

An aerial photograph of a road winding through a dense, lush green forest. The road is dark asphalt with white lane markings. A white car is visible on the road in the lower half of the image. The forest is thick with various shades of green, suggesting a healthy, mature woodland.

Bentley Systems Third Quarter 2024 Results

November 7, 2024

Bentley[®]

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Agenda

Perspectives from the Executive Chair

Greg Bentley, Executive Chair

Operational perspectives

Nicholas Cumins, Chief Executive Officer

Financial performance

Werner Andre, Chief Financial Officer

Disclaimer

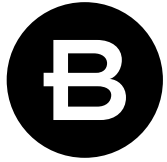
This presentation includes forward-looking statements regarding the future results of operations and financial position, business strategy, and plans and objectives for future operations of Bentley Systems, Incorporated (the "Company," "we," "us," and words of similar import). All such statements contained in or made during this presentation, other than statements of historical facts, are forward-looking statements. The words "believe," "may," "will," "estimate," "continue," "anticipate," "intend," "expect" and similar expressions are intended to identify forward-looking statements. We have based these forward-looking statements largely on our current expectations, projections and assumptions about future events and financial trends that we believe may affect our financial condition, results of operations, business strategy, short-term and long-term business operations and objectives, and financial needs. These forward-looking statements are subject to a number of risks, uncertainties and assumptions, and there are a significant number of factors that could cause actual results to differ materially from statements made in or during this presentation including: adverse changes in global economic and/or political conditions; the impact of current and future sanctions, embargoes and other similar laws at the state and/or federal level that impose restrictions on our counterparties or upon our ability to operate our business within the subject jurisdictions; political, economic, regulatory and public health and safety risks and uncertainties in the countries and regions in which we operate; failure to retain personnel necessary for the operation of our business or those that we acquire; failure to effectively manage succession; changes in the industries in which our accounts operate; the competitive environment in which we operate; the quality of our products; our ability to develop and market new products to address our accounts' rapidly changing technological needs; changes in capital markets and our ability to access financing on terms satisfactory to us or at all; the impact of changing or uncertain interest rates on us and on the industries we serve; our ability to integrate acquired businesses successfully; and our ability to identify and consummate future investments and/or acquisitions on terms satisfactory to us or at all; and other risks and uncertainties described in our reports filed from time to time with the Securities and Exchange Commission, including our Annual Report on Form 10-K for the year ended December 31, 2023 and subsequent Form 10-Qs.

The forward-looking statements made in this presentation are made as of November 7, 2024. If this presentation is reviewed after November 7, 2024, even if made available by us, on our website or otherwise, it may not contain current or accurate information. We disclaim any obligation to update or revise any forward-looking statement based on new information, future events, or otherwise.

Please refer to the Appendix of this presentation for definitions of KPIs and non-GAAP financial measures, and where applicable, reconciliations to their nearest GAAP equivalents, included in this presentation.

Perspectives from the Executive Chair

Greg Bentley



CEO keynote

**Sustaining tomorrow's infrastructure today:
the critical role of open data**

Infrastructure is at a watershed moment. 95% of the infrastructure that we will rely on in 2030 already exists today. The urgency to adapt and retrofit these systems is unprecedented, and the solution lies in leveraging a robust, open data ecosystem that integrates every aspect of infrastructure management.



Technology and product keynote

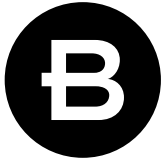
Making the right connections

While infrastructure organizations have made great strides in going digital, the data, workflows, and stakeholders that underpin project delivery and asset performance remain largely disconnected. By fusing engineering, enterprise, and operational data, infrastructure digital twin technologies unlock data silos, enhance collaboration, foster innovation, and help professionals achieve superior infrastructure delivery and performance.



Cesium's journey to infrastructure keynote

Cesium is the foundational open platform for creating powerful 3D geospatial applications. Bentley's recent acquisition of Cesium creates the best developer platform for the built and natural environment. Hear from Cesium founder Patrick Cozzi as he discusses Cesium's journey from aerospace to geospatial to infrastructure. Discover how Cesium learned the values of openness, community, and an ecosystem approach and how those values will carry forward within Bentley to support the future of infrastructure engineering software.



Year In Infrastructure 2024 Going Digital Awards

Explore the 2024 Winners/Finalists Projects
| <https://www.bentley.com/yii/projects/>

Bentley Software Industries Digital Twins Support Company Shop Login Lang

B Awards Speakers Videos Projects Jurors Gallery Press

Year In Infrastructure 2024 Going Digital Awards

Projects

The 2024 Winners Are Announced!

We are thrilled to announce the 2024 winners. Join us as we honor visionaries who are shaping the future of our world through groundbreaking projects.

View The 2024 Finalists By Category

- [Bridges & Tunnels >](#)
- [Construction >](#)
- [Enterprise Engineering >](#)
- [Facilities, Campuses, & Cities >](#)
- [Process & Power Generation >](#)
- [Rail & Transit >](#)
- [Roads & Highways >](#)
- [Structural Engineering >](#)
- [Subsurface Modeling & Analysis >](#)
- [Surveying & Monitoring >](#)
- [Transmission & Distribution >](#)
- [Water & Wastewater >](#)

China ENFI Engineering Co., Ltd.
Digital Construction Project of Comprehensive Waste Management Facilities in Xiong'an New Area
[View Project >](#)

JMT
Digital Experience for I-95 Rappahannock River Crossing Construction Project
[View Project >](#)

Department of Public Works and Highways (DPWH)
Digital Twin Implementation for NLEX-SLEX Connector Road Project
[View Project >](#)

PowerChina Zhongnan Engineering Corporation Limited
Digital Twin of Shandong Energy Group Bozhong Offshore Wind Farm Site A
[View Project >](#)

Water Supplies Department
Digital Twin of the Ex-Sham Shui Po Service Reservoir
[View Project >](#)

Southwest Electric Power Design Institute Co., Ltd. of China Power Engineering Consulting Group
Full Life Cycle Digital Applications of Butuo ±800kV Converter Station
[View Project >](#)

Basic Sanitation Utility Company of the State of São Paulo - Sabesp
Integra 4.0 Cultural Transformation Through Digitalization
[View Project >](#)

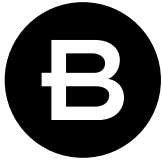
SPL Powerlines UK
Midland Main Line Electrification
[View Project >](#)

Hyundai Engineering
New Physical Modeling Method for Plant Steel Structures Using STAAD API
[View Project >](#)

Spark and WSP
North East Link Central Package
[View Project >](#)

Mott MacDonald and HDR
Ontario Line - Information Management
[View Project >](#)

Proicere Ltd.
SPRS Retreatment Plant (SRP) Sellafield
[View Project >](#)



Year In Infrastructure 2024 Going Digital Awards

View the 2024 Founders' Honors
<https://www.bentley.com/yii/videos/>

The screenshot shows the Bentley website's 'Videos' section for the 'Year In Infrastructure 2024 Going Digital Awards'. The page features a navigation bar with 'Bentley' and various menu items like 'Software', 'Industries', 'Digital Twins', 'Support', 'Company', and 'Shop'. Below the navigation is a main banner with a city skyline at night and a central text box that reads: 'Year In Infrastructure 2024 Going Digital Awards Videos. See The Best From The Year In Infrastructure 2024. Whether you missed this year's event or want to relive the magic from the global leaders in infrastructure, we've got you covered.' Below the banner is a section titled 'Watch Keynote And Industry Videos By Category' with six icons representing: Keynote Videos 2, Founders' Honors Videos 2, Cities Videos 2, Energy Videos 2, Transportation Videos 2, and Water Videos 2. The 'Founders' Honors Videos' section is highlighted, featuring a trophy icon and a paragraph: 'Founders' Honors, chosen individually by Bentley Systems' founders, are presented to a small number of exemplary projects, individuals, and organizations which particularly inspire us in our company's mission of advancing the world's infrastructure while sustaining both the global economy and environment.' Below this is a video player showing a video titled 'PUB, Singapore's National Water Agency' with a play button overlay. The video player includes a title, description, and a Bentley logo.

Perspectives

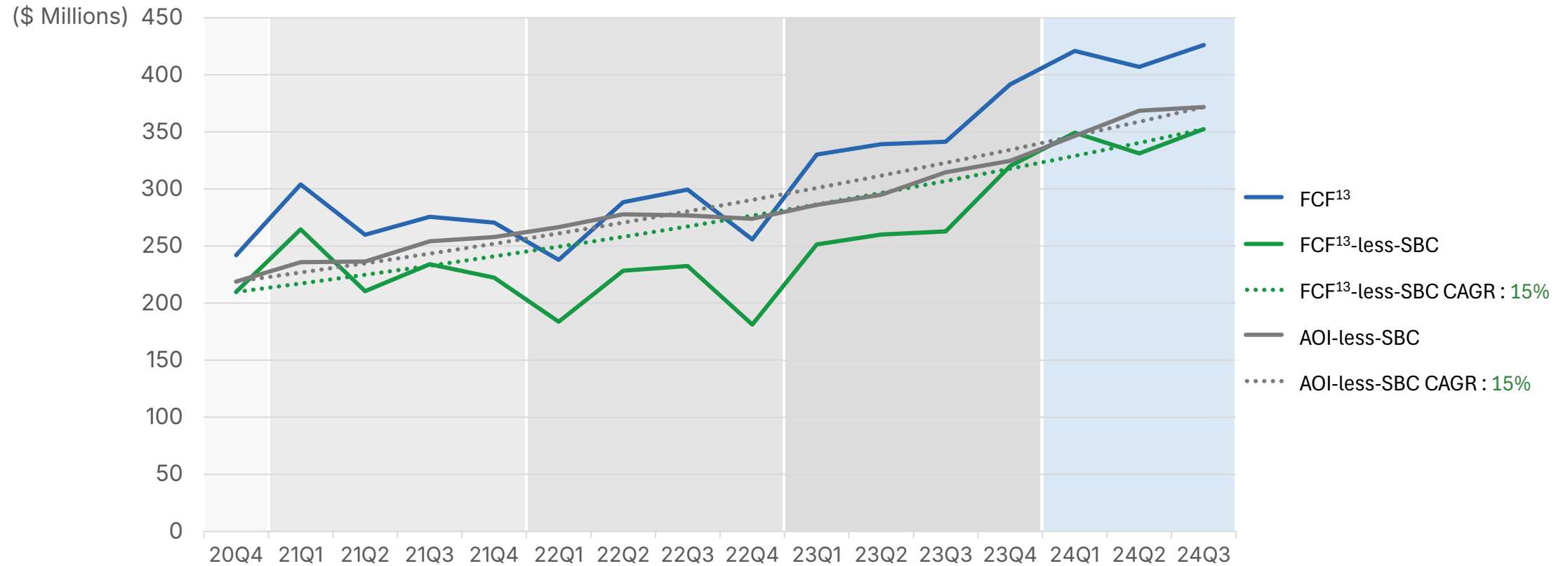
ARR growth execution:
from *volatility* to *visibility*

Perspectives

ARR growth execution:
from *volatility* to *visibility*

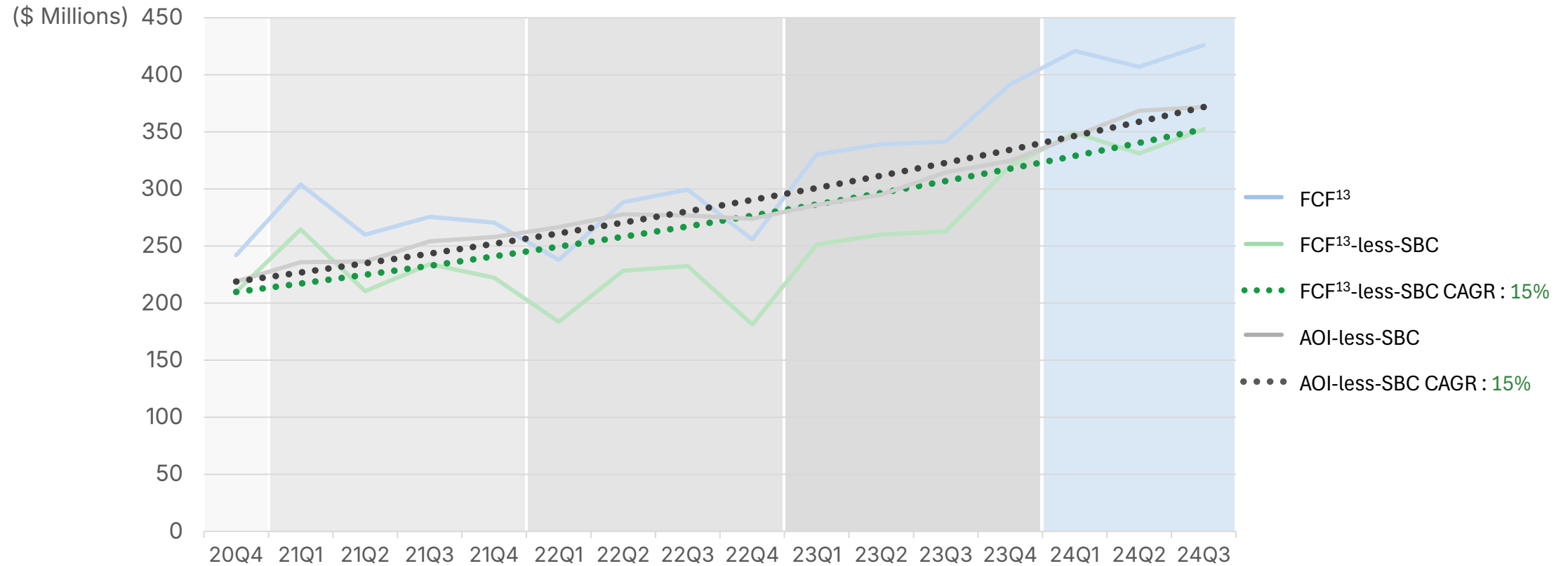
Visibility and *volatility*:
trade-offs

BSY cash flow *visibility* (during public tenure, LTM)



Footnote 13: See appendix for KPI and non-GAAP definitions

BSY cash flow *visibility* (during public tenure, LTM)

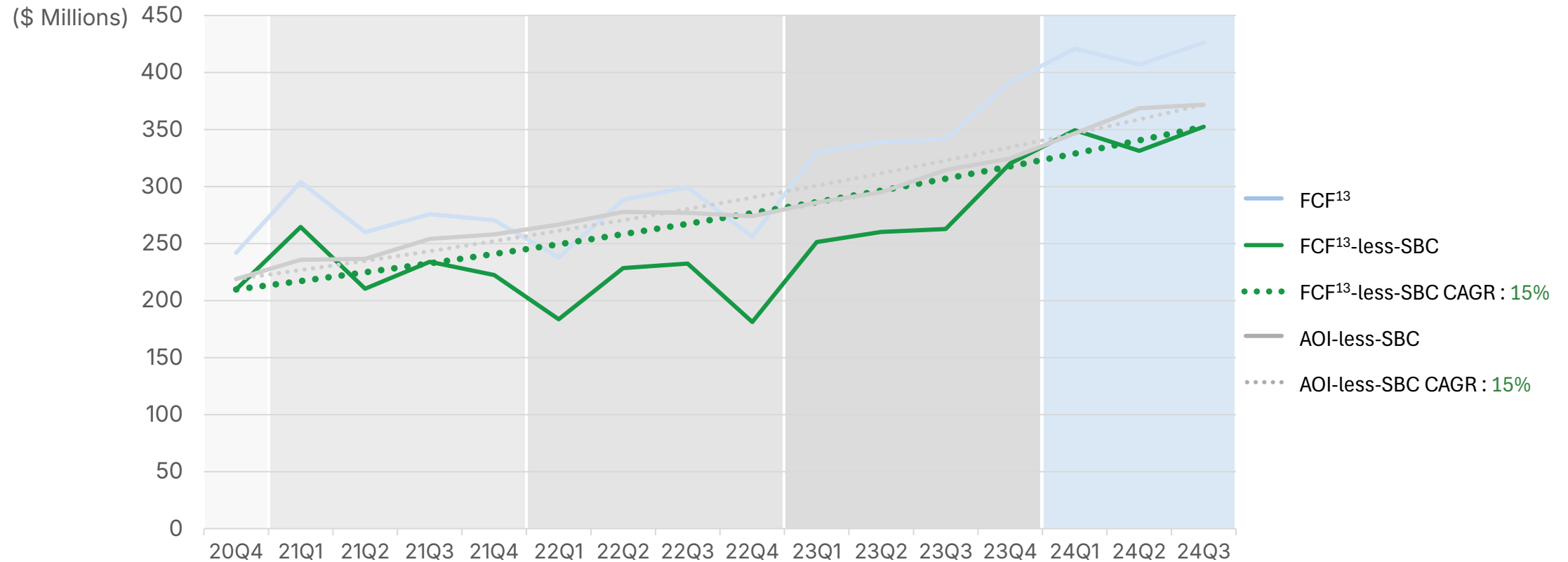


Footnote 13: See appendix for KPI and non-GAAP definitions

**Capital
allocation**

**Whither convertibles
maturing 1/2026--?**

BSY cash flow *visibility* (during public tenure, LTM)



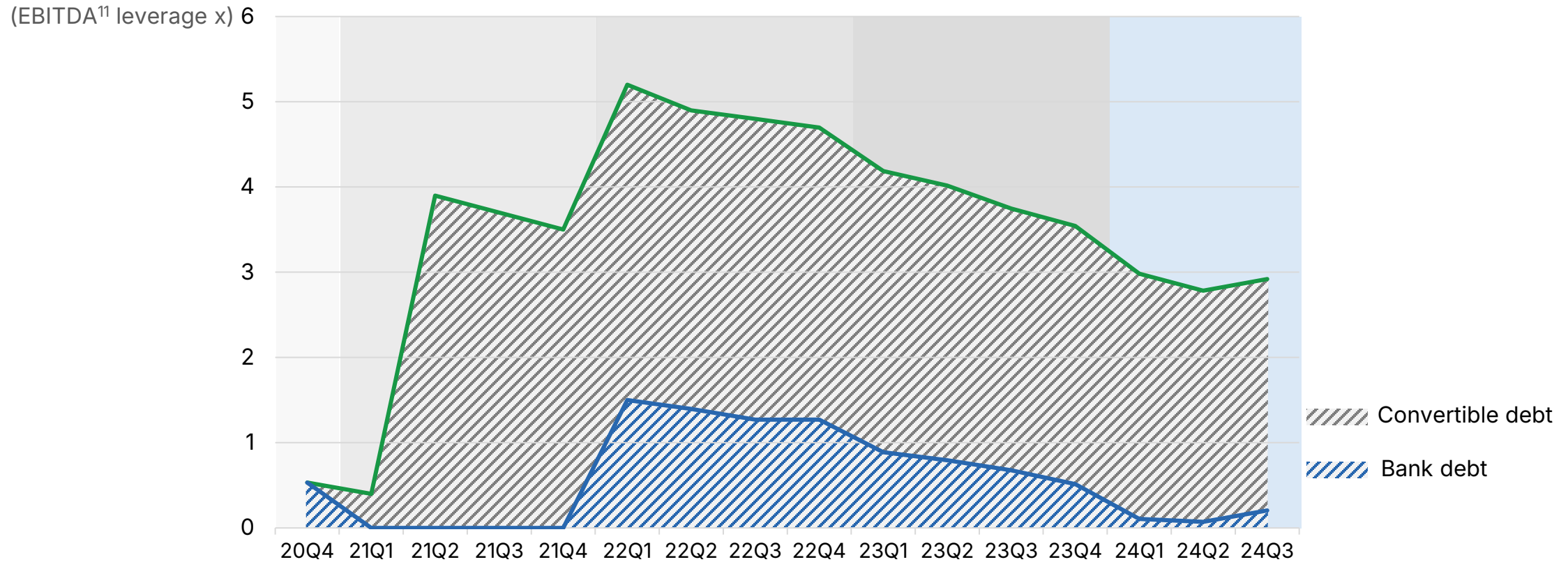
Footnote 13: See appendix for KPI and non-GAAP definitions

**Capital
allocation**

Whither convertibles
maturing 1/2026--?

Debt leverage

Debt leverage



Footnote: Refer to slide Liquidity and capital structure in Financial performances
Footnote 11: See appendix for KPI and non-GAAP definitions

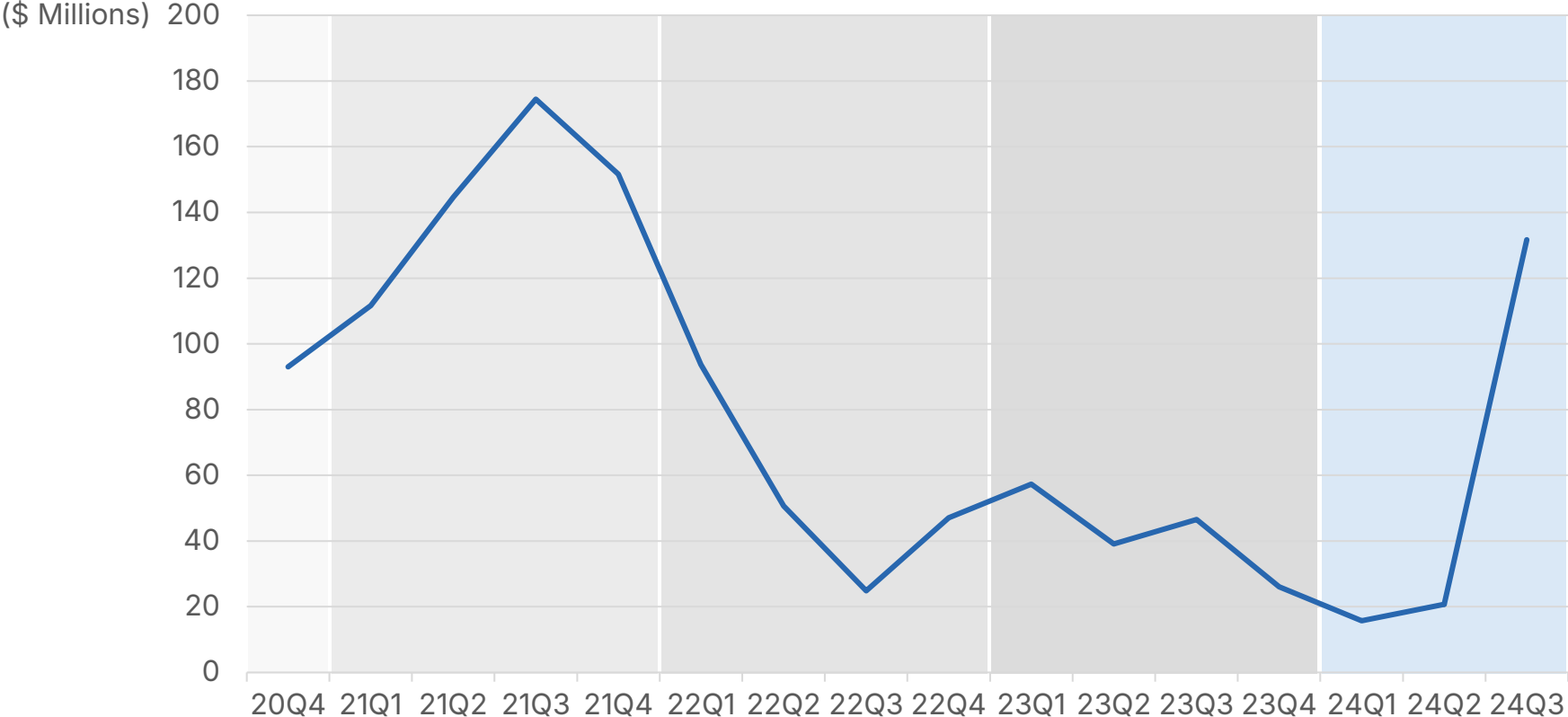
**Capital
allocation**

Whither convertibles
maturing 1/2026--?

Debt leverage

Programmatic acquisitions

BSY programmatic acquisition expenditures (LTM)

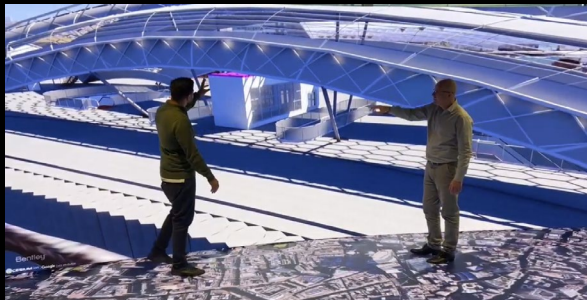




Bentley Systems acquires 3D geospatial company Cesium

Combination of Cesium plus iTwin offers developers the most comprehensive digital platform for the built and natural environment

September 6, 2024



Example of a design review process leveraging the Cesium integration with iTwin Platform



Example of a Bentley demo app for offshore wind farms, using a Cesium integration with iTwin Platform

EXTON, PA – September 6, 2024 – Bentley Systems, Incorporated (Nasdaq: BSY), the infrastructure engineering software company, today announced it has acquired 3D geospatial company Cesium. Cesium is recognized as the foundational open platform for creating powerful 3D geospatial applications, and its 3D Tiles open standard has been widely adopted by leading enterprises, governments, and tens of thousands of application developers globally. Cesium ion, the company's SaaS platform, brings 3D geospatial experiences to more than 1 million active devices every month, while Cesium's open-source offerings have more than 10 million downloads.

Bentley's iTwin Platform powers digital twin solutions that are used by engineering and construction firms and owner-operators to design, build, and operate the world's infrastructure. The combination of Cesium plus iTwin enables developers to seamlessly align 3D geospatial data with engineering, subsurface, IoT, reality, and enterprise data to create digital twins with astonishing user experiences that scale from vast infrastructure networks to the millimeter-accurate details of individual assets—viewed from land, sky, and sea, from outer space to deep below the Earth's surface.

Bentley CEO Nicholas Cumins said, "A 3D geospatial view is the most intuitive way for owner-operators and engineering services providers to search for, query, and visualize information about infrastructure networks and assets. With the combined capabilities of Cesium and iTwin, infrastructure professionals can make better informed decisions in full 3D geospatial context—all within a single, highly performant environment."

Patrick Cozzi, CEO of Cesium, continued, "Joining Bentley marks an important milestone for Cesium as we continue our journey to create the best developer platform for the built and natural environment—founded on open standards and open-source technologies. The combined power of our two organizations and our shared commitment to openness will provide new opportunities for growth and create greater value for an already flourishing developer ecosystem that ranges from small start-ups to global enterprises."

An example is Komatsu, the largest construction equipment manufacturer in Japan, and the second largest in the world, which uses Cesium's 3D geospatial technology to monitor construction sites globally, track changes over time, compare architectural plans with real-world data, and run precise and near real-time measurements. With Cesium integrated into Bentley, Komatsu gains expanded access to world-leading digital twin technology.

Chikashi Shike, executive officer, Smart Construction Promotion Division, Komatsu Ltd., commented, "Komatsu and Cesium brought novel thinking to the construction industry by leveraging advanced visualizations to deliver more precise insights and enable our customers to make better, more informed construction decisions. With Cesium as part of Bentley, we can further enrich our Smart Construction digital twins with engineering models, subsurface data, and more, for safer and more efficient construction projects."

In addition to the widespread adoption of its platform, Cesium is also a leader in promoting open standards, such as 3D Tiles for visualizing massive 3D geospatial data, which was adopted as a community standard by the Open Geospatial Consortium (OGC) in 2019.

Peter Rabley, CEO of OGC, said, "As infrastructure sectors become more data-centric, the importance of an open ecosystem will only increase. As the leading voice for open standards and interoperability in the geospatial community, OGC welcomes the ongoing commitment of Bentley and Cesium to solve global challenges through open, interoperable platforms."

With the acquisition, Cozzi was named Bentley's chief platform officer, leading the development of the combined Cesium and iTwin platform offerings, reporting to Bentley's CTO Julien Moutte.

The financial details of the transaction were not disclosed. Dechert LLP acted as legal advisor to Bentley in the transaction.

For additional executive insights, please visit the [Bentley Insights & Inspirations blog](#) and the [Cesium blog](#).



The platform for 3D geospatial

Cesium is the foundational open platform for creating powerful 3D geospatial applications.



Cesium ion



Cesium for Omniverse



CesiumJS



Cesium for Unreal



Cesium for Unity



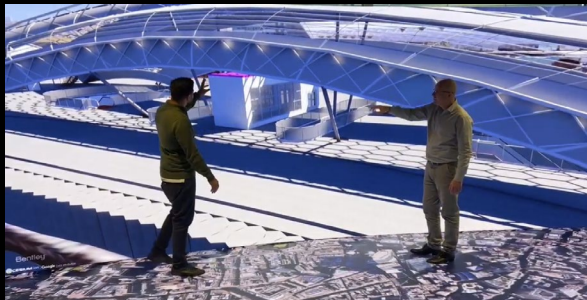
Cesium for O3DE



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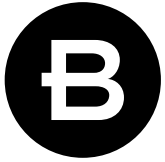
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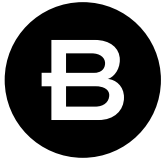
Operational perspectives

Nicholas Cumins, Chief Executive Officer



Year In Infrastructure 2024
Going Digital Awards

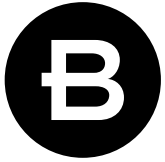


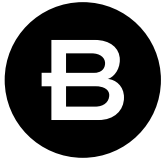


Cesium's Journey to Infrastructure



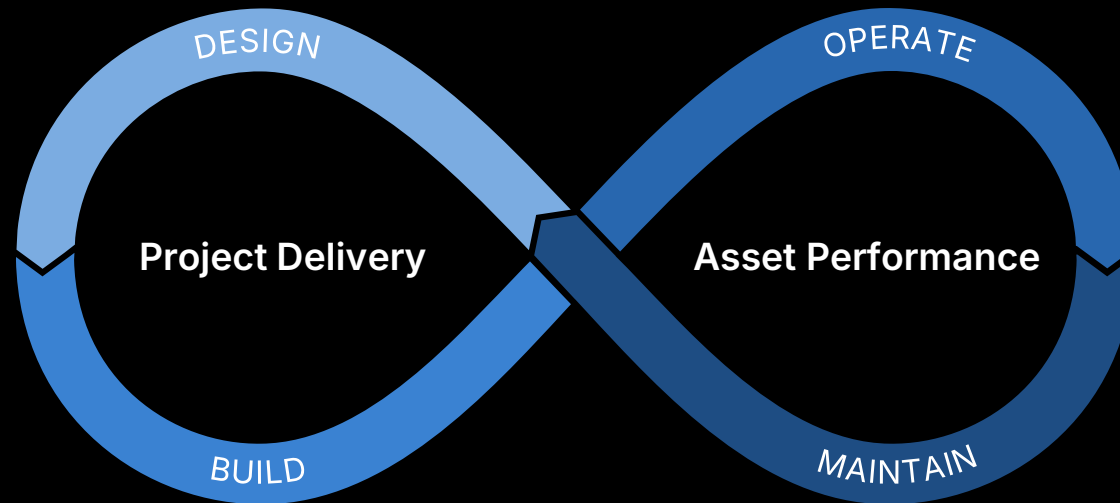
"We've joined Bentley to advance infrastructure by combining iTwin and Cesium to build the open platform"





Bentley Infrastructure Cloud

Connecting data and people across the lifecycle



Bentley Open Applications

Creating and optimizing engineering designs

Project Delivery

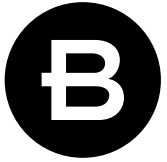
Asset Performance

Bentley Asset Analytics

Optimizing asset reliability and resilience

iTwin Platform

Powering infrastructure digital twins



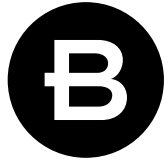
Bentley Open Applications Next-gen

Run on desktop

Cloud qualities

Digital twin-native

AI-powered



OpenSite+

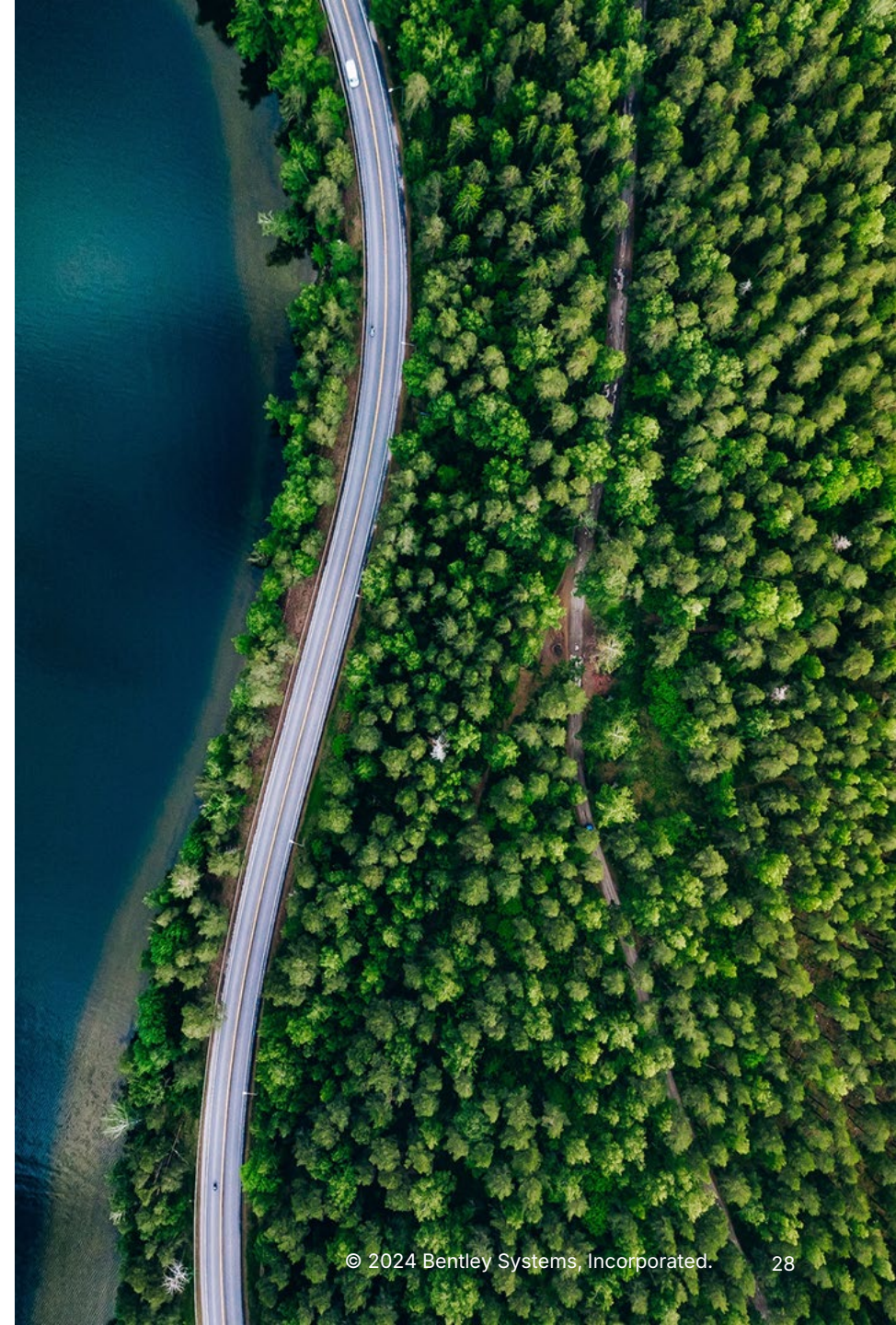
iTwin-native and
data-centric

AI design assistant
for site and earthwork
optimization

AI-powered drawing
automation and
production

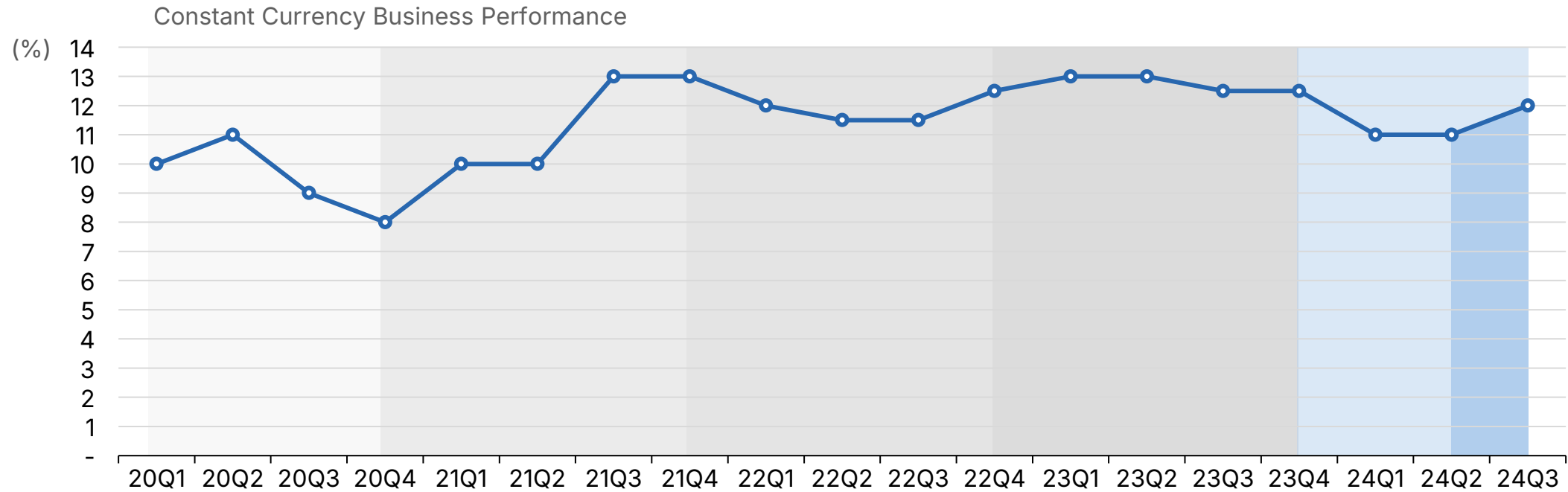
Tone of business

- Continued to execute at a high level, and market sentiment remained very positive
- Broad-based ARR performance across sectors and geographic regions
- Strong contributions of E365 and Virtuosity growth initiatives
- Two headwinds remained China for ARR and Cohesive services revenues related to IBM Maximo
- Delivered very strong profitability and cash flow



YoY ARR growth⁸

Accelerated to 12% as anticipated directionally

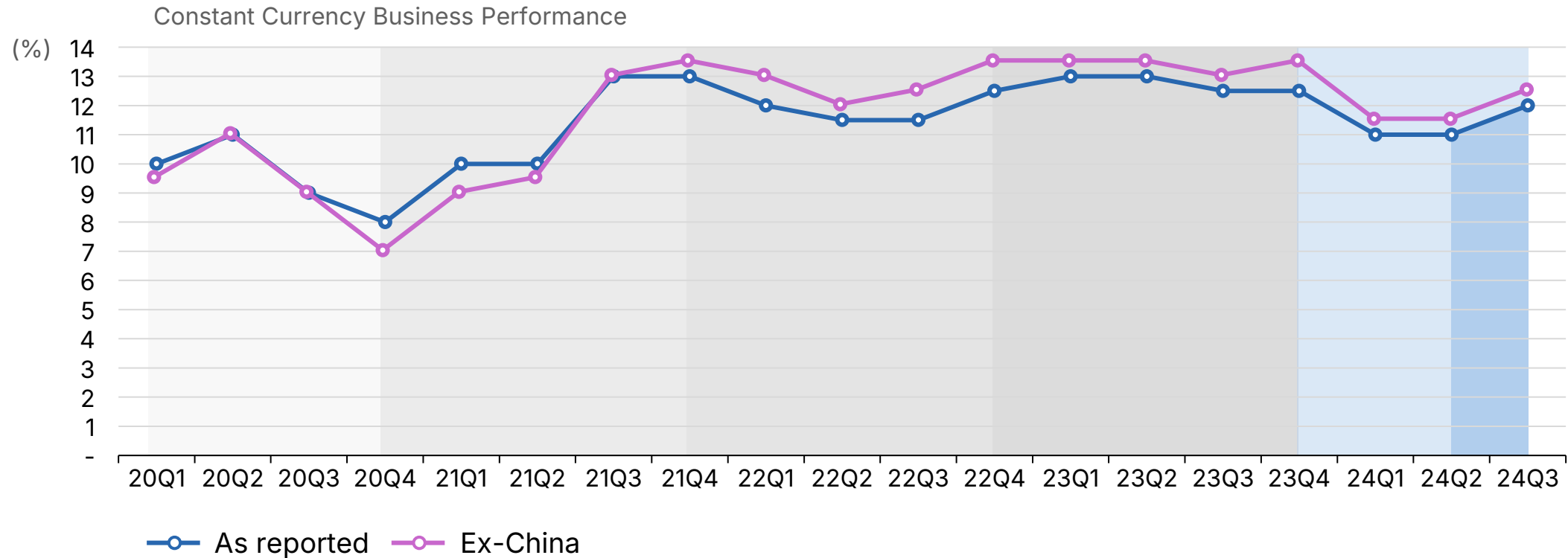


Our constant currency ARR growth rate from business performance excludes the ARR onboarding of our platform acquisitions and includes the impact from the ARR onboarding of programmatic acquisitions, which generally are immaterial, individually and in the aggregate

Note: Annualized Recurring Revenue ("ARR")⁶
Footnotes 6, 8: See appendix for KPI and non-GAAP definitions

YoY ARR growth⁸ - Ex China

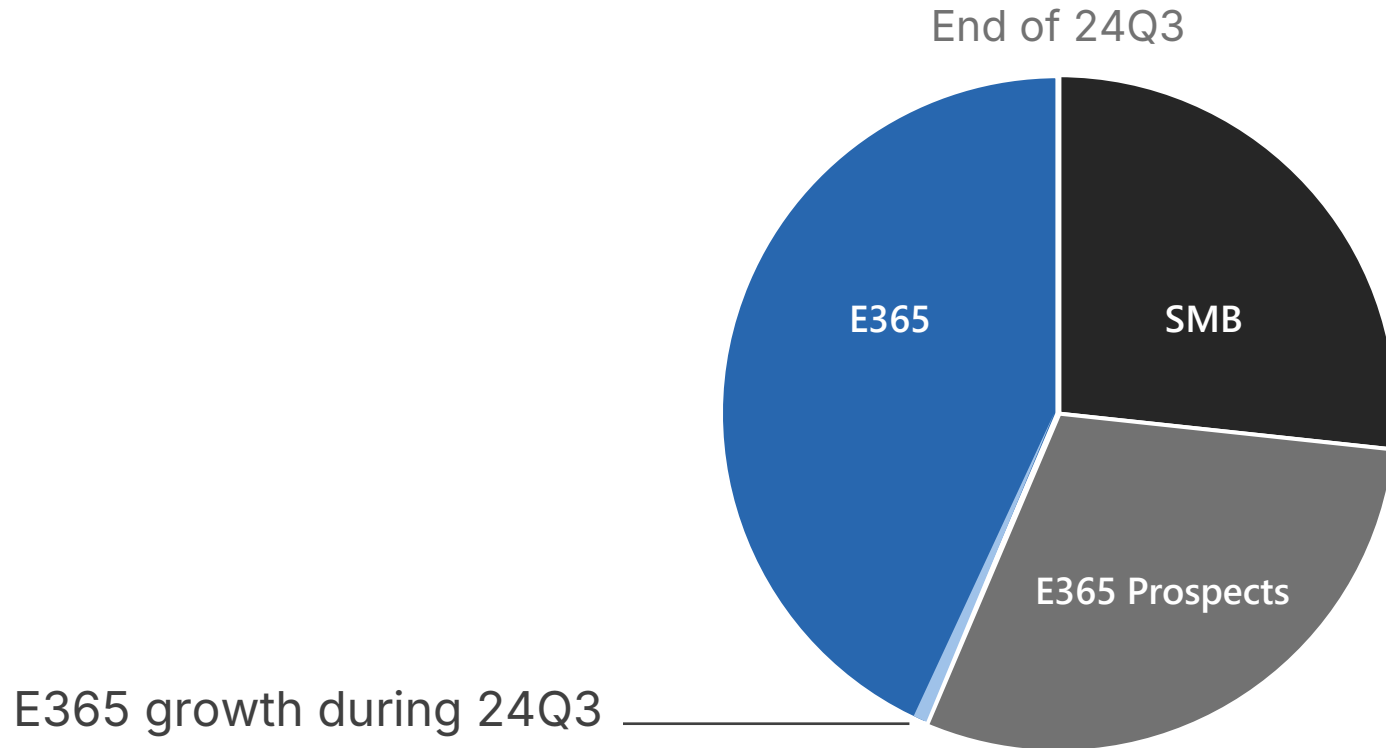
China now only ~2.5% of total ARR



Note: Annualized Recurring Revenue ("ARR")⁶
Footnotes 6, 8: See appendix for KPI and non-GAAP definitions

ARR⁶ by account size

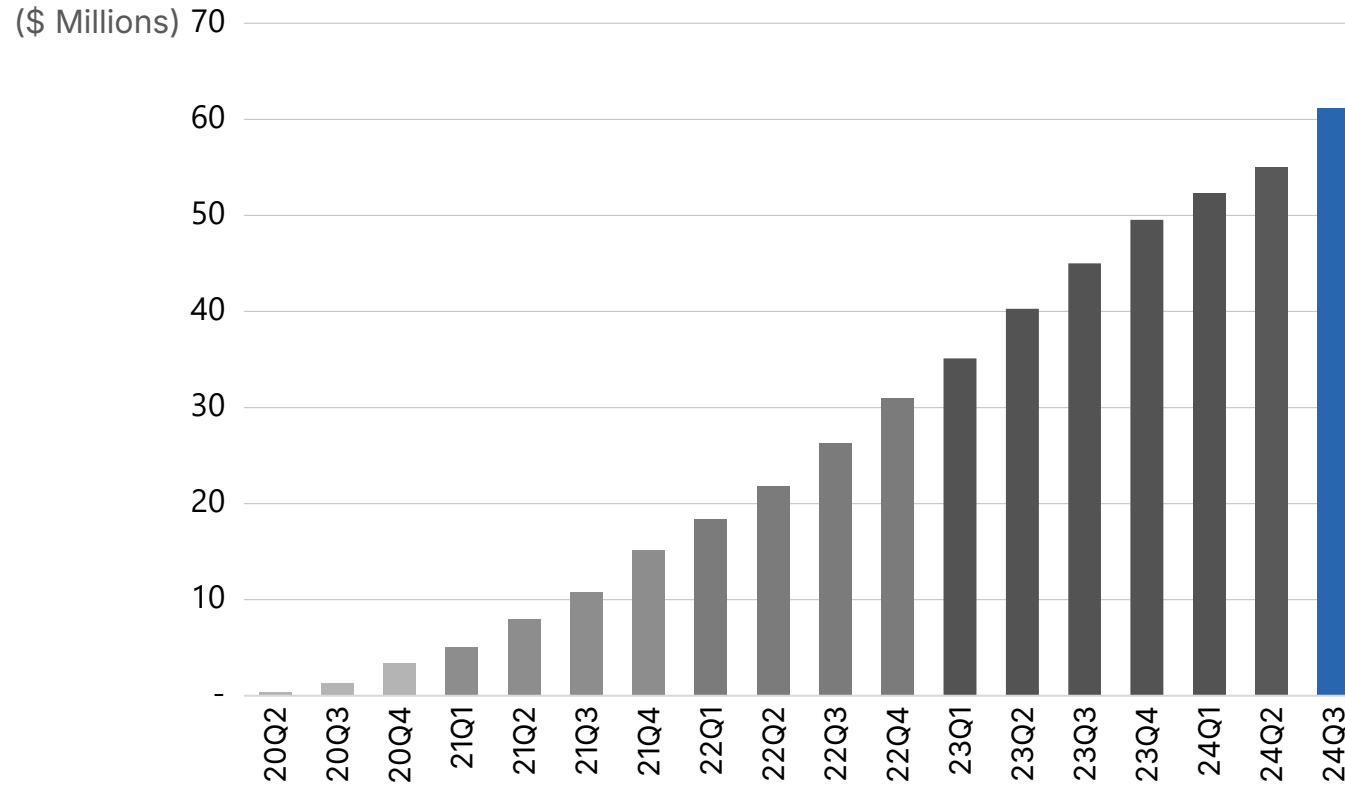
E365 remains a major growth driver: upgrades and application mix accretion.
SMB continues to drive new logos



Note: Chart segment sizing corresponds to underlying % of 24Q3 ARR
Footnote 6: See appendix for KPI and non-GAAP definitions

Virtuosity ARR⁶

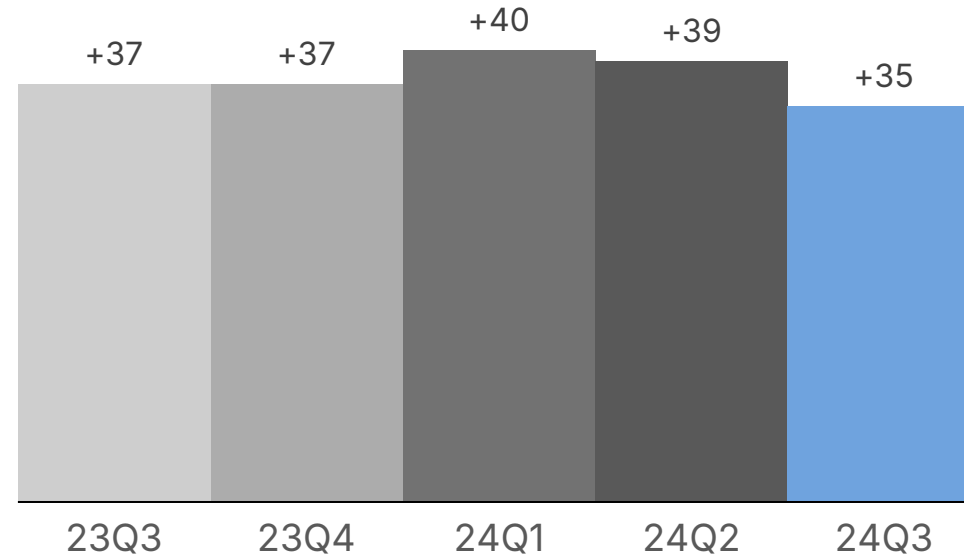
Eleventh straight quarter of at least 600 new logos



Note: All periods use exchange rates as of September 30, 2024
Footnote 6: See appendix for KPI and non-GAAP definitions

Higher backlog expected 12 months from now

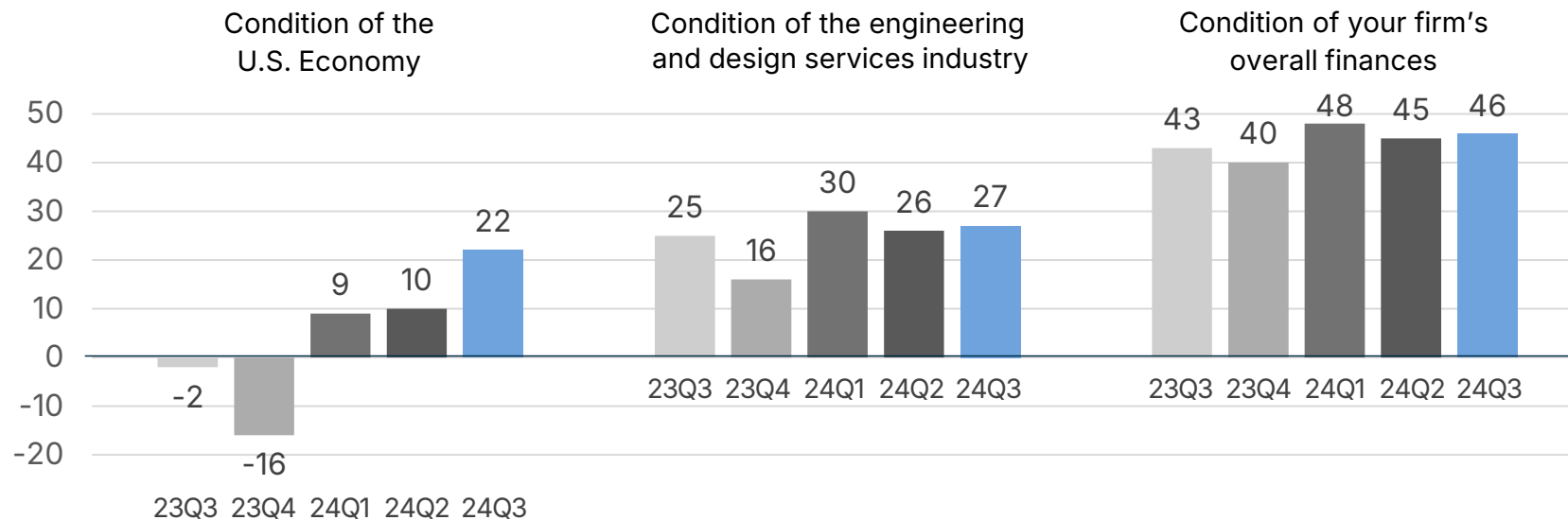
Net rating trend



Source: ACEC Research Institute Engineering Business Sentiment -> <https://www.acec.org/resource/engineering-business-sentiment-q3-2024/>

Sentiment 12 months from now remains strong

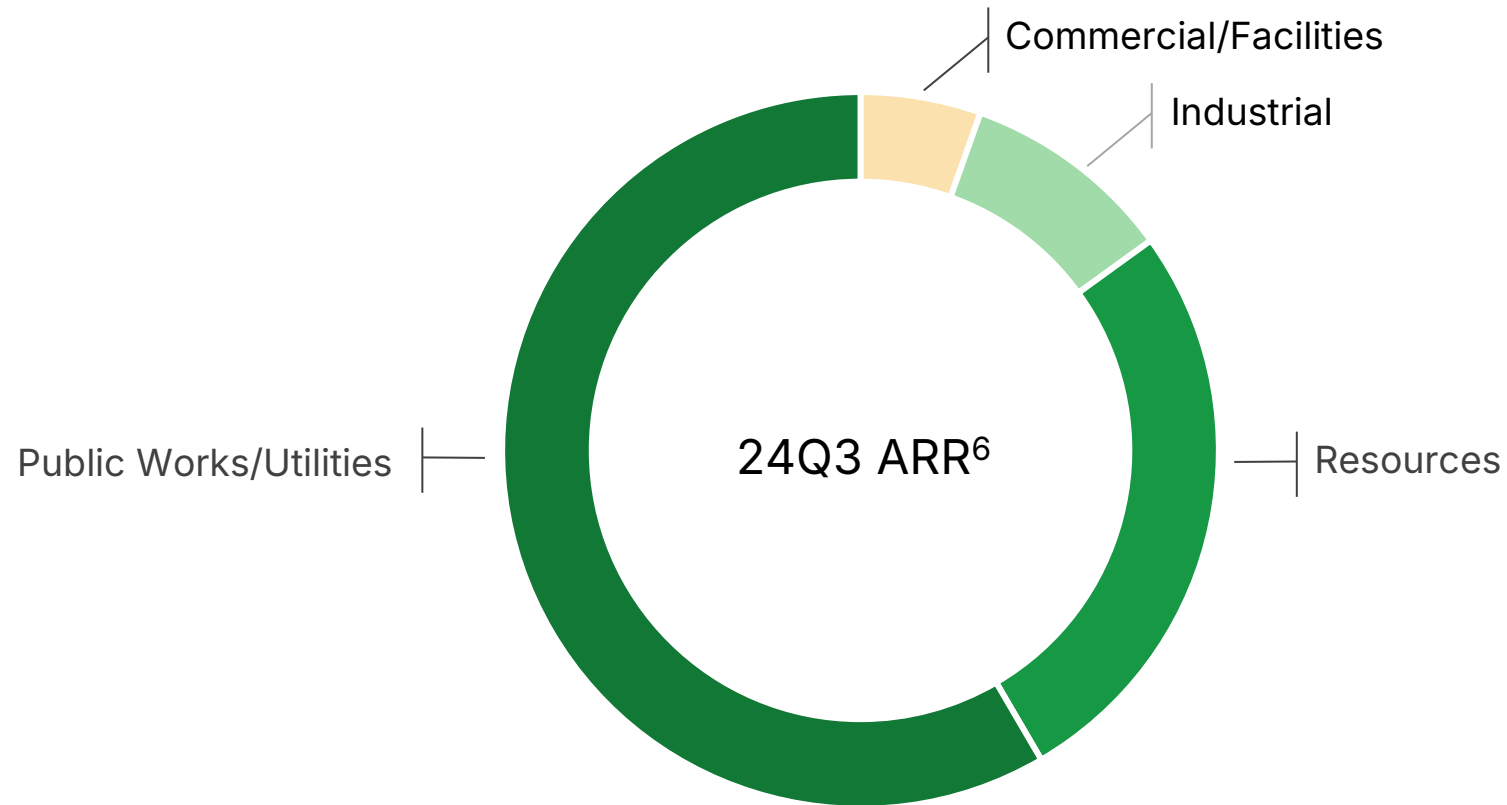
Notable uptick for outlook of the U.S. economy



Source: ACEC Research Institute Engineering Business Sentiment -> <https://www.acec.org/resource/engineering-business-sentiment-q3-2024/>

Tone of business by infrastructure sector

Strength in Public Works/Utilities followed by Resources



Note: Chart segment sizing corresponds to underlying % of 24Q3 Sector-attributable ARR⁶
Footnote 6: See appendix for KPI and non-GAAP definitions

Notable Q3 developments across geographic regions

Consistent performance across regions

Americas

Strong growth

- Both NA and LATAM
- Bipartisan support for infrastructure likely to continue in U.S.
- Only 40% IIJA funding announced, much less awarded

EMEA

Steady growth

- Public Works/Utilities and Resources main growth drivers
- Middle East again a highlight

Asia Pacific

Strong growth

- Southeast Asia and India standing out
- India growth picked up following elections
- China headwinds remain the same

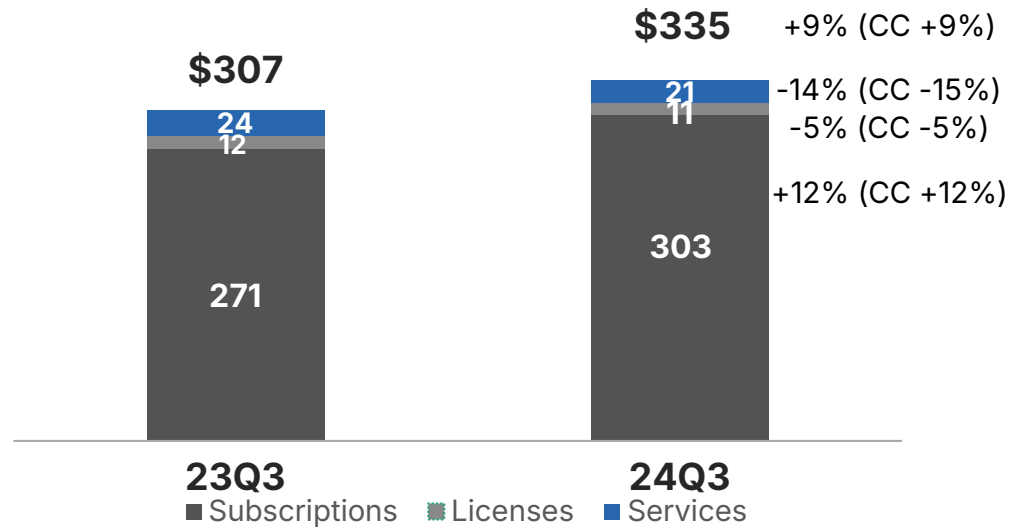
Financial performance

Werner Andre, Chief Financial Officer

Revenue performance

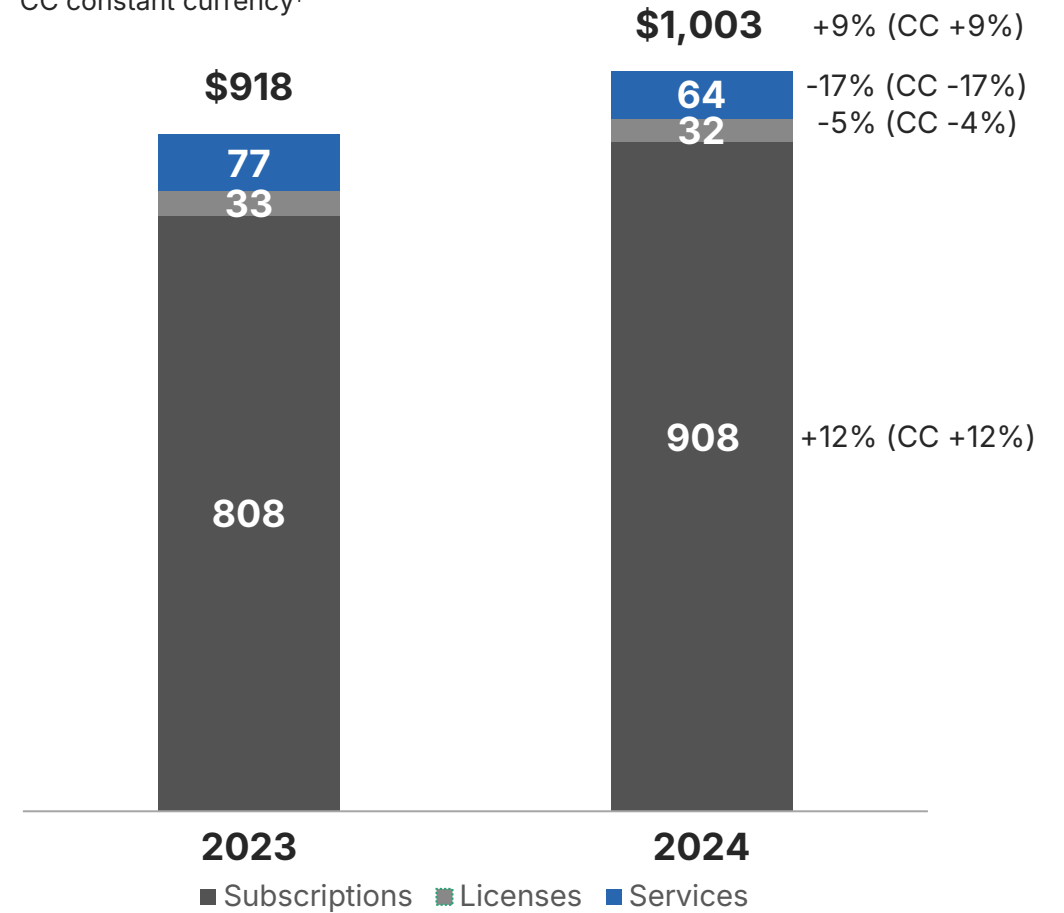
Third quarter

\$ in millions
CC constant currency¹



September year-to-date

\$ in millions
CC constant currency¹

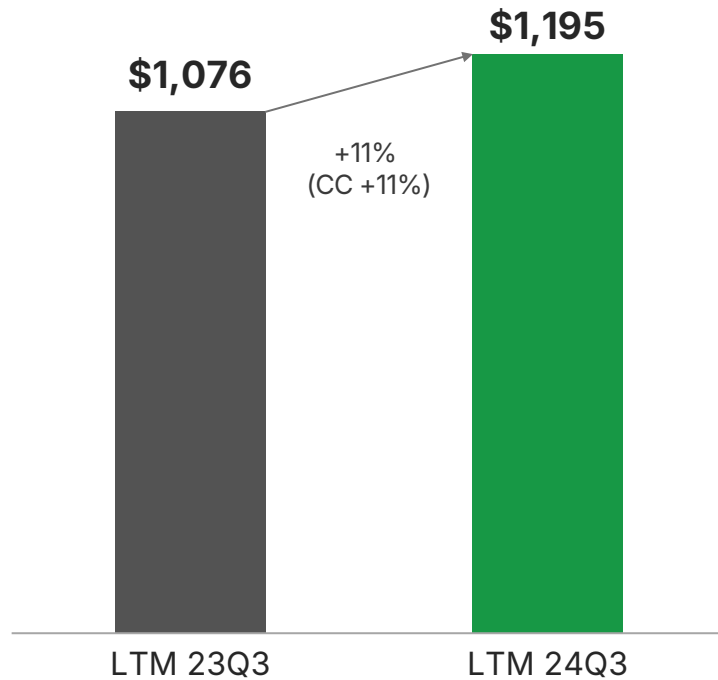


Footnote 1: See appendix for KPI and non-GAAP definitions

Recurring revenue performance

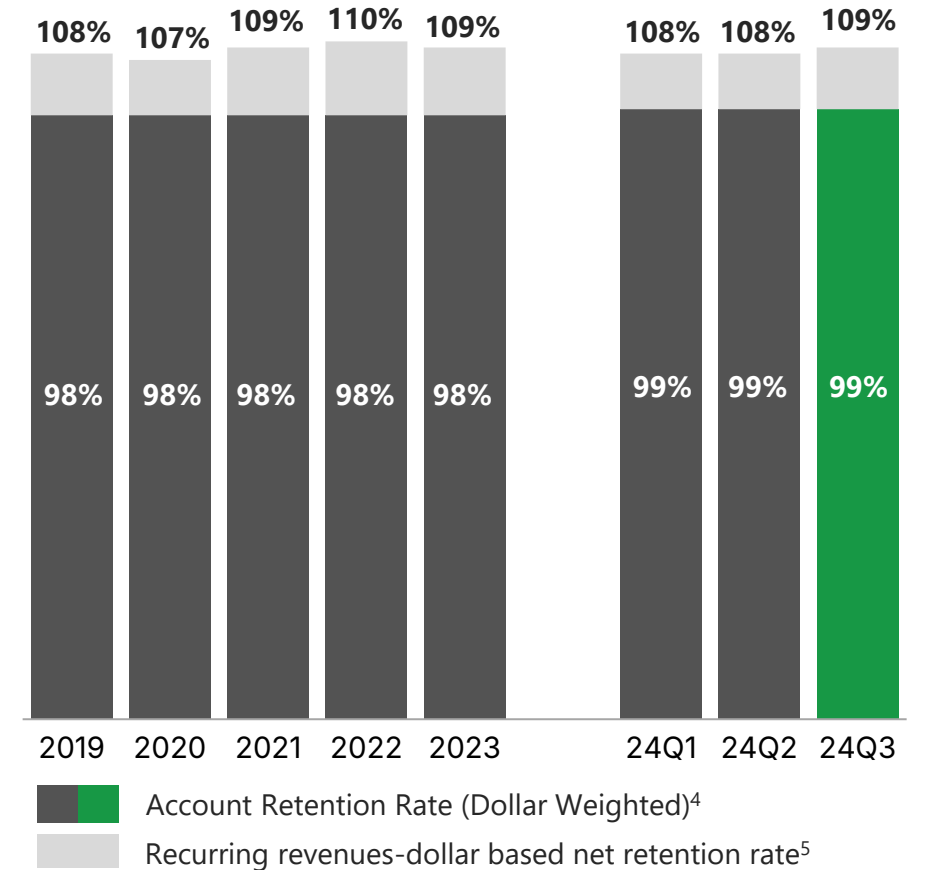
LTM recurring revenues³

\$ in millions
CC constant currency¹



LTM recurring revenue retention

\$ in millions
Constant currency¹, YoY



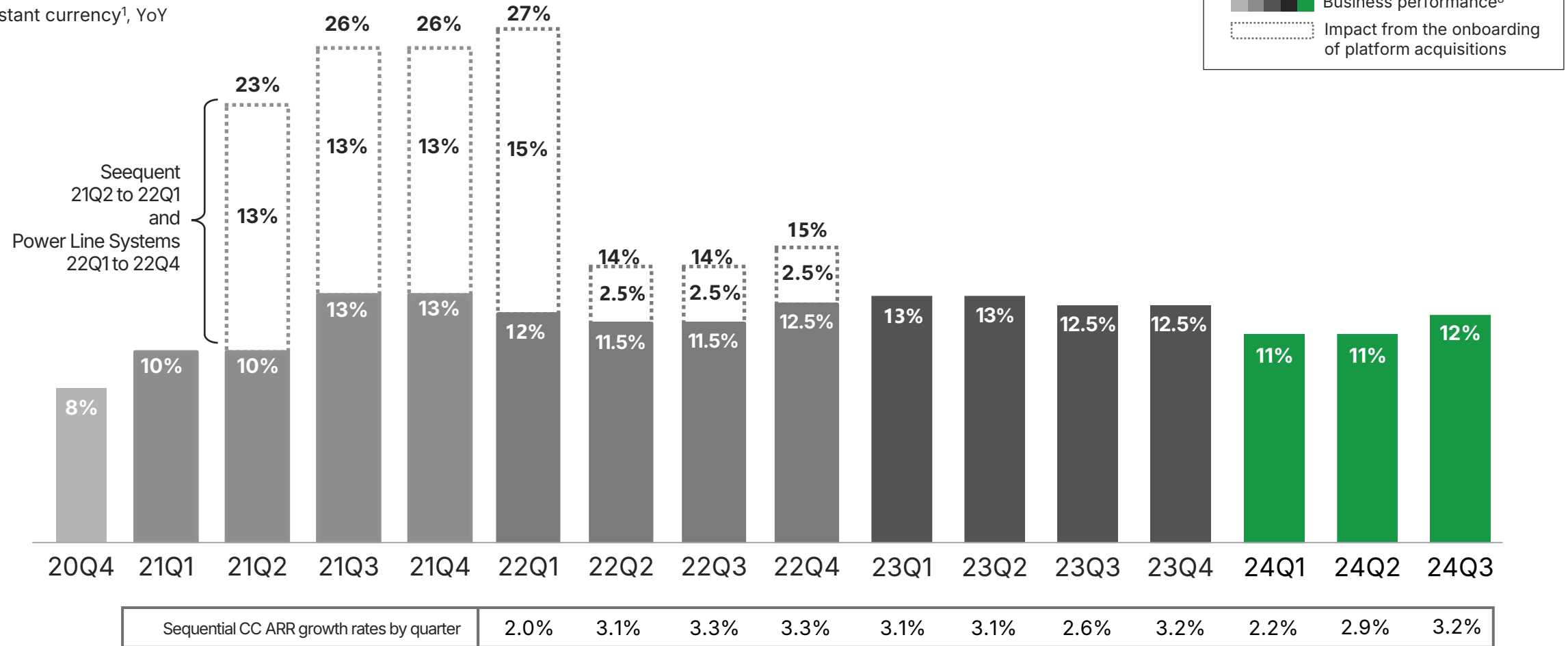
Footnote 1, 3, 4, 5: See appendix for KPI and non-GAAP definitions

Recurring revenue performance

ARR growth^{7,8}

ARR⁶: \$1,271 million at 09/30/2024 spot rates

\$ in millions
Constant currency¹, YoY

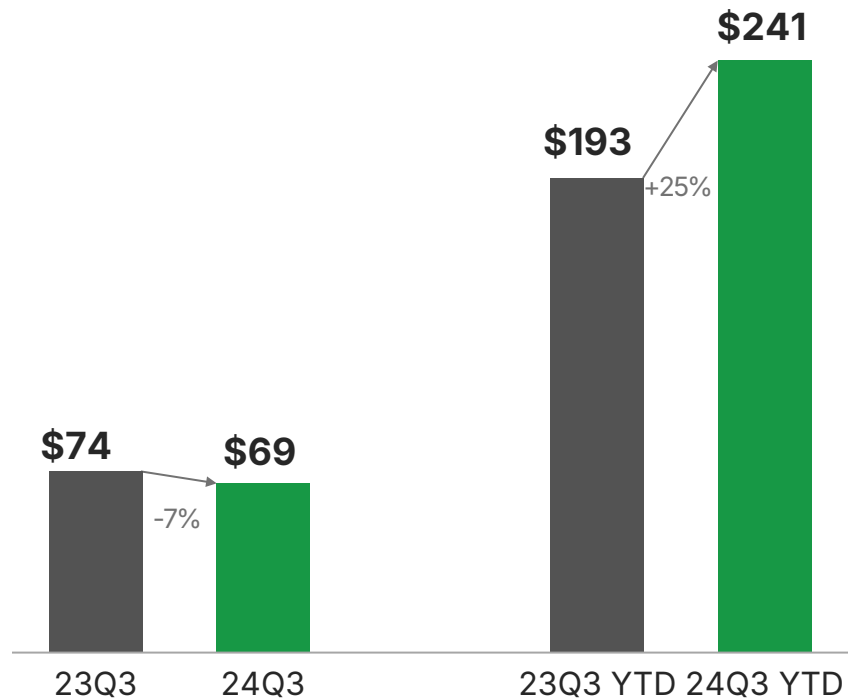


Footnote 1, 7, 8: See appendix for KPI and non-GAAP definitions

Profitability performance

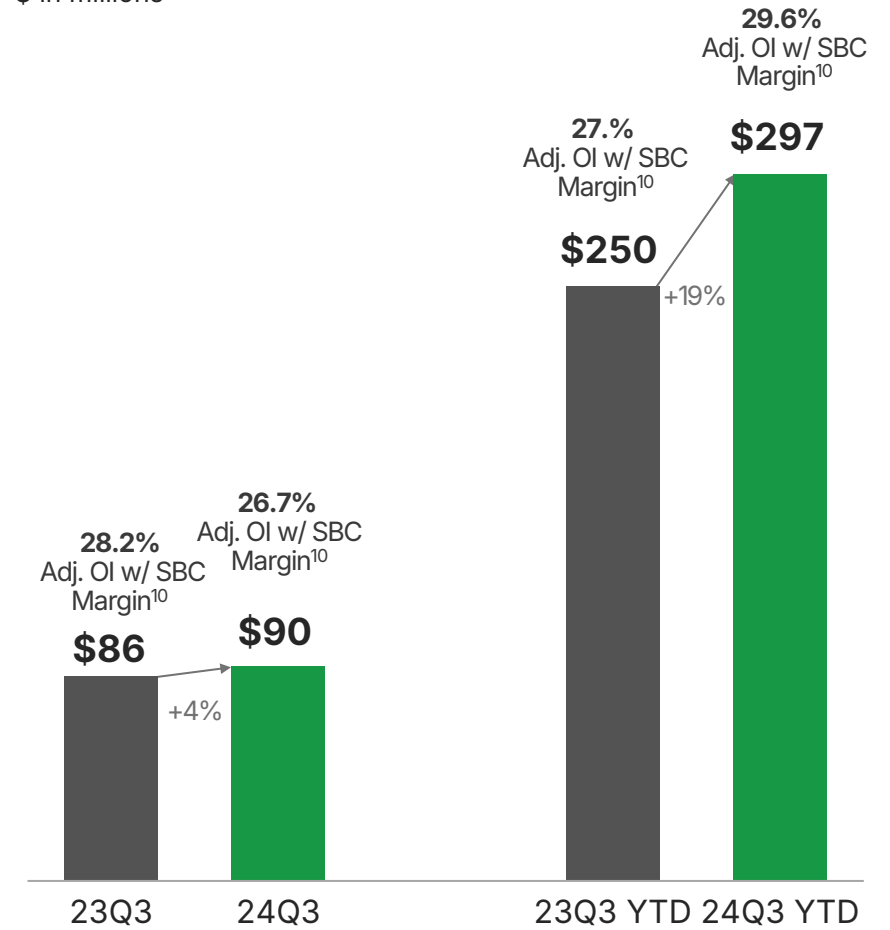
GAAP operating income

\$ in millions



Adjusted OI w/ SBC⁹

\$ in millions

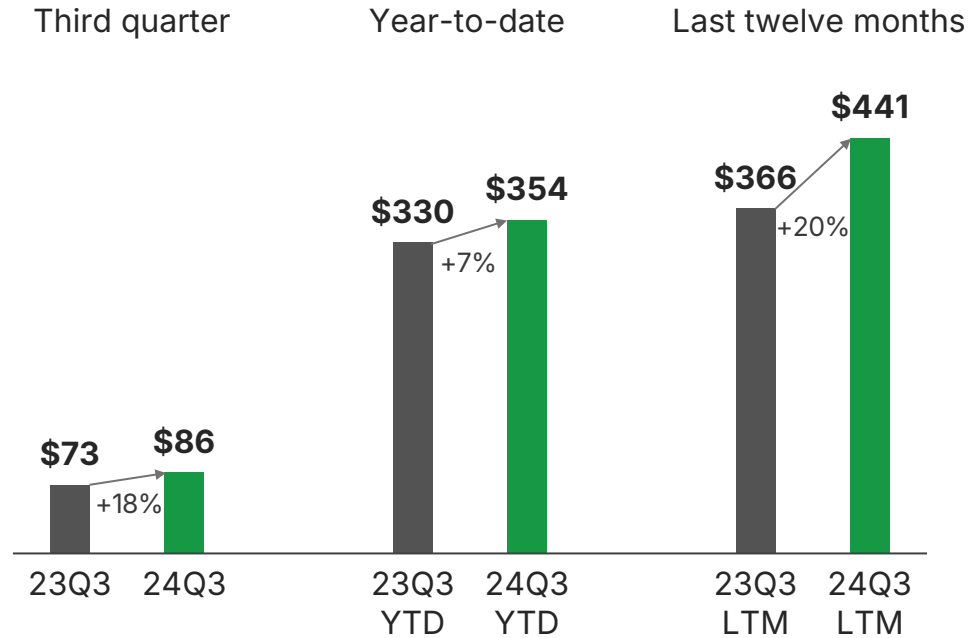


Footnote 9, 10: See appendix for KPI and non-GAAP definitions

Liquidity and capital structure

GAAP operating cash flows

\$ in millions



24Q3 YTD capital allocation

- \$129 million for acquisitions
- \$114 million in bank debt reduction
- \$54 million in dividends
- \$57 million in share repurchases, including \$11M of de-facto share repurchases

Liquidity and capital structure

9/30/2024 credit metrics

\$ in millions

Cash	\$	72
Senior debt ^a	\$	168
Net senior debt ^b	\$	96
Net senior debt leverage ^c		0.2x
Available revolver credit capacity	\$	732

- Senior debt excludes \$1,263 million^a of convertible notes due 2026/2027 if not converted
 - Annual cash interest on these notes is minimal at ~\$3 million per year
 - Net debt leverage^d including convertible notes as indebtedness is 2.9x
- At \$100 million / year (exceeding recent average) for programmatic acquisitions, we can expect to de-lever at the rate of about .7x (turns of adjusted EBITDA¹¹) annually
- Convertible debt leverage^e is 2.7x

Footnote a: Debt gross of unamortized debt issuance costs

Footnote b: Net senior debt is senior debt minus cash

Footnote c: Net senior debt leverage is net senior debt divided by LTM adjusted EBITDA¹¹

Footnote d: Net debt leverage is net senior debt plus \$1,263M of convertible notes divided by LTM adjusted EBITDA¹¹

Footnote e: Convertible debt leverage is convertible debt divided by LTM adjusted EBITDA¹¹

Footnote 11: See appendix for KPI and non-GAAP definitions

24Q4 senior secured credit facility refinancing

\$ in millions

- Refinanced credit facility in October 2024
- \$1,300 revolving credit facility
- 5 years
- Incremental \$500 accordion feature
- Proforma available revolver credit capacity of \$1,132
- Provides incremental flexibility to address the 2026 converts

Full year 2024 financial outlook

Financial metrics	Outlook
Total revenues	\$1,350 million to \$1,375 million ^a (+10% to 12% in constant currency ^a)
ARR growth ⁸ (constant currency ¹)	10.5% to 13% ^b
Adjusted OI w/SBC margin ¹⁰	Approximately 100bps annual improvement
Effective tax rate	Approximately 20%
Cash flow from operations	Approximately 85% of adjusted EBITDA ¹¹ , up from our prior Outlook of approximately 80%
Capital expenditures	Approximately \$10 to \$12 million, down from our prior Outlook of approximately \$22 million

Additional expectations to support financial modeling

- Full year interest expense of approximately \$24 million. Around \$7 million cash interest (net of around \$9 million of payments received from our interest rate swap), down from our prior Outlook of approximately \$29 million in interest expense and around \$13 million in cash interest;
- Full year cash taxes of around \$60 million, up from our prior Outlook of approximately \$50 million;
- Stock-based compensation in the 6% range of revenues;
- Operating depreciation and amortization of approximately 1.5% of revenues;
- Fully diluted weighted average shares outstanding between 333.2 and 334.7 million;
- Dividends of \$0.24 per share.

Footnote a: We do not update our revenues outlook for subsequent changes in foreign exchange rates

Footnote b: Includes ARR⁶ acquired from programmatic acquisitions, which generally are immaterial, individually, and in the aggregate

Footnotes 1, 6, 8, 10, 11: See appendix for KPI and non-GAAP definitions

Appendix

KPI and non-GAAP definitions

This presentation includes certain KPIs and non-GAAP financial measures, which are defined herein. Reconciliations of non-GAAP financial measures to their most directly comparable GAAP financial measures are included in our Form 8-K (Quarterly Earnings Release) announcing our quarterly financial results, which can be found on the SEC's website at www.sec.gov and on our website at www.bentley.com.

- 1. Constant currency.** In reporting period-over-period results, except for ARR as discussed further below, we calculate the effects of foreign currency fluctuations and constant currency information by translating current and prior period results on a transactional basis to our reporting currency using prior period average foreign currency exchange rates in which the transactions occurred.
- 2. Recurring revenues.** We define recurring revenues as subscriptions revenues that recur monthly, quarterly, or annually with specific or automatic renewal clauses and professional services revenues in which the underlying contract is based on a fixed fee and contains automatic annual renewal provisions.
- 3. LTM Recurring revenues.** Our last twelve-months ("LTM") recurring revenues are calculated as recurring revenues recognized over the preceding twelve-month period.
- 4. Account retention rate.** Our account retention rate for any given twelve-month period is calculated using the average currency exchange rates for the prior period, as follows: the prior period recurring revenues from all accounts with recurring revenues in the current and prior period, divided by total recurring revenues from all accounts during the prior period. 2019 calculated using ASC 605, and 2020, 2021, 2022, and 2023 calculated using ASC 606.
- 5. LTM Recurring revenues dollar-based net retention rate.** Our LTM recurring revenues dollar-based net retention rate is calculated, using the average exchange rates for the prior period, as follows: the recurring revenues for the current period, including any growth or reductions from existing accounts, but excluding recurring revenues from any new accounts added during the current period, divided by the total recurring revenues from all accounts during the prior period. A period is defined as any trailing twelve months. Related to our platform acquisitions, recurring revenues into new accounts will be captured as existing accounts starting with the second anniversary of the acquisition when such data conforms to the calculation methodology. This may cause variability in the comparison. 2019 calculated using ASC 605, and 2020, 2021, 2022, and 2023 calculated using ASC 606.

KPI and non-GAAP definitions

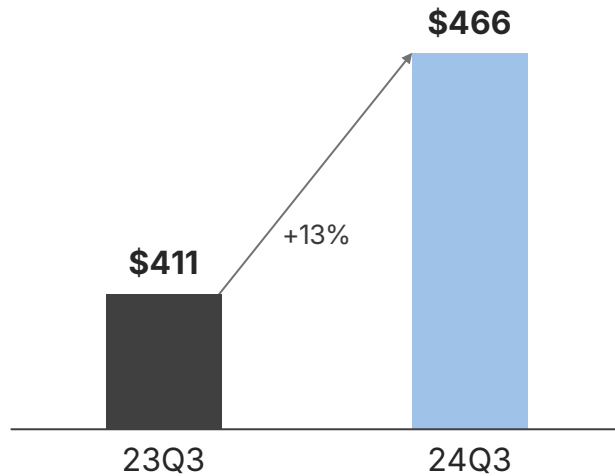
6. **Annualized Recurring Revenues ("ARR").** Our ARR is defined as the sum of the annualized value of our portfolio of contracts that produce recurring revenues as of the last day of the reporting period, and the annualized value of the last three months of recognized revenues for our contractually recurring consumption-based software subscriptions with consumption measurement durations of less than one year, calculated using the spot foreign exchange rates.
7. **ARR growth rate.** Our constant currency ARR growth rate is the growth rate of ARR measured on a constant currency basis. In reporting period-over-period ARR growth rates in constant currency, we calculate constant currency growth rates by translating current and prior period ARR on a transactional basis to our reporting currency using current year budget exchange rates.
8. **ARR growth rate from business performance.** Our constant currency ARR growth rate from business performance excludes the ARR onboarding of our platform acquisitions and includes the impact from the ARR onboarding of programmatic acquisitions, which generally are immaterial, individually and in the aggregate.
9. **Adjusted OI w/SBC.** Our Adjusted operating income inclusive of stock-based compensation expense ("Adjusted OI w/SBC") is defined as operating income adjusted for the following: amortization of purchased intangibles, expense (income) relating to deferred compensation plan liabilities, acquisition expenses, and realignment expenses (income).
10. **Adjusted OI w/SBC margin.** Our Adjusted OI w/SBC margin is calculated by dividing Adjusted OI w/SBC by total revenues.
11. **Adjusted EBITDA.** Our Adjusted EBITDA is defined as cash flow from operations adjusted for the following: cash interest, cash taxes, cash deferred compensation plan distributions, cash acquisition expenses, cash realignment costs, changes in operating assets and liabilities, and other cash items (such as those related to our interest rate swap). Adjusted EBITDA is our liquidity measure in the context of conversion of Adjusted EBITDA to cash flow from operations (i.e., the ratio of GAAP cash flow from operations to Adjusted EBITDA).
12. **Organic ARR.** Organic ARR is defined as reported ARR less ARR onboarded from programmatic acquisitions.
13. **Free cash flow ("FCF").** FCF is defined as cash flow from operations less purchases of property and equipment and investment in capitalized software.

Adjusted EBITDA¹¹

Reconciliation of cash flow from operations to Adjusted EBITDA¹¹

Last twelve months

\$ in millions



Reconciliation of cash flow from operations to adjusted EBITDA

\$ in thousands

	LTM 24Q3
Cash flow from operations	\$ 440,713
Cash interest	20,149
Cash taxes	46,751
Cash deferred compensation plan distributions	2,436
Cash acquisition expenses	7,203
Cash realignment costs	12,874
Change in operating assets and liabilities	(54,950)
Other ^a	(9,603)
Adjusted EBITDA	\$ 465,573

Footnote 11: See appendix for KPI and non-GAAP definitions

Footnote a: Includes receipts related to interest rate swap

Non-GAAP reconciliations (constant currency)

Reconciliation of total revenues and subscriptions revenues to total revenues and subscriptions revenues in constant currency

(\$ in thousands)	Three months ended September 30, 2024			Three months ended September 30, 2023		
	Actual	Impact of foreign exchange at 2023 rates	Constant currency	Actual	Impact of foreign exchange at 2023 rates	Constant currency
Total revenues	\$ 335,173	\$ (1,319)	\$ 333,854	\$ 306,612	\$ (535)	\$ 306,077
Subscriptions revenues	\$ 303,239	\$ (1,100)	\$ 302,139	\$ 270,751	\$ (569)	\$ 270,182

(\$ in thousands)	Nine months ended September 30, 2024			Nine months ended September 30, 2023		
	Actual	Impact of foreign exchange at 2023 rates	Constant currency	Actual	Impact of foreign exchange at 2023 rates	Constant currency
Total revenues	\$ 1,003,273	\$ (891)	\$ 1,002,382	\$ 917,772	\$ (1,014)	\$ 916,758
Subscriptions revenues	\$ 907,772	\$ (784)	\$ 906,988	\$ 807,839	\$ (1,042)	\$ 806,797

Historical OI to adjusted OI w/SBC

(\$ in thousands)	2018	2019	2020	2021	2022	2023
Operating income	\$ 121,391	\$ 141,865	\$ 150,150	\$ 94,589	\$ 208,612	\$ 230,542
Amortization of purchased intangibles	17,215	18,731	20,721	34,001	53,592	51,219
Deferred compensation plan	(75)	408	177	95,046	(15,782)	13,580
Acquisition expenses	6,410	6,597	11,666	34,368	25,398	17,866
Realignment expenses (income)	6,778	(584)	10,022	-	2,109	11,470
Expenses associated with IPO	-	-	26,130	-	-	-
Adjusted OI w/SBC	\$ 151,719	\$ 167,017	\$ 218,866	\$ 258,004	\$ 273,929	\$ 324,677

Note: 2018 revenues were calculated using ASC 605 / 2019-2023 revenues were calculated using ASC 606
Footnote a: Includes receipts related to interest rate swap.

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