired technology, from our non-GAAP financial measures because they are inconsistent in amount and frequency and are significantly impacted by the timing and size of acquisitions. We also exclude these amounts to provide easier comparability of pre- and post-acquisition operating results.

Supplemental Info

- ***Stock-based compensation expenses.*** We exclude stock-based compensation expenses related to restricted stock awards, stock bonus programs, bonus share programs, and other stock-based awards from our non-GAAP financial measures. We evaluate our performance both with and without these measures because stock-based compensation is typically a non-cash expense and can vary significantly over time based on the timing, size and nature of awards granted, and is influenced in part by certain factors which are generally beyond our control, such as the volatility of the price of our common stock. In addition, measurement of stock-based compensation is subject to varying valuation methodologies and subjective assumptions, and therefore we believe that excluding stock-based compensation from our non-GAAP financial measures allows for meaningful comparisons of our current operating results to our historical operating results and to other companies in our industry.
- ***Unrealized gains and losses on certain derivatives, net.*** We exclude from our non-GAAP financial measures unrealized gains and losses on certain derivatives which are not designated as hedges under accounting guidance. We exclude unrealized gains and losses on foreign currency derivatives that serve as economic hedges against variability in the cash flows of recognized assets or liabilities, or of forecasted transactions. These contracts, if designated as hedges under accounting guidance, would be considered "cash flow" hedges. These unrealized gains and losses are excluded from our non-GAAP financial measures because they are non-cash transactions which are highly variable from period to period. Upon settlement of these foreign currency derivatives, any realized gain or loss is included in our non-GAAP financial measures.
- ***Amortization of convertible note discount.*** Our non-GAAP financial measures for periods prior to February 1, 2021 exclude the amortization of the imputed discount on our convertible notes. Under GAAP, certain convertible debt instruments that may be settled in cash upon conversion were required to be bifurcated into separate liability (debt) and equity (conversion option) components in a manner that reflected the issuer's assumed non-convertible debt borrowing rate. For GAAP purposes, we were required to recognize imputed interest expense on the difference between our assumed non-convertible debt borrowing rate and the coupon rate on our 1.50% convertible notes. This difference is excluded from our non-GAAP financial measures because we believe that this expense is based upon subjective assumptions and does not reflect the cash cost of our convertible debt. Effective with the February 1, 2021 adoption of Accounting Standards Update ("ASU") 2020-06, Accounting for Convertible Instruments and Contracts in an Entity's Own Equity, we no longer record the conversion feature of our convertible senior notes in equity. Instead, we combined the previously separated equity component with the liability component, which together is classified as debt, thereby eliminating the subsequent amortization of the debt discount as interest expense.
- ***Expenses and losses on debt modification or retirement.*** We exclude from our non-GAAP financial measures losses on early retirements of debt attributable to refinancing or repaying our debt, and expenses incurred to modify debt terms, because we believe they are not reflective of our ongoing operations.
- ***Change in fair value of future tranche right.*** On December 4, 2019, we entered into an Investment Agreement with an affiliate of Apax Partners (the "Apax Investor"), whereby the Apax Investor agreed to make an investment in us of up to $400.0 million of convertible preferred stock. In connection with the Apax Investor's first $200.0 million investment on May 7, 2020 (for 200,000 shares of Series A Preferred Stock), we determined that our obligation to issue, and the Apax Investor's obligation to purchase the Series B Preferred Stock in connection with the completion of the spin-off of Cognyte Software Ltd. (our former Cyber Intelligence Solutions business) and other customary closing conditions (the "Future Tranche Right") met the definition of a freestanding financial instrument. This Future Tranche Right was reported at fair value as an asset or liability on our consolidated balance sheet and was remeasured at fair value each reporting period until the settlement of the right at the time of issuance of the Series B Preferred Stock, which occurred on April 6, 2021. Changes in its fair value were recognized as a non-cash charge or benefit within other income (expense), net on the condensed consolidated statement of operations. We excluded this change in fair value of the Future Tranche Right from our non-GAAP financial measures because it is unusual in nature, can vary significantly in amount, and is unrelated to our ongoing operations.

Supplemental Info

- ***Acquisition expenses (benefit), net.*** In connection with acquisition activity (including with respect to acquisitions that are not consummated), we incur expenses (benefits), including legal, accounting, and other professional fees, integration costs, changes in the fair value of contingent consideration obligations, and other costs. Integration costs may consist of information technology expenses as systems are integrated across the combined entity, consulting expenses, marketing expenses, and professional fees, as well as non-cash charges to write-off or impair the value of redundant assets. We exclude these expenses from our non-GAAP financial measures because they are unpredictable, can vary based on the size and complexity of each transaction, and are unrelated to our continuing operations or to the continuing operations of the acquired businesses.
- ***Restructuring expenses.*** We exclude restructuring expenses from our non-GAAP financial measures, which include employee termination costs, facility exit costs, certain professional fees, asset impairment charges, and other costs directly associated with resource realignments incurred in reaction to changing strategies or business conditions. All of these costs can vary significantly in amount and frequency based on the nature of the actions as well as the changing needs of our business and we believe that excluding them provides easier comparability of pre- and post-restructuring operating results.
- ***Separation expenses.*** On February 1, 2021, we completed the previously announced spin-off of Cognyte Software Ltd., whose business and operations consist of our former Cyber Intelligence Solutions business. We have incurred and expect to incur, significant expenses in connection with the spin-off, including third-party advisory, accounting, legal, consulting, and other similar services related to the separation as well as costs associated with the operational separation of the two businesses, including those related to human resources, brand management, real estate, and information technology (which are included in Separation expenses to the extent not capitalized). Separation expenses also include incremental cash income taxes related to the reorganization of legal entities and operations in order to effect the separation. These costs are incremental to our normal operating expenses and are being incurred solely as a result of the separation transaction. Accordingly, we are excluding these separation expenses from our non-GAAP financial measures in order to evaluate our performance on a comparable basis.
- ***Impairment charges and other adjustments.*** We exclude from our non-GAAP financial measures asset impairment charges (other than those already included within restructuring or acquisition activity), rent expense for redundant facilities, gains or losses on sales of property, gains or losses on settlements of certain legal matters, and certain professional fees unrelated to our ongoing operations, all of which are unusual in nature and can vary significantly in amount and frequency.
- ***Discontinued operations corporate overhead adjustment***. These amounts represent general corporate overhead costs related to executive management, finance, legal, information technology, and other shared services functions that were historically allocated to Cognyte, but are not permitted to be included in discontinued operations under GAAP guidelines as they represent indirect expenses of Cognyte.
- ***Allocation methodology difference***. These amounts are the result of presenting our former Cyber Intelligence Solutions business on a discontinued operations basis for quarters previously reported due to the completion of the Spin-Off on February 1, 2021. This adjustment represents the difference between the allocation of shared corporate support expenses under GAAP guidelines for reporting discontinued operations compared to management's previously estimated allocations of those shared corporate support expenses.

Supplemental Info

•***Non-GAAP income tax adjustments***. We exclude our GAAP provision for (benefit from) income taxes from our non-GAAP measures of net income attributable to Verint Systems Inc., and instead include a non-GAAP provision for income taxes, determined by applying a non-GAAP effective income tax rate to our income before provision for income taxes, as adjusted for the non-GAAP items described above. The non-GAAP effective income tax rate is generally based upon the income taxes we expect to pay in the reporting year. Our GAAP effective income tax rate can vary significantly from year to year as a result of tax law changes, settlements with tax authorities, changes in the geographic mix of earnings including acquisition activity, changes in the projected realizability of deferred tax assets, and other unusual or period-specific events, all of which can vary in size and frequency. We believe that our non-GAAP effective income tax rate removes much of this variability and facilitates meaningful comparisons of operating results across periods. Our non-GAAP effective income tax rates for the year ending January 31, 2022 is currently approximately 10%, and was 8% for the year ended January 31, 2021. We evaluate our non-GAAP effective income tax rate on an ongoing basis, and it can change from time to time. Our non-GAAP income tax rate can differ materially from our GAAP effective income tax rate.

Revenue Metrics and Operating Metrics
Recurring revenue, on both a GAAP and non-GAAP basis, is the portion of our revenue that we believe is likely to be renewed in the future, and primarily consists of cloud revenue and initial and renewal post contract support.

Nonrecurring revenue, on both a GAAP and non-GAAP basis, primarily consists of our perpetual licenses, consulting, implementation and installation services, hardware, and training.

Cloud revenue primarily consists of SaaS and optional managed services.

SaaS revenue includes bundled SaaS, software with standard managed services and unbundled SaaS (including associated support) that we account for as term licenses where managed services are purchased separately.

Optional Managed Services is recurring services that are intended to improve our customers operations and reduce expenses.

New SaaS Annual Contract Value (ACV) includes the annualized contract value of all new SaaS contracts received within the period; in cases where SaaS is offered to partners through usage-based contracts, we include the incremental value of usage contracts over a rolling four quarters.

New Perpetual License Equivalent Bookings are used to normalize between perpetual and SaaS bookings and measure overall software bookings growth. We calculate new perpetual license equivalent bookings by adding to perpetual licenses an amount equal to New SaaS ACV bookings multiplied by a conversion factor that normalizes the mix of bundled and unbundled SaaS and perpetual bookings in a given period. The conversion factor used is based on our order mix and may change from period to period. Management uses perpetual license equivalent bookings to understand our performance, including our software bookings growth and SaaS/perpetual license mix. This metric should not be viewed in isolation from other operating metrics that we make available to investors.

Supplemental Info

Adjusted EBITDA
Adjusted EBITDA is a non-GAAP measure defined as net income (loss) before interest expense, interest income, income taxes, depreciation expense, amortization expense, stock-based compensation expenses, revenue adjustments, restructuring expenses, acquisition expenses, and other expenses excluded from our non-GAAP financial measures as described above. We believe that adjusted EBITDA is also commonly used by investors to evaluate operating performance between companies because it helps reduce variability caused by differences in capital structures, income taxes, stock-based compensation expenses, accounting policies, and depreciation and amortization policies. Adjusted EBITDA is also used by credit rating agencies, lenders, and other parties to evaluate our creditworthiness.

Net Debt
Net Debt is a non-GAAP measure defined as the sum of long-term and short-term debt on our consolidated balance sheet, excluding unamortized discounts and issuance costs, less the sum of cash and cash equivalents, restricted cash, restricted cash equivalents, restricted bank time deposits, and restricted investments (including long-term portions), and short-term investments. We use this non-GAAP financial measure to help evaluate our capital structure, financial leverage, and our ability to reduce debt and to fund investing and financing activities, and believe that it provides useful information to investors.

Supplemental Information About Constant Currency
Because we operate on a global basis and transact business in many currencies, fluctuations in foreign currency exchange rates can affect our consolidated U.S. dollar operating results. To facilitate the assessment of our performance excluding the effect of foreign currency exchange rate fluctuations, we calculate our GAAP and non-GAAP revenue, cost of revenue, and operating expenses on both an as-reported basis and a constant currency basis, allowing for comparison of results between periods as if foreign currency exchange rates had remained constant. We perform our constant currency calculations by translating current-period foreign currency results into U.S. dollars using prior-period average foreign currency exchange rates or hedge rates, as applicable, rather than current period exchange rates. We believe that constant currency measures, which exclude the impact of changes in foreign currency exchange rates, facilitate the assessment of underlying business trends.

Unless otherwise indicated, our financial outlook, which is provided on a non-GAAP basis, reflects foreign currency exchange rates approximately consistent with rates in effect when the outlook is provided.

We also incur foreign exchange gains and losses resulting from the revaluation and settlement of monetary assets and liabilities that are denominated in currencies other than the entity's functional currency. We periodically report our historical non-GAAP diluted net income per share both inclusive and exclusive of these net foreign exchange gains or losses. Our financial outlook for diluted earnings per share includes net foreign exchange gains or losses incurred to date, if any, but does not include potential future gains or losses.