

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended **March 31, 2025**

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from _____ to _____

Commission File Number: **001-39548**

BENTLEY SYSTEMS, INCORPORATED

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation or organization)

95-3936623

(I.R.S. Employer Identification No.)

**685 Stockton Drive
Exton, Pennsylvania**

(Address of principal executive offices)

19341

(Zip Code)

Registrant's telephone number, including area code: **(610) 458-5000**

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol	Name of each exchange on which registered
Class B Common Stock, \$0.01 Par Value	BSY	The Nasdaq Stock Market LLC

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Non-accelerated filer

Accelerated filer

Smaller reporting company

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

As of April 30, 2025, the registrant had 11,537,627 shares of Class A and 291,843,811 shares of Class B common stock outstanding.

BENTLEY SYSTEMS, INCORPORATED
FORM 10-Q
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EXPLANATORY NOTE

This Quarterly Report on Form 10-Q is for the three months ended March 31, 2025. This Quarterly Report on Form 10-Q modifies and supersedes documents filed before it. The United States (“U.S.”) Securities and Exchange Commission (“SEC”) allows us to “incorporate by reference” information that we file with it, which means that we can disclose important information to you by referring you directly to those documents. Information incorporated by reference is considered to be part of this Quarterly Report on Form 10-Q. In addition, information that we file with the SEC in the future will automatically update and supersede information contained in this Quarterly Report on Form 10-Q.

Unless indicated otherwise, throughout this Quarterly Report on Form 10-Q, we refer to Bentley Systems, Incorporated and its consolidated subsidiaries, as “Bentley Systems,” “Bentley,” the “Company,” “we,” “us,” and “our.”

This Quarterly Report on Form 10-Q contains trademarks, service marks, brands, or product names owned by us, as well as those owned by others.

Numerical information in this report is presented on a rounded basis using actual amounts. Minor differences in totals and percentage calculations may exist due to rounding.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q includes forward-looking statements. All statements contained in this Quarterly Report on Form 10-Q other than statements of historical facts, including statements regarding our future results of operations and financial condition, our business strategy, and plans and our objectives for future operations, are forward-looking statements. The words “believe,” “may,” “will,” “could,” “would,” “seeks,” “estimate,” “continue,” “anticipate,” “intend,” “expect,” and similar expressions, as well as statements regarding our focus for the future, 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, including those described in the section titled “Risk Factors.” Moreover, we operate in a very competitive and rapidly changing environment. New risks emerge from time to time. It is not possible for our management to predict all risks, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements we may make. In light of these risks, uncertainties, and assumptions, the future events and trends discussed in this Quarterly Report on Form 10-Q may not occur and actual results could differ materially and adversely from those anticipated or implied in the forward-looking statements. The forward-looking statements, as well as our Quarterly Report on Form 10-Q as a whole, are subject to risks and uncertainties.

These statements are only current predictions and are subject to known and unknown risks, uncertainties, and other factors that may cause our or our industry’s actual results, levels of activity, performance, or achievements to be materially different from those anticipated by the forward-looking statements. We discuss many of these risks in this Quarterly Report on Form 10-Q in greater detail in the section titled “Risk Factors” and elsewhere in this Quarterly Report on Form 10-Q. You should not rely upon forward-looking statements as predictions of future events.

Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, performance, achievements, events, or circumstances reflected in the forward-looking statements will occur. Except as required by law, we undertake no obligation to update any of these forward-looking statements after the date of this Quarterly Report on Form 10-Q to conform these statements to actual results or revised expectations.

PART I. FINANCIAL INFORMATION

Item 1. Unaudited Consolidated Financial Statements

BENTLEY SYSTEMS, INCORPORATED
Consolidated Balance Sheets
(in thousands, except share and per share data)
(unaudited)

	March 31, 2025	December 31, 2024
Assets		
Current assets:		
Cash and cash equivalents	\$ 83,637	\$ 64,009
Accounts receivable	312,296	322,862
Allowance for doubtful accounts	(8,736)	(8,395)
Prepaid income taxes	8,802	13,066
Prepaid and other current assets	50,056	50,531
Total current assets	446,055	442,073
Property and equipment, net	33,302	33,798
Operating lease right-of-use assets	31,765	32,303
Intangible assets, net	202,811	213,959
Goodwill	2,380,494	2,367,179
Investments	25,871	25,764
Deferred income taxes	199,405	198,286
Other assets	83,231	86,445
Total assets	\$ 3,402,934	\$ 3,399,807
Liabilities and Equity		
Current liabilities:		
Accounts payable	\$ 24,498	\$ 16,479
Accruals and other current liabilities	163,858	169,522
Cloud Services Subscription deposits	447,907	366,895
Deferred revenues	244,075	245,729
Operating lease liabilities	11,744	11,656
Income taxes payable	13,905	4,053
Current portion of long-term debt	—	—
Total current liabilities	905,987	814,334
Long-term debt	1,244,308	1,388,088
Deferred compensation plan liabilities	94,962	96,684
Long-term operating lease liabilities	26,092	26,894
Deferred revenues	16,576	16,641
Deferred income taxes	8,285	8,612
Income taxes payable	3,615	3,615
Other liabilities	5,420	3,819
Total liabilities	2,305,245	2,358,687
Commitments and contingencies (Note 18)		
Equity:		
Preferred stock, \$0.01 par value, authorized 100,000,000 shares; none issued or outstanding as of March 31, 2025 and December 31, 2024	—	—
Class A common stock, \$0.01 par value, authorized 100,000,000 shares; issued and outstanding 11,537,627 shares as of March 31, 2025 and December 31, 2024	115	115
Class B common stock, \$0.01 par value, authorized 1,800,000,000 shares; issued and outstanding 291,372,179 and 290,439,703 shares as of March 31, 2025 and December 31, 2024, respectively	2,914	2,905
Additional paid-in capital	1,239,817	1,217,986
Accumulated other comprehensive loss	(97,583)	(104,078)
Accumulated deficit	(47,681)	(75,941)
Total Bentley Systems stockholders' equity	1,097,582	1,040,987
Noncontrolling interest	107	133
Total equity	1,097,689	1,041,120
Total liabilities and equity	\$ 3,402,934	\$ 3,399,807

See accompanying notes to consolidated financial statements.

BENTLEY SYSTEMS, INCORPORATED
Consolidated Statements of Operations
(in thousands, except share and per share data)
(unaudited)

	Three Months Ended March 31,	
	2025	2024
Revenues:		
Subscriptions	\$ 342,318	\$ 307,089
Perpetual licenses	10,792	9,512
Subscriptions and licenses	353,110	316,601
Services	17,432	21,162
Total revenues	370,542	337,763
Cost of revenues:		
Cost of subscriptions and licenses	46,498	40,218
Cost of services	19,161	21,612
Total cost of revenues	65,659	61,830
Gross profit	304,883	275,933
Operating expense (income):		
Research and development	72,450	68,371
Selling and marketing	63,059	54,386
General and administrative	47,228	46,482
Deferred compensation plan	(1,246)	5,799
Amortization of purchased intangibles	8,208	8,964
Total operating expenses	189,699	184,002
Income from operations	115,184	91,931
Interest expense, net	(3,808)	(6,520)
Other income, net	449	7,137
Income before income taxes	111,825	92,548
Provision for income taxes	(20,488)	(22,247)
Equity in net income of investees, net of tax	1	9
Net income	91,338	70,310
Less: Net income (loss) attributable to noncontrolling interest	(30)	—
Net income attributable to Bentley Systems	\$ 91,368	\$ 70,310
Net income per share attributable to Bentley Systems stockholders:		
Basic	\$ 0.29	\$ 0.22
Diluted	\$ 0.28	\$ 0.22
Weighted average shares:		
Basic	315,130,071	314,295,102
Diluted	333,441,006	333,623,518

See accompanying notes to consolidated financial statements.

BENTLEY SYSTEMS, INCORPORATED
Consolidated Statements of Comprehensive Income
(in thousands)
(unaudited)

	Three Months Ended March 31,	
	2025	2024
Net income	\$ 91,338	\$ 70,310
Other comprehensive income (loss), net of taxes:		
Foreign currency translation adjustments	6,472	(7,733)
Actuarial gain on retirement plan, net of tax effect of \$(8) and \$(28), respectively	27	101
Total other comprehensive income (loss), net of taxes	6,499	(7,632)
Comprehensive income	97,837	62,678
Less: Net income (loss) attributable to noncontrolling interest	(30)	—
Less: Other comprehensive income (loss) attributable to noncontrolling interest	4	—
Comprehensive income attributable to Bentley Systems	\$ 97,863	\$ 62,678

See accompanying notes to consolidated financial statements.

BENTLEY SYSTEMS, INCORPORATED
Consolidated Statements of Equity
(in thousands, except share data)
(unaudited)

	Three Months Ended March 31, 2025							
	Class A and Class B Common Stock		Additional Paid-In Capital	Accumulated Other Comprehensive Loss	Accumulated Deficit	Total Bentley Systems Stockholders' Equity	Non- Controlling Interest	Total Equity
	Shares	Par Value						
Balance, December 31, 2024	301,977,330	\$ 3,020	\$ 1,217,986	\$ (104,078)	\$ (75,941)	\$ 1,040,987	\$ 133	\$ 1,041,120
Net income (loss)	—	—	—	—	91,368	91,368	(30)	91,338
Other comprehensive income	—	—	—	6,495	—	6,495	4	6,499
Dividends declared	—	—	—	—	(21,198)	(21,198)	—	(21,198)
Shares issued in connection with deferred compensation plan	689,203	7	(7)	—	—	—	—	—
Shares issued in connection with executive bonus plan	22,818	—	1,062	—	—	1,062	—	1,062
Shares issued in connection with employee stock purchase plan, net	130,212	1	5,311	—	(169)	5,143	—	5,143
Stock-based compensation expense	—	—	15,473	—	—	15,473	—	15,473
Shares related to restricted stock, net	764,141	8	(8)	—	(11,734)	(11,734)	—	(11,734)
Repurchases of Class B common stock under approved program	(673,898)	(7)	—	—	(30,007)	(30,014)	—	(30,014)
Balance, March 31, 2025	<u>302,909,806</u>	<u>\$ 3,029</u>	<u>\$ 1,239,817</u>	<u>\$ (97,583)</u>	<u>\$ (47,681)</u>	<u>\$ 1,097,582</u>	<u>\$ 107</u>	<u>\$ 1,097,689</u>

	Three Months Ended March 31, 2024							
	Class A and Class B Common Stock		Additional Paid-In Capital	Accumulated Other Comprehensive Loss	Accumulated Deficit	Total Bentley Systems Stockholders' Equity	Non- Controlling Interest	Total Equity
	Shares	Par Value						
Balance, December 31, 2023	296,265,837	\$ 2,963	\$ 1,127,234	\$ (84,987)	\$ (161,932)	\$ 883,278	\$ 704	\$ 883,982
Net income	—	—	—	—	70,310	70,310	—	70,310
Other comprehensive loss	—	—	—	(7,632)	—	(7,632)	—	(7,632)
Dividends declared	—	—	—	—	(17,871)	(17,871)	—	(17,871)
Shares issued in connection with deferred compensation plan	537,745	5	(5)	—	—	—	—	—
Deferred compensation plan elective participant deferrals	—	—	58	—	—	58	—	58
Shares issued in connection with executive bonus plan	65,939	1	3,350	—	—	3,351	—	3,351
Shares issued in connection with employee stock purchase plan, net	122,020	1	5,559	—	(175)	5,385	—	5,385
Stock option exercises, net	844,283	8	3,999	—	(2,195)	1,812	—	1,812
Stock-based compensation expense	—	—	13,947	—	—	13,947	—	13,947
Shares related to restricted stock, net	481,456	5	(5)	—	(5,729)	(5,729)	—	(5,729)
Repurchases of Class B common stock under approved program	(302,598)	(3)	—	—	(15,003)	(15,006)	—	(15,006)
Balance, March 31, 2024	<u>298,014,682</u>	<u>\$ 2,980</u>	<u>\$ 1,154,137</u>	<u>\$ (92,619)</u>	<u>\$ (132,595)</u>	<u>\$ 931,903</u>	<u>\$ 704</u>	<u>\$ 932,607</u>

See accompanying notes to consolidated financial statements.

BENTLEY SYSTEMS, INCORPORATED
Consolidated Statements of Cash Flows
(in thousands)
(unaudited)

	Three Months Ended March 31,	
	2025	2024
Cash flows from operating activities:		
Net income	\$ 91,338	\$ 70,310
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	15,640	16,385
Deferred income taxes	(1,216)	5,302
Stock-based compensation expense	17,402	19,658
Deferred compensation plan	(1,246)	5,799
Amortization of deferred debt issuance costs	1,894	1,823
Change in fair value of derivative	4,372	(2,790)
Foreign currency remeasurement gain	(25)	(1,744)
Other	175	1,099
Changes in assets and liabilities, net of effect from acquisitions:		
Accounts receivable	14,346	14,508
Prepaid and other assets	2,942	(5,321)
Accounts payable, accruals, and other liabilities	(8,356)	(874)
Cloud Services Subscription deposits	74,489	85,945
Deferred revenues	(6,538)	(9,257)
Income taxes payable, net of prepaid income taxes	14,198	4,126
Net cash provided by operating activities	<u>219,415</u>	<u>204,969</u>
Cash flows from investing activities:		
Purchases of property and equipment and investment in capitalized software	(3,044)	(3,599)
Purchases of investments	—	(250)
Net cash used in investing activities	<u>(3,044)</u>	<u>(3,849)</u>
Cash flows from financing activities:		
Proceeds from credit facilities	122,249	39,838
Payments of credit facilities	(257,565)	(131,866)
Repurchase of convertible senior notes	(9,797)	—
Repayments of term loan	—	(2,500)
Payments of contingent and non-contingent consideration	(310)	(451)
Payments of dividends	(21,198)	(17,871)
Proceeds from stock purchases under employee stock purchase plan	5,312	5,560
Proceeds from exercise of stock options	—	4,007
Payments for shares acquired including shares withheld for taxes	(9,436)	(8,099)
Repurchases of Class B common stock under approved program	(30,014)	(15,006)
Other	(49)	(47)
Net cash used in financing activities	<u>(200,808)</u>	<u>(126,435)</u>
Effect of exchange rate changes on cash and cash equivalents	4,065	(1,496)
Increase in cash and cash equivalents	19,628	73,189
Cash and cash equivalents, beginning of period	64,009	68,412
Cash and cash equivalents, end of period	<u>\$ 83,637</u>	<u>\$ 141,601</u>

BENTLEY SYSTEMS, INCORPORATED
Consolidated Statements of Cash Flows
(in thousands)
(unaudited)

	Three Months Ended March 31,	
	2025	2024
Supplemental information:		
Cash paid for income taxes	\$ 8,433	\$ 11,722
Income tax refunds	\$ 470	\$ 179
Interest paid	\$ 2,150	\$ 5,257
Non-cash investing and financing activities:		
Share-settled executive bonus plan awards	\$ 1,062	\$ 3,351
Deferred compensation plan elective participant deferrals	\$ —	\$ 58

See accompanying notes to consolidated financial statements.

BENTLEY SYSTEMS, INCORPORATED
Notes to Consolidated Financial Statements
(in thousands, except share and per share data)
(unaudited)

Note 1: Basis of Presentation and Significant Accounting Policies

The accompanying unaudited consolidated financial statements include the accounts of the Company and its consolidated subsidiaries. The unaudited consolidated financial statements and accompanying notes have been prepared in U.S. dollars, and in accordance with U.S. generally accepted accounting principles (“GAAP”) and the rules and regulations of the SEC regarding interim financial reporting. Accordingly, they do not include all the information and notes required by GAAP for annual financial statements. These unaudited consolidated financial statements should be read in conjunction with the audited consolidated financial statements and notes thereto included in the Company’s 2024 Annual Report on Form 10-K. In management’s opinion, the accompanying unaudited consolidated financial statements contain all adjustments (consisting of normal, recurring and non-recurring adjustments) that were considered necessary for the fair statement of the Company’s financial position, results of operations, and cash flows as of the dates and for the periods indicated. The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect reported amounts in the financial statements and accompanying notes. Actual results could differ materially from those estimates. The December 31, 2024 consolidated balance sheet included herein is derived from the Company’s audited consolidated financial statements.

Reclassifications

Certain reclassifications of prior period amounts have been made to conform to the current period presentation.

Accounting Policies

Software Development Costs — Under its Accelerated Commercial Development Program (“ACDP”) (the Company’s structured approach to an in-house business incubator function), the Company capitalizes certain development costs related to certain projects once technological feasibility is established. Total costs capitalized under the ACDP were \$322 and \$1,299 for the three months ended March 31, 2025 and 2024, respectively. Additionally, total ACDP related amortization was \$755 and \$649 for the three months ended March 31, 2025 and 2024, respectively, and is included in *Cost of subscriptions and licenses* in the consolidated statements of operations. As of March 31, 2025 and December 31, 2024, \$12,857 and \$12,961 of ACDP capitalized costs were recorded in *Other assets* in the consolidated balance sheets, respectively.

Internal-Use Software Implementation Costs — The Company has entered into cloud-based software hosting arrangements related to new internal-use information technology systems, including a new enterprise resource planning system, human capital management system, and customer relationship management system for which it incurs implementation costs. As of March 31, 2025 and December 31, 2024, capitalized internal-use software implementation costs were \$21,683 and \$18,791, respectively, which are included in *Prepaid and other current assets* or *Other assets* in the consolidated balance sheets, depending on the short- or long-term nature of such costs.

Note 2: Recent Accounting Pronouncements

In November 2024, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) No. 2024-03, *Income Statements—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses* (“ASU 2024-03”), which requires enhanced disclosure of income statement expense categories to improve transparency and provide financial statement users with more detailed information about the nature, amount, and timing of expenses impacting financial performance. ASU 2024-03 is effective for the Company for the annual reporting period beginning after December 15, 2026, and interim periods beginning after December 15, 2027. Early adoption is permitted. The amendments in ASU 2024-03 may be adopted either on a prospective basis to financial statements issued for reporting periods after the effective date or on a retrospective basis to all periods presented. The Company is currently evaluating the impact of the adoption of ASU 2024-03, however, other than additional disclosure, the Company does not expect a change to the consolidated financial statements.

In March 2024, the SEC adopted the final rule under SEC Release No. 33-11275, *The Enhancement and Standardization of Climate-Related Disclosures for Investors*. The final rule requires registrants to disclose certain climate-related information in registration statements and annual reports. The final rule disclosure requirements will begin phasing in prospectively for the Company’s fiscal year beginning January 1, 2025. In April 2024, the SEC issued an order staying the final rule pending completion of a judicial review of certain petitions challenging their validity. In March 2025, the SEC voted to end its defense of the final rule. The Company is currently evaluating the impact of the final rule on its consolidated financial statements disclosures and monitoring the status of the final rule pending the court’s ultimate decision.

In December 2023, the FASB issued ASU No. 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures* (“ASU 2023-09”), which expands disclosures in an entity’s income tax rate reconciliation table and regarding cash taxes paid both in the U.S. and foreign jurisdictions. ASU 2023-09 is effective for the Company for the annual reporting period beginning after December 15, 2024. Early adoption is permitted. The Company is currently evaluating the impact of the adoption of ASU 2023-09 on its consolidated financial statements disclosures.

Note 3: Revenue from Contracts with Customers

Disaggregation of Revenues

The Company’s revenues consist of the following:

	Three Months Ended	
	March 31,	
	2025	2024
Subscriptions:		
Enterprise subscriptions ⁽¹⁾	\$ 150,478	\$ 127,527
SELECT subscriptions	62,160	63,541
Term license subscriptions	129,680	116,021
Subscriptions	342,318	307,089
Perpetual licenses	10,792	9,512
Subscriptions and licenses	353,110	316,601
Services:		
Recurring	3,155	3,814
Other	14,277	17,348
Services	17,432	21,162
Total revenues	\$ 370,542	\$ 337,763

(1) Enterprise subscriptions are primarily revenues attributable to Enterprise 365 (“E365”) subscriptions of \$146,904 and \$123,036 for the three months ended March 31, 2025 and 2024, respectively.

The Company recognizes perpetual licenses and the term license component of subscriptions as revenue when either the licenses are delivered or at the start of the subscription term. For the three months ended March 31, 2025 and 2024, the Company recognized \$201,038 and \$176,309 of license related revenues, respectively, of which \$190,246 and \$166,797, respectively, were attributable to the term license component of the Company's subscription based commercial offerings recorded in *Subscriptions* in the consolidated statements of operations.

Revenue from external customers is attributed to individual countries based upon the location of the customer. Revenues by geographic region are as follows:

	Three Months Ended March 31,	
	2025	2024
Americas ⁽¹⁾	\$ 198,975	\$ 184,193
Europe, the Middle East, and Africa ("EMEA")	107,005	94,714
Asia-Pacific ("APAC")	64,562	58,856
Total revenues	<u>\$ 370,542</u>	<u>\$ 337,763</u>

(1) Americas includes the U.S., Canada, and Latin America (including the Caribbean). Revenue attributable to the U.S. totaled \$153,029 and \$138,252 for the three months ended March 31, 2025 and 2024, respectively.

The Company derived 6% and 7% of its total revenues through channel partners for the three months ended March 31, 2025 and 2024, respectively.

Unbilled Accounts Receivable

Unbilled accounts receivable represent amounts that are unbilled due to agreed-upon contractual terms in which billing occurs subsequent to revenue recognition, and are included in *Accounts receivable* in the consolidated balance sheets. As of March 31, 2025 and December 31, 2024, unbilled accounts receivable were \$170,242 and \$159,924, respectively.

Contract Balances

As of March 31, 2025 and December 31, 2024, the Company's contract assets relate to performance obligations completed in advance of the right to invoice and are included in *Prepaid and other current assets* in the consolidated balance sheets. Contract assets were not material as of March 31, 2025 or December 31, 2024.

Deferred revenues consist of billings made or payments received in advance of revenue recognition from subscriptions and services. The primary changes in the Company's deferred revenues are due to our performance under the contracts and new billings made or payments received in advance of revenue recognition from subscriptions and services. The satisfaction of performance obligations typically lags behind payments received under revenue from contracts with customers.

For the three months ended March 31, 2025, \$104,622 of revenues that were included in the December 31, 2024 deferred revenues balance were recognized. There were additional deferrals of \$98,003 for the three months ended March 31, 2025, which were primarily related to new billings. For the three months ended March 31, 2024, \$105,678 of revenues that were included in the December 31, 2023 deferred revenues balance were recognized. There were additional deferrals of \$96,617 for the three months ended March 31, 2024, which were primarily related to new billings.

As of March 31, 2025 and December 31, 2024, the Company deferred \$19,831 and \$18,540, respectively, related to portfolio balancing exchange rights which is included in *Deferred revenues* in the consolidated balance sheets.

Remaining Performance Obligations

The Company's contracts with customers include amounts allocated to performance obligations that will be satisfied at a later date. As of March 31, 2025, amounts allocated to these remaining performance obligations are \$260,651, of which the Company expects to recognize approximately 94% over the next 12 months with the remaining amount thereafter.

Note 4: Acquisitions

The Company did not complete any acquisitions during the three months ended March 31, 2025 and 2024.

The operating results for any acquired business are included in the Company's consolidated financial statements from the closing date of each respective acquisition. The following summarizes the fair values of the assets acquired and liabilities assumed, as well as the weighted average useful lives assigned to acquired intangible assets at the respective date of each acquisition:

	Acquisitions Completed During Year Ended December 31, 2024
Consideration:	
Cash paid at closing	\$ 143,299
Other	108
Total consideration	<u>\$ 143,407</u>
Assets acquired and liabilities assumed:	
Cash	\$ 12,892
Accounts receivable and other current assets	6,102
Operating lease right-of-use assets	103
Other assets	86
Software and technology (weighted average useful life of 5 years)	7,025
Customer relationships (weighted average useful life of 3 years)	284
Trademarks (weighted average useful life of 10 years)	5,145
Total identifiable assets acquired excluding goodwill	<u>31,637</u>
Accruals and other current liabilities	(5,778)
Deferred revenues	(2,427)
Operating lease liabilities	(103)
Deferred income taxes	(136)
Total liabilities assumed	<u>(8,444)</u>
Net identifiable assets acquired excluding goodwill	23,193
Goodwill	120,214
Net assets acquired	<u>\$ 143,407</u>

The Company is in the process of finalizing the purchase accounting for certain acquisitions completed during the year ended December 31, 2024. The initial accounting for these business combinations is not complete because the evaluation necessary to assess the fair values of certain net assets acquired is still in process. The provisional amounts are subject to revision until the evaluations are completed to the extent that additional information is obtained about the facts and circumstances that existed as of the acquisition date. The allocation of the purchase price may be modified from the date of the acquisition as more information is obtained about the fair values of assets acquired and liabilities assumed, however, such measurement period cannot exceed one year. The primary areas of preliminary purchase price allocation that are not yet finalized relate to tax assets and liabilities, and residual goodwill.

Note 5: Property and Equipment, Net

Property and equipment, net consist of the following:

	March 31, 2025	December 31, 2024
Land	\$ 1,341	\$ 1,341
Building and improvements	32,804	32,115
Computer equipment and software	54,548	50,696
Furniture, fixtures, and equipment	9,721	9,183
Aircraft	2,038	2,038
Other	47	40
Property and equipment, at cost	100,499	95,413
Less: Accumulated depreciation	(67,197)	(61,615)
Total property and equipment, net	<u>\$ 33,302</u>	<u>\$ 33,798</u>

Depreciation expense for the three months ended March 31, 2025 and 2024 was \$3,345 and \$3,367, respectively.

Note 6: Goodwill and Other Intangible Assets**Goodwill**

The changes in the carrying amount of goodwill are as follows:

Balance, December 31, 2024	\$ 2,367,179
Foreign currency translation adjustments	12,941
Other adjustments	374
Balance, March 31, 2025	<u>\$ 2,380,494</u>

Other Intangible Assets

Details of intangible assets other than goodwill are as follows:

	Estimated Useful Life	March 31, 2025			December 31, 2024		
		Gross Carrying Amount	Accumulated Amortization	Net Book Value	Gross Carrying Amount	Accumulated Amortization	Net Book Value
Intangible assets subject to amortization:							
Software and technology	3-5 years	\$ 82,718	\$ (61,002)	\$ 21,716	\$ 86,578	\$ (61,671)	\$ 24,907
Customer relationships	3-10 years	313,403	(166,141)	147,262	315,773	(162,175)	153,598
Trademarks	3-10 years	74,332	(40,502)	33,830	74,034	(38,593)	35,441
Non-compete agreements	5 years	350	(347)	3	350	(337)	13
Total intangible assets		<u>\$ 470,803</u>	<u>\$ (267,992)</u>	<u>\$ 202,811</u>	<u>\$ 476,735</u>	<u>\$ (262,776)</u>	<u>\$ 213,959</u>

The aggregate amortization expense for purchased intangible assets with finite lives was reflected in the Company's consolidated statements of operations as follows:

	Three Months Ended	
	March 31,	
	2025	2024
Cost of subscriptions and licenses	\$ 3,236	\$ 3,226
Amortization of purchased intangibles	8,208	8,964
Total amortization expense	<u>\$ 11,444</u>	<u>\$ 12,190</u>

Note 7: Investments

Investments consist of the following:

	March 31, 2025	December 31, 2024
Cost method investments	\$ 23,381	\$ 23,289
Equity method investments	2,490	2,475
Total investments	<u>\$ 25,871</u>	<u>\$ 25,764</u>

Cost Method Investments

The Company invests in technology development companies, generally in the form of equity interests or convertible notes. During the three months ended March 31, 2025 and 2024, the Company invested a total of \$0 and \$250, respectively. As of March 31, 2025 and December 31, 2024, \$8,928 of the total cost method investment balance relates to the Company's equity interest in Worldsensing, a leading global connectivity hardware platform company for infrastructure monitoring.

Note 8: Leases

The Company's operating leases consist of office facilities, office equipment, and automobiles. As of March 31, 2025, the Company's leases have remaining terms of less than one year to eight years, some of which include one or more options to renew, with renewal terms from one year to five years and some of which include options to terminate the leases from less than one year to five years.

The components of operating lease cost reflected in the consolidated statements of operations were as follows:

	Three Months Ended March 31,	
	2025	2024
Operating lease cost ⁽¹⁾	\$ 3,777	\$ 3,695
Variable lease cost	1,171	1,173
Total operating lease cost	<u>\$ 4,948</u>	<u>\$ 4,868</u>

(1) Operating lease cost includes rent cost related to operating leases for office facilities of \$3,532 and \$3,471 for the three months ended March 31, 2025 and 2024, respectively.

Supplemental operating cash flows and other information related to leases was as follows:

	Three Months Ended March 31,	
	2025	2024
Cash paid for operating leases included in operating cash flows	\$ 3,835	\$ 3,850
Right-of-use assets obtained in exchange for new operating lease liabilities	\$ 1,932	\$ 1,838

The weighted average remaining lease term for operating leases was 4.2 years and 4.3 years as of March 31, 2025 and December 31, 2024, respectively. The weighted average discount rate was 5.3% and 5.2% as of March 31, 2025 and December 31, 2024, respectively.

As of March 31, 2025, the Company had additional minimum operating lease payments of \$496 for executed leases that have not yet commenced, primarily for office locations.

Note 9: Accruals and Other Current Liabilities

Accruals and other current liabilities consist of the following:

	March 31, 2025	December 31, 2024
Accrued benefits	\$ 49,942	\$ 40,762
Accrued compensation	45,034	47,121
Other accrued and current liabilities	68,882	81,639
Total accruals and other current liabilities	<u>\$ 163,858</u>	<u>\$ 169,522</u>

Note 10: Long-Term Debt

Long-term debt consists of the following:

	<u>March 31, 2025</u>	<u>December 31, 2024</u>
Credit facility:		
Revolving loan facility due October 2029	\$ —	\$ 135,315
Convertible senior notes due January 2026 (the “2026 Notes”)	677,830	687,830
Convertible senior notes due July 2027 (the “2027 Notes”)	575,000	575,000
Unamortized debt issuance costs	(8,522)	(10,057)
Total debt	<u>1,244,308</u>	<u>1,388,088</u>
Less: Current portion of long-term debt	—	—
Long-term debt	<u>\$ 1,244,308</u>	<u>\$ 1,388,088</u>

The Company had \$150 of letters of credit outstanding as of March 31, 2025 and December 31, 2024 under its second amended and restated credit agreement, entered into on October 18, 2024 with a syndicate of banks (the “Credit Facility”). As of March 31, 2025 and December 31, 2024, the Company had \$1,299,850 and \$1,164,535, respectively, available under the Credit Facility.

As of March 31, 2025 and December 31, 2024, the Company was in compliance with all debt covenants and none of the conditions of the 2026 Notes or 2027 Notes to early convert had been met. Unless converted, upon maturity in January 2026, the Company will be required to repay the outstanding principal amount on the 2026 Notes, which, as of March 31, 2025, was \$677,830. As of March 31, 2025, the 2026 Notes were classified as long-term debt in the consolidated balance sheets as the Company currently has the ability and intent to refinance them on a long-term basis through available capacity under the Credit Facility.

During the first quarter of 2025, the Company paid \$9,797 in cash to repurchase \$10,000 aggregate principal amount of its outstanding 2026 Notes through open market transactions resulting in an insignificant gain, which was recorded in *Other income, net* in the consolidated statements of operations for the three months ended March 31, 2025. The 2026 Notes were repurchased under the BSY Stock Repurchase Program (the “Repurchase Program”) authorization (see Note 13).

Interest Expense, Net

Interest expense, net consists of the following:

	Three Months Ended	
	March 31,	
	<u>2025</u>	<u>2024</u>
Contractual interest expense	\$ (2,443)	\$ (5,414)
Amortization of deferred debt issuance costs	(1,894)	(1,823)
Other interest expense	(71)	(66)
Interest income	600	783
Interest expense, net	<u>\$ (3,808)</u>	<u>\$ (6,520)</u>

The weighted average interest rate on borrowings under the Credit Facility were 6.20% and 7.46% for the three months ended March 31, 2025 and 2024, respectively.

Note 11: Executive Incentive Plans

Executive Bonus Plan

For the three months ended March 31, 2025 and 2024, the incentive compensation, including cash payments, election to receive shares of fully vested Class B common stock, and deferred compensation to plan participants, recognized under the amended and restated Bentley Systems, Incorporated Bonus Pool Plan (the “Bonus Plan”) (net of all applicable holdbacks) was \$2,435 and \$7,031, respectively.

Career Stock Program

In June 2024, the Sustainability Committee of the Company’s Board of Directors (the “Committee”) established an equity-based incentive program to compensate a limited set of executives (the “Career Stock Program”) pursuant to which the Company may grant restricted stock units (“RSUs”) awards under the Bentley Systems, Incorporated 2020 Omnibus Incentive Plan (the “2020 Plan”). Under the Career Stock Program, the Committee may from time to time grant RSU awards to program participants, the amount of which is to be determined based upon the Company’s Adjusted operating income less stock-based compensation expense (“AOI less SBC”) (previously titled Adjusted operating income inclusive of stock-based compensation expense (“Adjusted OI w/SBC”)) growth in the year preceding the date of grant (the “Performance Year”) as a percentage of the difference between realized AOI less SBC growth during the Performance Year and an inflation-adjusted target growth level for such Performance Year. Any such awards, if made, would thereafter cliff vest five years following the end of the Performance Year and would otherwise be subject to the terms and conditions of the 2020 Plan.

During the three months ended March 31, 2025, the Company granted 28,913 RSUs with a fair value of \$1,160 under the Career Stock Program based on the achievement of the performance goals for the year ended December 31, 2024. As of March 31, 2025, there was \$1,148 of unrecognized compensation expense related to unvested RSUs under the Career Stock Program, which is expected to be recognized over a weighted average period of approximately 4.7 years.

Note 12: Retirement Plans

Deferred Compensation Plan

Under the Company’s amended and restated Bentley Systems, Incorporated Nonqualified Deferred Compensation Plan (the “DCP”), certain officers and key employees may defer all or any part of their incentive compensation, and the Company may make discretionary awards on behalf of such participants. Elective participant deferrals and discretionary Company awards are received in the form of phantom shares of the Company’s Class B common stock, which are valued for accounting purposes in the same manner as actual shares of Class B common stock, and are recorded as stock-based compensation expense in the consolidated statements of operations (see Note 15). The DCP has 50,000,000 shares of Class B common stock reserved for issuance. As of March 31, 2025, shares of Class B common stock available for future issuance under the DCP were 4,329,074.

For the three months ended March 31, 2025 and 2024, DCP elective participant deferrals were \$0 and \$58, respectively. No discretionary contributions were made to the DCP during the three months ended March 31, 2025 and 2024. As of March 31, 2025 and December 31, 2024, phantom shares of the Company’s Class B common stock issuable by the DCP were 12,060,481 and 12,728,808, respectively.

In August 2021, the Company’s Board of Directors approved an amendment to the DCP, which offered to certain active executives in the DCP a one-time, short-term election to reallocate a limited portion of their DCP holdings from phantom shares of the Company’s Class B common stock into other phantom investment funds. DCP participants’ holdings in phantom investment funds are classified as liabilities in either *Accruals and other current liabilities* or *Deferred compensation plan liabilities* in the consolidated balance sheets as they will be settled in cash upon eventual distribution. The deferred compensation plan liabilities are marked to market at the end of each reporting period, with changes in the liabilities recorded as an expense (income) to *Deferred compensation plan* in the consolidated statements of operations.

Deferred compensation plan (income) expense was \$(1,246) and \$5,799 for the three months ended March 31, 2025 and 2024, respectively.

The total liabilities related to the DCP is included in the consolidated balance sheets as follows:

	<u>March 31, 2025</u>	<u>December 31, 2024</u>
Accruals and other current liabilities	\$ 3,748	\$ 3,798
Deferred compensation plan liabilities	94,962	96,684
Total DCP liabilities	<u>\$ 98,710</u>	<u>\$ 100,482</u>

Note 13: Common Stock

BSY Stock Repurchase Program

The Company's Board of Directors approved the Repurchase Program authorizing the Company to repurchase up to \$200,000 of the Company's Class B common stock and/or outstanding convertible senior notes through June 30, 2026. As of March 31, 2025, \$133,358 was available under the Company's Board of Directors authorization for future repurchases of Class B common stock and/or outstanding convertible senior notes under the Repurchase Program.

The shares and outstanding convertible senior notes proposed to be acquired in the Repurchase Program may be repurchased from time to time in open market transactions, through privately negotiated transactions, or by other means in accordance with federal securities laws. The Company intends to fund repurchases from available working capital and cash provided by operating activities. The timing, as well as the number and value of shares and/or outstanding convertible senior notes repurchased under the Repurchase Program, will be determined by the Company at its discretion and will depend on a variety of factors, including management's assessment of the intrinsic value of the Company's shares, the market price of the Company's Class B common stock and outstanding convertible senior notes, general market and economic conditions, available liquidity, compliance with the Company's debt and other agreements, and applicable legal requirements. The exact number of shares and/or outstanding convertible senior notes to be repurchased by the Company is not guaranteed, and the Repurchase Program may be suspended, modified, or discontinued at any time without prior notice.

During the three months ended March 31, 2025, the Company repurchased 673,898 shares for \$30,014, and \$10,000 aggregate principal amount of the Company's outstanding 2026 Notes for \$9,797 (see Note 10) under the Repurchase Program. During the three months ended March 31, 2024, the Company repurchased 302,598 shares for \$15,006 under the Repurchase Program.

Common Stock Issuances, Sales, and Repurchases

During the three months ended March 31, 2025 and 2024, the Company issued 689,203 and 537,745 shares of Class B common stock, respectively, to DCP participants in connection with distributions from the plan. There were no shares sold back to the Company as they were issued on a gross basis during the three months ended March 31, 2025 and 2024.

During the three months ended March 31, 2025 and 2024, the Company issued 22,818 and 65,939 shares of Class B common stock in connection with Bonus Plan incentive compensation. There were no shares sold back to the Company as they were issued on a gross basis during the three months ended March 31, 2025 and 2024.

During the three months ended March 31, 2024, the Company issued 844,283 shares of Class B common stock to colleagues who exercised their stock options, net of 67,146 shares withheld at exercise to pay for the cost of the stock options, as well as for \$2,195 of applicable income tax withholdings. The Company received \$4,007 in cash proceeds from the exercise of stock options. The total intrinsic value of stock options exercised for the three months ended March 31, 2024 was \$40,775.

Dividends

The Company declared cash dividends during the periods presented as follows:

	Dividend Per Share	Amount
2025:		
First quarter	\$ 0.07	\$ 21,198
2024:		
First quarter	\$ 0.06	\$ 17,871

Global Employee Stock Purchase Plan

During the three months ended March 31, 2025, colleagues who elected to participate in the Bentley Systems, Incorporated Global Employee Stock Purchase Plan (the "ESPP") purchased a total of 130,212 shares of Class B common stock, net of shares withheld, resulting in cash proceeds to the Company of \$5,312. Of the total 133,840 shares purchased, 3,628 shares were sold back to the Company to pay for applicable income tax withholdings of \$169. During the three months ended March 31, 2024, colleagues who elected to participate in the ESPP purchased a total of 122,020 shares of Class B common stock, net of shares withheld, resulting in cash proceeds to the Company of \$5,560. Of the total 125,374 shares purchased, 3,354 shares were sold back to the Company to pay for applicable income tax withholdings of \$175. As of March 31, 2025 and December 31, 2024, \$3,052 and \$5,577 of ESPP withholdings via colleague payroll deduction were recorded in *Accruals and other current liabilities* in the consolidated balance sheets, respectively. As of March 31, 2025, shares of Class B common stock available for future issuance under the ESPP were 23,888,248.

Note 14: Accumulated Other Comprehensive Loss

Accumulated other comprehensive loss consists of the following during the three months ended March 31, 2025 and 2024:

	Foreign Currency Translation	Actuarial (Loss) Gain on Retirement Plan	Total
Balance, December 31, 2024	\$ (103,900)	\$ (178)	\$ (104,078)
Other comprehensive income, before taxes	6,472	35	6,507
Tax expense	—	(8)	(8)
Other comprehensive income, net of taxes	6,472	27	6,499
Less: Other comprehensive income (loss) attributable to noncontrolling interest	4	—	4
Balance, March 31, 2025	<u>\$ (97,432)</u>	<u>\$ (151)</u>	<u>\$ (97,583)</u>

	Foreign Currency Translation	Actuarial (Loss) Gain on Retirement Plan	Total
Balance, December 31, 2023	\$ (84,634)	\$ (353)	\$ (84,987)
Other comprehensive (loss) income, before taxes	(7,733)	129	(7,604)
Tax expense	—	(28)	(28)
Other comprehensive (loss) income, net of taxes	(7,733)	101	(7,632)
Less: Other comprehensive income (loss) attributable to noncontrolling interest	—	—	—
Balance, March 31, 2024	<u>\$ (92,367)</u>	<u>\$ (252)</u>	<u>\$ (92,619)</u>

Note 15: Stock-Based Compensation

Total stock-based compensation expense consists of the following:

	Three Months Ended	
	March 31,	
	2025	2024
Restricted stock and RSUs expense	\$ 14,947	\$ 13,690
Bonus Plan expense (see Note 11)	1,824	5,301
ESPP expense (see Note 13)	631	624
DCP elective participant deferrals expense (see Note 12)	—	43
Total stock-based compensation expense ⁽¹⁾	<u>\$ 17,402</u>	<u>\$ 19,658</u>

(1) As of March 31, 2025 and December 31, 2024, \$2,415 and \$1,556 remained in *Accruals and other current liabilities* in the consolidated balance sheets, respectively.

Total stock-based compensation expense is included in the consolidated statements of operations as follows:

	Three Months Ended	
	March 31,	
	2025	2024
Cost of subscriptions and licenses	\$ 1,132	\$ 1,094
Cost of services	721	882
Research and development	5,199	4,881
Selling and marketing	3,757	2,778
General and administrative	6,593	10,023
Total stock-based compensation expense	<u>\$ 17,402</u>	<u>\$ 19,658</u>

Stock-based compensation expense is measured at the grant date fair value of the award and is recognized ratably over the requisite service period, which is generally the vesting period. Specifically for performance-based RSUs, stock-based compensation expense is measured at the grant date fair value of the award and is recognized ratably over the requisite service period based on the number of awards expected to vest at each reporting date. The Company accounts for forfeitures of equity awards as those forfeitures occur.

Bentley Systems, Incorporated 2020 Omnibus Incentive Plan

The Company's 2020 Plan provides for the granting of stock, stock options, restricted stock, RSUs, and other stock-based or performance-based awards to certain directors, officers, colleagues, consultants, and advisors of the Company, and terminates in September 2030. The 2020 Plan provides that 25,000,000 shares of Class B common stock may be issued for equity awards. Equity awards that are expired, canceled, forfeited, or terminated for any reason will be available for future grant under the 2020 Plan. As of March 31, 2025, equity awards available for future grants under the 2020 Plan were 18,317,920.

Restricted Stock and RSUs

Under the 2020 Plan, the Company may grant both time-based and performance-based shares of restricted Class B common stock and RSUs to eligible colleagues. Time-based awards generally vest ratably on each of the first four anniversaries of the grant date. Performance-based awards vesting is determined by the achievement of certain business growth targets, which include growth in annualized recurring revenues ("ARR"), as well as actual bookings for perpetual licenses and non-recurring services. Performance targets are generally set for performance periods of one year to three years.

The following is a summary of unvested RSUs activity and related information:

	Total RSUs	Time- Based RSUs	Performance- Based RSUs	Time- Based Weighted Average Grant Date Fair Value Per Share	Performance- Based Weighted Average Grant Date Fair Value Per Share
Unvested, December 31, 2024	3,417,009	3,067,703 ⁽¹⁾	349,306 ⁽²⁾	\$ 45.45	\$ 44.83
Granted	1,741,125	1,524,619	216,506 ⁽³⁾	\$ 40.54	\$ 40.53
Vested	(1,022,348)	(707,444)	(314,904)	\$ 42.46	\$ 43.84
Forfeited and canceled	(92,911)	(92,617)	(294)	\$ 41.81	\$ 48.68
Unvested, March 31, 2025	4,042,875 ⁽⁴⁾	3,792,261	250,614	\$ 44.13	\$ 42.35

(1) Includes 175,928 time-based RSUs granted during the three months ended March 31, 2022 to certain officers and key employees, which cliff vested on January 31, 2025. Additionally, includes 300,964 time-based RSUs granted during the three months ended June 30, 2024 to certain officers, which vest 20% on each of December 15, 2025, 2026, 2027, 2028, and 2029.

(2) Primarily relates to the 2024 annual performance period. Includes 162,038 performance-based RSUs granted during the year ended December 31, 2022 with extraordinary terms, which are described below.

(3) Primarily relates to the 2025 annual performance period. Includes 10,493 additional shares earned based on the achievement of 2024 performance goals for performance-based RSUs granted during the year ended December 31, 2024.

(4) Includes 45,607 RSUs which are expected to be settled in cash.

During the year ended December 31, 2022, the Company granted 185,186 performance-based RSUs to certain officers and key employees, which vest subject to the achievement of certain performance goals over a three-year performance period (the "Performance Period"). For each year of the Performance Period, one-third of the performance-based RSUs were subject to a cliff, whereby no vesting of that portion would occur unless the Company's applicable margin metrics (which, for 2022 was Adjusted EBITDA margin, and for 2023 and 2024 was AOI less SBC margin, excluding the impact of foreign currency exchange fluctuations) also equaled or exceeded the relevant target level for such year. Provided that the applicable margin targets were met, the total number of performance-based RSUs that vested were determined by the achievement of growth targets, which included growth in ARR, as well as actual bookings for perpetual licenses and non-recurring services. As of December 31, 2024, 162,038 of the aforementioned performance-based RSUs were outstanding. On January 31, 2025, 162,038 performance-based RSUs were determined to be vested based on the achievement of the performance goals during the Performance Period.

The weighted average grant date fair values of RSUs granted were \$40.54 and \$50.83, for the three months ended March 31, 2025 and 2024, respectively.

During the three months ended March 31, 2025 and 2024, restricted stock and RSUs were issued net of 257,394 and 113,790 shares, respectively, which were sold back to the Company to settle applicable income tax withholdings of \$11,734 and \$5,729, respectively.

As of March 31, 2025, there was \$139,505 of unrecognized compensation expense related to unvested time-based RSUs, which is expected to be recognized over a weighted average period of approximately 2.1 years. As of March 31, 2025, there was \$9,335 of unrecognized compensation expense related to unvested performance-based RSUs, which is expected to be recognized over a weighted average period of approximately 0.9 years.

Note 16: Income Taxes

The following is a summary of *Income before income taxes*, *Provision for income taxes*, and effective tax rate for the periods presented:

	Three Months Ended March 31,	
	2025	2024
Income before income taxes	\$ 111,825	\$ 92,548
Provision for income taxes	\$ 20,488	\$ 22,247
Effective tax rate	18.3 %	24.0 %

For the three months ended March 31, 2025, the effective tax rate was lower as compared to the same period in the prior year primarily due to the impact of the increase in discrete tax benefits recognized in the current year period and an increase in the forecasted deductions to U.S. taxable income related to foreign revenues. For the three months ended March 31, 2025 and 2024, the Company recorded discrete tax benefits of \$5,073 and \$2,138, respectively, primarily associated with windfall tax benefits from stock-based compensation, net of the impact from officer compensation limitation provisions.

Note 17: Fair Value of Financial Instruments

A financial asset or liability classification is determined based on the lowest level input that is significant to the fair value measurement. The fair value hierarchy consists of the following three levels:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 inputs are quoted prices for similar assets and liabilities in active markets or inputs that are observable for the asset or liability, either directly or indirectly through market corroboration, for substantially the full term of the financial instrument.

Level 3 inputs are unobservable inputs based on management's own assumptions used to measure assets and liabilities at fair value.

The Company's financial instruments include cash equivalents, account receivables, certain other assets, accounts payable, accruals, certain other current and long-term liabilities, and long-term debt.

Current Assets and Current Liabilities — In general, the carrying amounts reported on the Company's consolidated balance sheets for current assets and current liabilities approximate their fair values due to the short-term nature of those instruments.

The following methods and assumptions were used by the Company in estimating its fair value measurements for Level 2 financial instruments as of March 31, 2025 and December 31, 2024:

Interest Rate Swap — The fair value of the Company's interest rate swap asset or liability is determined using an income approach and is measured based on the implied forward rates for the remaining term of the interest rate swap. The Company considers these valuation inputs to be Level 2 inputs in the fair value hierarchy.

Long-Term Debt — The fair value of the Company’s borrowings under its Credit Facility approximated its carrying value based upon discounted cash flows at current market rates for instruments with similar remaining terms. The Company considers these valuation inputs to be Level 2 inputs in the fair value hierarchy. As of March 31, 2025, the estimated fair value of the 2026 Notes and 2027 Notes was \$656,465 and \$523,681, respectively. As of December 31, 2024, the estimated fair value of the 2026 Notes and 2027 Notes was \$671,123 and \$519,271, respectively. The estimated fair value of the 2026 Notes and 2027 Notes is based on quoted market prices of the Company’s instrument in markets that are not active and are classified as Level 2 within the fair value hierarchy. Considerable judgment is necessary to interpret the market data and develop estimates of fair values. Accordingly, the estimates presented are not necessarily indicative of the amounts at which these instruments could be purchased, sold, or settled.

Deferred Compensation Plan Liabilities — The fair value of deferred compensation plan liabilities, including the liability classified phantom investments in the DCP, are marked to market at the end of each reporting period.

Financial assets and financial liabilities carried at fair value measured on a recurring basis consist of the following:

March 31, 2025	Level 1	Level 2	Total
Assets:			
Money market funds ⁽¹⁾	\$ 12,003	\$ —	\$ 12,003
Interest rate swap ⁽²⁾	—	27,800	27,800
Total assets	\$ 12,003	\$ 27,800	\$ 39,803
Liabilities:			
Deferred compensation plan liabilities ⁽³⁾	\$ 98,710	\$ —	\$ 98,710
Cash-settled equity awards ⁽⁴⁾	538	—	538
Total liabilities	\$ 99,248	\$ —	\$ 99,248
December 31, 2024	Level 1	Level 2	Total
Assets:			
Money market funds ⁽¹⁾	\$ 5,648	\$ —	\$ 5,648
Interest rate swap ⁽²⁾	—	32,172	32,172
Total assets	\$ 5,648	\$ 32,172	\$ 37,820
Liabilities:			
Deferred compensation plan liabilities ⁽³⁾	\$ 100,482	\$ —	\$ 100,482
Cash-settled equity awards ⁽⁴⁾	440	—	440
Total liabilities	\$ 100,922	\$ —	\$ 100,922

(1) Included in *Cash and cash equivalents* in the consolidated balance sheets.

(2) Included in *Other assets* in the consolidated balance sheets.

(3) Included in *Deferred compensation plan liabilities*, except for current liabilities of \$3,748 and \$3,798 as of March 31, 2025 and December 31, 2024, respectively, which are included in *Accruals and other current liabilities* in the consolidated balance sheets.

(4) Included in *Accruals and other current liabilities* in the consolidated balance sheets.

Note 18: Commitments and Contingencies

Purchase Commitments

In the normal course of business, the Company enters into various purchase commitments for goods and services. During the three months ended March 31, 2025, the Company did not enter into any non-cancelable future cash purchase commitments. During the year ended December 31, 2024, the Company entered into approximately \$45,500 of non-cancelable future cash purchase commitments for services related to cloud provisioning of the Company's software solutions and for internal-use software costs. As of March 31, 2025, total non-cancelable future cash purchase commitments were approximately \$101,300 to be paid through September 2029. The Company expects to fully consume its contractual commitments in the ordinary course of operations.

Litigation

From time to time, the Company is involved in certain legal actions arising in the ordinary course of business. In management's opinion, based upon the advice of counsel, the outcome of such actions is not expected to have a material adverse effect on the Company's future financial position, results of operations, or cash flows.

Note 19: Segment and Geographic Information

The Company operates and manages its business in a single reportable segment, the development and marketing of computer software and related services. The Company defines its chief operating decision maker ("CODM") to be its Chief Executive Officer, who reviews financial information presented on a consolidated basis. The Company's reported measures of profit or loss for segment reporting purposes are Net income and AOI less SBC. The CODM is regularly provided Net income and AOI less SBC to understand the Company's financial and operating results across accounting periods and for comparison of the Company's results to those of other companies. The CODM regularly reviews AOI less SBC for internal budgeting and forecasting purposes, to evaluate operating performance, and to make decisions on allocation of resources. The CODM does not use segment asset information to evaluate operating performance or allocate resources.

The presentation of Net income is included in the Company's consolidated statements of operations. AOI less SBC is a non-GAAP financial measure and 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), for the respective periods.

Reconciliation of operating income to AOI less SBC:

	Three Months Ended	
	March 31,	
	2025	2024
Operating income	\$ 115,184	\$ 91,931
Amortization of purchased intangibles (see Note 6)	11,444	12,190
Deferred compensation plan	(1,246)	5,799
Acquisition expenses ⁽¹⁾	838	2,359
Realignment expenses ⁽²⁾	—	66
AOI less SBC	<u>\$ 126,220</u>	<u>\$ 112,345</u>

Further explanation of certain of the Company's adjustments in arriving at AOI less SBC are as follows:

- (1) *Acquisition expenses.* The Company incurs expenses for professional services rendered in connection with business combinations, which are recorded in *General and administrative* in the consolidated statements of operations. Also included in the Company's acquisition expenses are retention incentives paid to executives of the acquired companies.
- (2) *Realignment expenses.* For the three months ended March 31, 2025, *Realignment expenses* were primarily associated with a strategic realignment program, which the Company initiated during the fourth quarter of 2023 (the "2023 Program").

“Headcount-related” costs are considered the Company’s significant expense category and primarily include salaries, benefits, bonuses, stock-based compensation expense, employment taxes, travel, training, and realignment of the Company’s colleagues, and third-party personnel expenses and related overhead. The CODM is regularly provided headcount-related costs to understand and compare operating results across accounting periods, for internal budgeting and forecasting purposes, to evaluate financial performance, and to align colleague resources and evaluate compensation to support the Company’s operational efficiency and maximize long-term growth. Headcount-related costs of \$199,609 and \$185,201 are included in *Cost of subscriptions and licenses*, *Cost of services*, *Research and development*, *Selling and marketing*, and *General and administrative* in the consolidated statements of operations for the three months ended March 31, 2025 and 2024, respectively.

Under the Company’s Net income measure of profit or loss for segment reporting purposes, other segment items were \$79,595 and \$82,252 for the three months ended March 31, 2025 and 2024, respectively. These other segment items primarily include cloud-related costs incurred for servicing the Company’s accounts using cloud provisioned solutions and the Company’s license administration platform, channel partner compensation for providing sales coverage to users, marketing costs, acquisition costs, depreciation expense, and amortization expense recorded in *Cost of subscriptions and licenses*, *Cost of services*, *Research and development*, *Selling and marketing*, and *General and administrative*. Additionally, other segment items include *Deferred compensation plan* expense (income), *Amortization of purchased intangibles*, and non-operating expense (income) amounts presented in the consolidated statements of operations.

Under the Company’s AOI less SBC measure of profit or loss for segment reporting purposes, other segment items were \$45,529 and \$42,402 for the three months ended March 31, 2025 and 2024, respectively. These other segment items primarily include cloud-related costs incurred for servicing the Company’s accounts using cloud provisioned solutions and the Company’s license administration platform, channel partner compensation for providing sales coverage to users, marketing costs, and depreciation expense recorded in *Cost of subscriptions and licenses*, *Cost of services*, *Research and development*, *Selling and marketing*, and *General and administrative*. Within the reconciliation of AOI less SBC, retention incentives paid to executives of acquired companies included as a component of acquisition expenses and costs associated with the 2023 Program included as a component of realignment expenses totaling \$816 and \$2,185 for the three months ended March 31, 2025 and 2024, respectively, are excluded from the calculation of headcount-related costs.

Revenues by geographic region are presented in Note 3. Long-lived assets (other than goodwill), net of depreciation and amortization by geographic region (see Notes 5, 6, and 8) are as follows:

	March 31, 2025	December 31, 2024
Americas ⁽¹⁾	\$ 219,495	\$ 230,964
EMEA	32,814	32,712
APAC	15,569	16,384
Total long-lived assets	<u>\$ 267,878</u>	<u>\$ 280,060</u>

(1) Americas includes the U.S., Canada, and Latin America (including the Caribbean).

Note 20: Other Income, Net

Other income, net consists of the following:

	Three Months Ended	
	March 31,	
	2025	2024
(Loss) gain from:		
Change in fair value of interest rate swap (see Note 17)	\$ (4,372)	\$ 2,790
Foreign exchange ⁽¹⁾	2,748	2,342
Receipts related to interest rate swap	1,864	2,357
Other income (expense), net	209	(352)
Total other income, net	<u>\$ 449</u>	<u>\$ 7,137</u>

(1) Foreign exchange gain is primarily attributable to foreign currency translation derived mainly from U.S. dollar denominated cash and cash equivalents, account receivables, customer deposits, and intercompany balances held by foreign subsidiaries.

Note 21: Net Income Per Share Attributable to Bentley Systems Stockholders

To compute the numerator of basic net income per share attributable to Bentley Systems stockholders, undistributed net income attributable to Bentley Systems allocated to participating securities (described further below) using the required two-class method, is subtracted from net income attributable to Bentley Systems. The denominator of basic net income per share attributable to Bentley Systems stockholders is the weighted average number of shares, inclusive of undistributed shares held in the DCP as phantom shares of the Company's Class B common stock.

The Company issues certain performance-based RSUs determined to be participating securities because holders of such shares have non-forfeitable dividend rights in the event of the Company's declaration of a dividend for common shares. As of March 31, 2025 and 2024, there were 250,614 and 343,825 participating securities outstanding, respectively.

To compute the numerator of diluted net income per share attributable to Bentley Systems stockholders, interest expense, net of tax, attributable to the assumed conversion of the convertible senior notes using the if-converted method is added back to basic net income attributable to Bentley Systems. To compute the denominator of diluted net income per share attributable to Bentley Systems stockholders, the basic weighted average number of shares is adjusted for the effect of dilutive securities, including awards under the Company's equity compensation plans and ESPP using the treasury stock method, and for the dilutive effect of the assumed conversion of the convertible senior notes using the if-converted method.

Except with respect to voting and conversion, the rights of the holders of the Company's Class A and Class B common stock are identical. Each class of shares has the same rights to dividends and allocation of income (loss) and, therefore, net income per share attributable to Bentley Systems stockholders would not differ under the two-class method.

The details of basic and diluted net income per share attributable to Bentley Systems stockholders are as follows:

	Three Months Ended March 31,	
	2025	2024
Numerator:		
Net income attributable to Bentley Systems	\$ 91,368	\$ 70,310
Less: Net income attributable to Bentley Systems allocated to participating securities	(18)	(21)
Basic net income attributable to Bentley Systems stockholders	91,350	70,289
Add: Interest expense, net of tax, attributable to assumed conversion of convertible senior notes	1,569	1,723
Diluted net income attributable to Bentley Systems stockholders	<u>\$ 92,919</u>	<u>\$ 72,012</u>
Denominator:		
Basic weighted average shares	315,130,071	314,295,102
Dilutive effect of stock options, restricted stock, and RSUs	703,056	1,686,026
Dilutive effect of ESPP	19,138	8,604
Dilutive effect of assumed conversion of convertible senior notes	17,588,741	17,633,786
Diluted weighted average shares	<u>333,441,006</u>	<u>333,623,518</u>
Net income per share attributable to Bentley Systems stockholders:		
Basic	<u>\$ 0.29</u>	<u>\$ 0.22</u>
Diluted	<u>\$ 0.28</u>	<u>\$ 0.22</u>

For the three months ended March 31, 2025, 240,922 RSUs were excluded from the calculation of diluted net income per share attributable to Bentley Systems stockholders as including them would have an anti-dilutive effect. There were no anti-dilutive securities for the three months ended March 31, 2024.

Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations

The following discussion should be read in conjunction with our unaudited consolidated financial statements and notes thereto appearing in Part I, Item 1 of this Quarterly Report on Form 10-Q and with our audited consolidated financial statements and notes thereto included in our 2024 Annual Report on Form 10-K.

All amounts presented in this Management’s Discussion and Analysis of Financial Condition and Results of Operations, except share and per share amounts, are presented in thousands. Additionally, many of the amounts and percentages have been rounded for convenience of presentation. Minor differences in totals and percentage calculations may exist due to rounding.

Overview:

Bentley Systems is the infrastructure engineering software company. Our purpose is to advance the world’s infrastructure for better quality of life. We empower people to design, build, and operate better and more resilient infrastructure through the adoption of our intelligent digital twin solutions. We manage our business globally within one reportable segment, the development and marketing of computer software and related services, which is consistent with how our CODM reviews and manages our business.

Executive Summary:

- Total revenues were \$370,542 for the three months ended March 31, 2025, up 9.7% or 10.9% on a constant currency basis⁽¹⁾ compared to the three months ended March 31, 2024;
- Subscriptions revenues were \$342,318 for the three months ended March 31, 2025, up 11.5% or 12.7% on a constant currency basis⁽¹⁾ compared to the three months ended March 31, 2024;
- ARR⁽²⁾ was \$1,319,256 as of March 31, 2025, compared to \$1,186,456 as of March 31, 2024, representing a constant currency⁽¹⁾ ARR growth rate⁽²⁾ of 12%;
- Last twelve-month recurring revenues dollar-based net retention rate⁽²⁾ was 110% as of March 31, 2025, compared to 108% as of March 31, 2024;
- Operating income was \$115,184 for the three months ended March 31, 2025, compared to \$91,931 for the three months ended March 31, 2024;
- AOI less SBC⁽¹⁾ was \$126,220 for the three months ended March 31, 2025, compared to \$112,345 for the three months ended March 31, 2024; and
- Cash flows from operations were \$219,415 for the three months ended March 31, 2025, compared to \$204,969 for the three months ended March 31, 2024.

(1) Constant currency and AOI less SBC are non-GAAP financial measures. Refer to the “Non-GAAP Financial Measures” section for additional information, including our definitions and our uses of constant currency and AOI less SBC.

(2) Refer to the “Key Business Metrics” section for additional information, including our definitions and our uses of ARR, ARR growth rate, and recurring revenues dollar-based net retention rate.

Results of Operations:

Our results of operations have been, and in the future will be, affected by changes in foreign currency exchange rates. Other than the natural hedge attributable to matching revenues and expenses in the same currencies, we do not currently hedge foreign currency exposure. Additionally, because we have operations in, and derive revenue from, geographies around the world, we will continue to monitor the impact of tariffs and other trade policies on our business and the businesses of our accounts, as well as on our financial condition, results of operations, and/or cash flows.

We identify the effects of foreign currency on our operations and present constant currency growth rates and fluctuations because we believe exchange rates are an important factor in understanding period-over-period comparisons and enhance the understanding of our results and evaluation of our performance. Refer to the “Non-GAAP Financial Measures” section for additional information, including our definition and our use of constant currency.

Revenues

Consolidated Revenues

	Three Months Ended		Change	
	March 31,		%	Constant Currency % ⁽¹⁾
	2025	2024		
Subscriptions	\$ 342,318	\$ 307,089	11.5 %	12.7 %
Perpetual licenses	10,792	9,512	13.5 %	15.2 %
Subscriptions and licenses	353,110	316,601	11.5 %	12.8 %
Services	17,432	21,162	(17.6 %)	(16.3 %)
Total revenues	\$ 370,542	\$ 337,763	9.7 %	10.9 %

(1) Constant currency is a non-GAAP financial measure. Refer to the “Non-GAAP Financial Measures” section for additional information, including our definition and our use of constant currency, and for a reconciliation of constant currency growth rates.

The increase in total revenues for the three months ended March 31, 2025 was driven by an increase in subscriptions revenues and perpetual licenses, partially offset by a decrease in services revenues.

Subscriptions. For the three months ended March 31, 2025, the increase in subscriptions revenues was driven by improvements in our business performance of \$35,229 (\$38,895 on a constant currency basis). Our business performance includes the impact from programmatic acquisitions, which generally are immaterial, individually and in the aggregate.

For the three months ended March 31, 2025, the improvements in business performance were primarily driven by expansion from accounts with revenues in the same period in the prior year (“existing accounts”), and growth of 3% attributable to new accounts, most notably small- and medium-sized accounts. Improvements in business performance for the three months ended March 31, 2025 were led by our engineering applications, followed by geoprofessional applications, and our *Bentley Infrastructure Cloud*.

Perpetual licenses. For the three months ended March 31, 2025, the increase in perpetual licenses revenues was driven by improvements in business performance of \$1,280 (\$1,443 on a constant currency basis).

Services. For the three months ended March 31, 2025, the decrease in services revenues was driven by a decline in our business performance of \$3,730 (\$3,440 on a constant currency basis), driven primarily from weakness within Asset Performance Services.

Revenues by Geographic Region

Revenue from external customers is attributed to individual countries based upon the location of the customer.

	Three Months Ended March 31,		Change	
			%	Constant Currency
	2025	2024		% ⁽¹⁾
Americas	\$ 198,975	\$ 184,193	8.0 %	9.1 %
EMEA	107,005	94,714	13.0 %	14.3 %
APAC	64,562	58,856	9.7 %	11.5 %
Total revenues	\$ 370,542	\$ 337,763	9.7 %	10.9 %

(1) Constant currency is a non-GAAP financial measure. Refer to the “Non-GAAP Financial Measures” section for additional information, including our definition and our use of constant currency, and for a reconciliation of constant currency growth rates.

Americas. For the three months ended March 31, 2025, the increase in revenues from the Americas was primarily driven by improvements in our business performance of \$14,782 (\$16,664 on a constant currency basis).

The improvements in business performance for the three months ended March 31, 2025 were primarily due to expansion of our subscriptions revenues from existing accounts in the U.S., partially offset by a decline in services revenues.

EMEA. For the three months ended March 31, 2025, the increase in revenues from EMEA was primarily driven by improvements in our business performance of \$12,291 (\$13,476 on a constant currency basis).

The improvements in business performance for the three months ended March 31, 2025 were primarily due to expansion of our subscriptions revenues from existing accounts in the United Kingdom, Africa, and the Middle East, partially offset by a decline in services revenues.

APAC. For the three months ended March 31, 2025, the increase in revenues from APAC was primarily driven by improvements in our business performance of \$5,706 (\$6,758 on a constant currency basis).

The improvements in business performance for the three months ended March 31, 2025 were primarily due to expansion of our subscriptions revenues from existing accounts in Australia and India, as well as an increase in perpetual licenses revenues, partially offset by declines of our subscriptions revenues in China.

The future results in China remain uncertain as a result of continued geopolitical challenges, the obstacles there to cloud-deployed software, and the financial timing impact of the preference there for license sales, rather than subscriptions.

Cost of Revenues and Operating Expense (Income)

Cost of Revenues

	Three Months Ended		Change	
	March 31,		%	Constant Currency % ⁽¹⁾
	2025	2024		
Cost of subscriptions and licenses	\$ 46,498	\$ 40,218	15.6 %	17.6 %
Cost of services	19,161	21,612	(11.3 %)	(9.4 %)
Total cost of revenues	\$ 65,659	\$ 61,830	6.2 %	8.1 %

(1) Constant currency is a non-GAAP financial measure. Refer to the “Non-GAAP Financial Measures” section for additional information, including our definition and our use of constant currency, and for a reconciliation of constant currency growth rates.

Cost of subscriptions and licenses. For the three months ended March 31, 2025, on a constant currency basis, cost of subscriptions and licenses expenses increased primarily due to an increase in headcount-related costs of \$4,245, mainly due to an increase in annual and other compensation costs, and an increase in cloud-related costs of \$1,538.

Cost of services. For the three months ended March 31, 2025, on a constant currency basis, cost of services expenses decreased primarily due to a decrease in headcount-related costs of \$1,332, mainly due to a reduction in third-party personnel costs.

Operating Expense (Income)

	Three Months Ended		Change	
	March 31,		%	Constant Currency % ⁽¹⁾
	2025	2024		
Research and development	\$ 72,450	\$ 68,371	6.0 %	8.0 %
Selling and marketing	63,059	54,386	15.9 %	18.1 %
General and administrative	47,228	46,482	1.6 %	3.0 %
Deferred compensation plan	(1,246)	5,799	NM	NM
Amortization of purchased intangibles	8,208	8,964	(8.4 %)	(7.9 %)
Total operating expenses	\$ 189,699	\$ 184,002	3.1 %	4.8 %

Percentage changes that are considered not meaningful are denoted with NM.

(1) Constant currency is a non-GAAP financial measure. Refer to the “Non-GAAP Financial Measures” section for additional information, including our definition and our use of constant currency, and for a reconciliation of constant currency growth rates.

Research and development. For the three months ended March 31, 2025, on a constant currency basis, research and development expenses increased primarily due to an increase in headcount-related costs of \$5,761, mainly due to increases in headcount, and annual and other compensation costs, partially offset by lower acquisition-related retention incentives.

Selling and marketing. For the three months ended March 31, 2025, on a constant currency basis, selling and marketing expenses increased primarily due to an increase in headcount-related costs of \$7,929, mainly due to increases in headcount, and annual and other compensation costs.

General and administrative. For the three months ended March 31, 2025, on a constant currency basis, general and administrative expenses increased primarily due to an increase in headcount-related costs of \$1,641, mainly due to increases in headcount, and annual and other compensation costs, and to a lesser extent, higher third-party personnel costs. Partially offsetting these increases was lower incentive compensation expense related to the reduction in Gregory S. Bentley's fractional interest under the Bonus Plan as part of Mr. Bentley's transition to the role of Executive Chair effective July 1, 2024.

Deferred compensation plan. For the three months ended March 31, 2025 and 2024, deferred compensation plan (income) expense was attributable to the marked to market impact on deferred compensation plan liability balances period over period.

Amortization of purchased intangibles. For the three months ended March 31, 2025, on a constant currency basis, amortization of purchased intangibles decreased primarily due to previously acquired intangible assets that continue to become fully amortized and lower acquisition activity as compared to prior periods.

Interest Expense, Net

	Three Months Ended March 31,		Change
	2025	2024	
Interest expense	\$ (4,408)	\$ (7,303)	(39.6 %)
Interest income	600	783	(23.4 %)
Interest expense, net	<u>\$ (3,808)</u>	<u>\$ (6,520)</u>	(41.6 %)

For the three months ended March 31, 2025, interest expense, net decreased primarily due to lower weighted average debt outstanding under the credit facilities as compared to the same period in the prior year.

Other Income, Net

	Three Months Ended March 31,	
	2025	2024
(Loss) gain from:		
Change in fair value of interest rate swap	\$ (4,372)	\$ 2,790
Foreign exchange ⁽¹⁾	2,748	2,342
Receipts related to interest rate swap	1,864	2,357
Other income (expense), net	209	(352)
Total other income, net	<u>\$ 449</u>	<u>\$ 7,137</u>

(1) Foreign exchange gain is primarily attributable to foreign currency translation derived mainly from U.S. dollar denominated cash and cash equivalents, account receivables, customer deposits, and intercompany balances held by foreign subsidiaries.

Provision for Income Taxes

	Three Months Ended	
	March 31,	
	2025	2024
Income before income taxes	\$ 111,825	\$ 92,548
Provision for income taxes	\$ 20,488	\$ 22,247
Effective tax rate	18.3 %	24.0 %

For the three months ended March 31, 2025, the effective tax rate was lower as compared to the same period in the prior year primarily due to the impact of the increase in discrete tax benefits recognized in the current year period and an increase in the forecasted deductions to U.S. taxable income related to foreign revenues. For the three months ended March 31, 2025 and 2024, we recorded discrete tax benefits of \$5,073 and \$2,138, respectively, primarily associated with windfall tax benefits from stock-based compensation, net of the impact from officer compensation limitation provisions.

Key Business Metrics:

In addition to our results of operations discussed above, we believe the following presentation of key business metrics provides additional useful information to investors regarding our results of operations. To the extent material, we disclose below the additional purposes, if any, for which our management uses these key business metrics. Our key business metrics may vary significantly from period to period for reasons unrelated to our operating performance and may differ from similarly titled measures presented by other companies.

	March 31,	
	2025	2024
ARR	\$ 1,319,256	\$ 1,186,456
Last twelve-months recurring revenues	\$ 1,272,574	\$ 1,125,557
Twelve-months ended constant currency ⁽¹⁾ :		
ARR growth rate	12 %	11 %
Account retention rate	99 %	99 %
Recurring revenues dollar-based net retention rate	110 %	108 %

(1) Constant currency is a non-GAAP financial measure. Refer to the “Non-GAAP Financial Measures” section for additional information, including our definition and our use of constant currency.

Recurring Revenues

Recurring revenues are the basis for our other revenue-related key business metrics. We believe this measure is useful in evaluating our ability to consistently retain and grow our revenues within our existing accounts.

Recurring revenues are 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.

ARR

ARR is a key business metric that we believe is useful in evaluating the scale and growth of our business as well as to assist in the evaluation of underlying trends in our business. Furthermore, we believe ARR, considered in connection with our last twelve-month recurring revenues dollar-based net retention rate, is a leading indicator of revenue growth.

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 currency exchange rates. We believe that the last three months of recognized revenues, on an annualized basis, for our recurring software subscriptions with consumption measurement period durations of less than one year is a reasonable estimate of the annual revenues, given our consistently high retention rate and stability of usage under such subscriptions.

ARR resulting from the annualization of recurring contracts with consumption measurement durations of less than one year, as a percentage of total ARR, was 50% and 48% as of March 31, 2025 and 2024, respectively, with our E365 subscription offering representing 45% and 42% of total ARR as of March 31, 2025 and 2024, respectively.

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. We believe that ARR growth is an important metric indicating the scale and growth of our business.

Last Twelve-Months Recurring Revenues

Last twelve-month recurring revenues is a key business metric that we believe is useful in evaluating our ability to consistently retain and grow our recurring revenues. We believe that we will continue to experience favorable growth in recurring revenues primarily due to our strong account retention and recurring revenues dollar-based net retention rates, as well as the addition of new accounts with recurring revenues.

Last twelve-months recurring revenues is calculated as recurring revenues recognized over the preceding twelve-month period.

The last twelve-months recurring revenues for the periods ended March 31, 2025 compared to the last twelve-months of the comparative twelve-month period increased by \$147,017. This increase was primarily due to growth in ARR, which is primarily the result of growing our recurring revenues within our existing accounts as expressed in our recurring revenues dollar-based net retention rate, as well as additional recurring revenues resulting from new accounts and acquisitions. For the twelve months ended March 31, 2025 and 2024, 92% and 90%, respectively, of our revenues were recurring revenues.

Account Retention Rate

Account retention rate is a key business metric that we believe is useful in evaluating the long-term value of our account relationships and our ability to retain our account base. We believe that our consistent and high account retention rates illustrate our ability to retain and cultivate long-term relationships with our accounts.

Account retention rate for any given twelve-month period is calculated using the average foreign 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.

Recurring Revenues Dollar-Based Net Retention Rate

Recurring revenues dollar-based net retention rate is a key business metric that we believe is useful in evaluating our ability to consistently retain and grow our recurring revenues.

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.

Given that recurring revenues represented 92% and 90% of our total revenues for the twelve months ended March 31, 2025 and 2024, respectively, this metric helps explain our revenue performance as primarily growth from existing accounts.

Non-GAAP Financial Measures:

In addition to our results determined in accordance with GAAP discussed above, we believe the following presentation of financial measures not in accordance with GAAP provides useful information to investors regarding our results of operations. To the extent material, we disclose below the additional purposes, if any, for which our management uses these non-GAAP financial measures and provide reconciliations between these non-GAAP financial measures and their most directly comparable GAAP financial measures. Non-GAAP financial information should be considered in addition to, not as a substitute for, or in isolation from, the financial information prepared in accordance with GAAP, including operating income, or other measures of performance. Our non-GAAP financial measures may vary significantly from period to period for reasons unrelated to our operating performance and may differ from similarly titled measures presented by other companies.

Adjusted Operating Income Less Stock-Based Compensation Expense (“AOI less SBC”)

AOI less SBC is a non-GAAP financial measure and is used to measure the operational strength and performance of our business, as well as to assist in the evaluation of underlying trends in our business.

AOI less 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), for the respective periods.

AOI less SBC is our primary performance measure, which excludes certain expenses and charges, including the non-cash amortization expense resulting from the acquisition of intangible assets, as we believe these may not be indicative of our core business operating results. We intentionally include stock-based compensation expense in this measure as we believe it better captures the economic costs of our business.

Management uses this non-GAAP financial measure to understand and compare operating results across accounting periods, for internal budgeting and forecasting purposes, to evaluate financial performance, and in our comparison of our financial results to those of other companies. It is also a significant performance measure in certain of our executive incentive compensation programs.

Adjusted Operating Income (“AOI”)

Adjusted operating income is a non-GAAP financial measure that we believe is useful to investors in making comparisons to other companies, although this measure may not be directly comparable to similar measures used by other companies.

Adjusted operating income is defined as operating income adjusted for the following: amortization of purchased intangibles, expense (income) relating to deferred compensation plan liabilities, acquisition expenses, realignment expenses (income), and stock-based compensation expense, for the respective periods.

Reconciliation of operating income to AOI less SBC and to Adjusted operating income:

	Three Months Ended	
	March 31,	
	2025	2024
Operating income	\$ 115,184	\$ 91,931
Amortization of purchased intangibles ⁽¹⁾	11,444	12,190
Deferred compensation plan ⁽²⁾	(1,246)	5,799
Acquisition expenses ⁽³⁾	838	2,359
Realignment expenses ⁽⁴⁾	—	66
AOI less SBC	126,220	112,345
Stock-based compensation expense ⁽⁵⁾	17,305	19,337
Adjusted operating income	\$ 143,525	\$ 131,682

Further explanation of certain of our adjustments in arriving at AOI less SBC and Adjusted operating income are as follows:

- (1) *Amortization of purchased intangibles.* Amortization of purchased intangibles varies in amount and frequency and is significantly impacted by the timing and size of our acquisitions. Management finds it useful to exclude these non-cash charges from our operating expenses to assist in budgeting, planning, and forecasting future periods. The use of intangible assets contributed to our revenues earned during the periods presented and will also contribute to our revenues in future periods. Amortization of purchased intangible assets will recur in future periods.
- (2) *Deferred compensation plan.* We exclude *Deferred compensation plan* expense (income) when we evaluate our continuing operational performance because it is not reflective of our ongoing business and results of operation. We believe it is useful for investors to understand the effects of this item on our total operating expenses. Deferred compensation plan liabilities are marked to market at the end of each reporting period, with changes in the liabilities recorded as an expense (income) to *Deferred compensation plan* in the consolidated statements of operations.
- (3) *Acquisition expenses.* We incur expenses for professional services rendered in connection with business combinations, which are included in our GAAP presentation of general and administrative expense. Also included in our acquisition expenses are retention incentives paid to executives of the acquired companies. We exclude these acquisition expenses when we evaluate our continuing operational performance as we would not have otherwise incurred these expenses in the periods presented as part of our continuing operations.
- (4) *Realignment expenses.* We exclude these charges and subsequent adjustments to our estimates when we evaluate our continuing operational performance because they are not reflective of our ongoing business and results of operations. We believe it is useful for investors to understand the effects of these items on our total operating expenses. For the three months ended March 31, 2024, *Realignment expenses* were primarily associated with the 2023 Program.
- (5) *Stock-based compensation expense.* We exclude non-cash stock-based compensation expenses from certain of our non-GAAP measures because we believe this is useful to investors in making comparisons to other companies.

Constant Currency

Constant currency and constant currency growth rates are non-GAAP financial measures that present our results of operations excluding the estimated effects of foreign currency exchange rate fluctuations. A significant amount of our operations is conducted in foreign currencies. As a result, the comparability of the financial results reported in U.S. dollars is affected by changes in foreign currency exchange rates. We use constant currency and constant currency growth rates to evaluate the underlying performance of the business, and we believe it is helpful for investors to present operating results on a comparable basis period over period to evaluate its underlying performance.

In reporting period-over-period results, except for ARR as discussed above in “Key Business Metrics” section, 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.

Reconciliation of consolidated revenues to consolidated revenues in constant currency:

	Three Months Ended March 31, 2025			Three Months Ended March 31, 2024		
	Actual	Impact of Foreign Exchange at 2024 Rates	Constant Currency	Actual	Impact of Foreign Exchange at 2024 Rates	Constant Currency
Subscriptions	\$ 342,318	\$ 3,333	\$ 345,651	\$ 307,089	\$ (332)	\$ 306,757
Perpetual licenses	10,792	163	10,955	9,512	(1)	9,511
Subscriptions and licenses	353,110	3,496	356,606	316,601	(333)	316,268
Services	17,432	281	17,713	21,162	(9)	21,153
Total revenues	\$ 370,542	\$ 3,777	\$ 374,319	\$ 337,763	\$ (342)	\$ 337,421

Reconciliation of revenues by geographic region to revenues by geographic region in constant currency:

	Three Months Ended March 31, 2025			Three Months Ended March 31, 2024		
	Actual	Impact of Foreign Exchange at 2024 Rates	Constant Currency	Actual	Impact of Foreign Exchange at 2024 Rates	Constant Currency
Americas	\$ 198,975	\$ 1,800	\$ 200,775	\$ 184,193	\$ (82)	\$ 184,111
EMEA	107,005	1,005	108,010	94,714	(180)	94,534
APAC	64,562	972	65,534	58,856	(80)	58,776
Total revenues	\$ 370,542	\$ 3,777	\$ 374,319	\$ 337,763	\$ (342)	\$ 337,421

Reconciliation of cost of revenues to cost of revenues in constant currency:

	Three Months Ended March 31, 2025			Three Months Ended March 31, 2024		
	Actual	Impact of Foreign Exchange at 2024 Rates	Constant Currency	Actual	Impact of Foreign Exchange at 2024 Rates	Constant Currency
Cost of subscriptions and licenses	\$ 46,498	\$ 509	\$ 47,007	\$ 40,218	\$ (243)	\$ 39,975
Cost of services	19,161	405	19,566	21,612	(5)	21,607
Total cost of revenues	\$ 65,659	\$ 914	\$ 66,573	\$ 61,830	\$ (248)	\$ 61,582

Reconciliation of operating expense (income) to operating expense (income) in constant currency:

	Three Months Ended March 31, 2025			Three Months Ended March 31, 2024		
	Actual	Impact of Foreign Exchange at 2024 Rates	Constant Currency	Actual	Impact of Foreign Exchange at 2024 Rates	Constant Currency
Research and development	\$ 72,450	\$ 1,551	\$ 74,001	\$ 68,371	\$ 177	\$ 68,548
Selling and marketing	63,059	1,123	64,182	54,386	(25)	54,361
General and administrative	47,228	617	47,845	46,482	(20)	46,462
Deferred compensation plan	(1,246)	—	(1,246)	5,799	—	5,799
Amortization of purchased intangibles	8,208	44	8,252	8,964	—	8,964
Total operating expenses	\$ 189,699	\$ 3,335	\$ 193,034	\$ 184,002	\$ 132	\$ 184,134

Liquidity and Capital Resources:

Cash and Cash Equivalents

	March 31, 2025	December 31, 2024
Cash and cash equivalents held domestically	\$ 12,542	\$ 2,845
Cash and cash equivalents held by foreign subsidiaries	71,095	61,164
Total cash and cash equivalents	<u>\$ 83,637</u>	<u>\$ 64,009</u>

Our primary source of operating cash is from the sale of our subscriptions, perpetual licenses, and services. Our primary use of cash is payment of our operating costs, which consist mainly of headcount-related costs. In addition to operating expenses, we also use cash to service our debt obligations, to pay quarterly dividends, to repurchase our Class B common stock and convertible debt, and for capital expenditures in support of our operations. We also use cash to fund our acquisitions of software assets and businesses, and other investment activities.

We believe that cash generated from operations, together with existing cash and cash equivalent balances, and external borrowings including available liquidity under the Credit Facility, will be sufficient to meet our domestic and international working capital and capital expenditure requirements. We regularly review our capital structure and consider a variety of potential financing alternatives and planning strategies to ensure that we have the proper liquidity available in the locations in which it is needed and to fund our operations and growth investments with cash that has not been permanently reinvested outside the U.S. Our future capital requirements may be materially different than those currently planned in our budgeting and forecasting activities and depend on many factors, including our strategy of regularly acquiring and integrating specialized infrastructure engineering software businesses, our rate of revenue growth, the timing and extent of spending on research and development, the expansion of our sales and marketing activities, the timing of new product introductions, market acceptance of our products, competitive factors, our discretionary payments of dividends or repurchases of our Class B common stock and convertible debt, funding of our purchase commitments, currency fluctuations, and overall economic conditions, globally. To the extent that current and anticipated future sources of liquidity are insufficient to fund our future business activities and requirements, we may be required to seek additional equity or debt financing. The sale of additional equity would result in additional dilution to our stockholders, while the incurrence of additional debt financing, including convertible debt, would result in additional debt service obligations. Such debt instruments also could introduce new or modified covenants that might restrict our operations and/or our ability to pay dividends, consummate acquisitions, or otherwise pursue our business strategies. We cannot provide assurance that we could obtain additional financing on favorable terms or at all.

Cash Flows Activity

	Three Months Ended March 31,	
	2025	2024
Net cash provided by (used in):		
Operating activities	\$ 219,415	\$ 204,969
Investing activities	\$ (3,044)	\$ (3,849)
Financing activities	\$ (200,808)	\$ (126,435)

Operating Activities

For the three months ended March 31, 2025, compared to the same period in the prior year, net cash provided by operating activities was higher by \$14,446 due to an increase in net income of \$21,028 and an increase in net cash flows from the change in operating assets and liabilities of \$1,954, partially offset by a net decrease in non-cash adjustments of \$8,536. The increase in net cash flows from the change in operating assets and liabilities period over period was primarily due to the overall timing of payments for income taxes and for software maintenance contracts, as well as lower capitalized internal-use software implementation costs. Offsetting these increases were lower period over period Cloud Services Subscription deposits, and accruals and other liabilities.

Investing Activities

Net cash used in investing activities was lower by \$805 for the three months ended March 31, 2025, compared to the same period in the prior year, primarily due to lower purchases of property and equipment and investment in capitalized software of \$555.

Financing Activities

Net cash used in financing activities was higher by \$74,373 for the three months ended March 31, 2025, compared to the same period in the prior year, primarily due to higher net paydowns of the credit facilities of \$40,788 and higher payments for shares acquired of \$16,345, including shares repurchased under the Repurchase Program. Additionally, we paid \$9,797 in cash to repurchase \$10,000 aggregate principal amount of our outstanding 2026 Notes during the first quarter of 2025 and dividend payments were higher by \$3,327, primarily due to an increase in our quarterly dividend per share to \$0.07 from \$0.06.

Long-Term Debt

	March 31, 2025	December 31, 2024
Current portion of long-term debt	\$ —	\$ —
Long-term debt	1,244,308	1,388,088
Total debt	<u>\$ 1,244,308</u>	<u>\$ 1,388,088</u>

As of March 31, 2025, we had \$1,299,850 available under the Credit Facility, and we were in compliance with all covenants under the Credit Facility, the 2026 Notes, and the 2027 Notes. Any failure to comply with such covenants under the Credit Facility would prevent us from being able to borrow additional funds under the Credit Facility, and, as with any failure to comply with such covenants under the 2026 Notes and the 2027 Notes, could constitute a default that may cause all amounts outstanding to become due and immediately payable in full.

Unless converted, upon maturity in January 2026, we will be required to repay the outstanding principal amount on the 2026 Notes, which, as of March 31, 2025, was \$677,830. As of March 31, 2025, the 2026 Notes were classified as long-term debt in the consolidated balance sheets as we currently have the ability and intent to refinance them on a long-term basis through available capacity under the Credit Facility.

Stock Repurchases

BSY Stock Repurchase Program

Our Board of Directors approved the Repurchase Program authorizing us to repurchase up to \$200,000 of our Class B common stock and/or outstanding convertible senior notes through June 30, 2026. We may use available working capital, cash provided by operating activities, and/or external borrowings including available liquidity under our Credit Facility to make repurchases.

During the three months ended March 31, 2025, we repurchased 673,898 shares for \$30,014, and \$10,000 aggregate principal amount of our outstanding 2026 Notes for \$9,797 under the Repurchase Program. During the three months ended March 31, 2024, we repurchased 302,598 shares for \$15,006 under the Repurchase Program.

The timing, as well as the number and value of shares and/or outstanding convertible senior notes repurchased under the Repurchase Program, will be determined at our discretion and will depend on a variety of factors, including our assessment of the intrinsic value of our shares, the market price of our Class B common stock and outstanding convertible senior notes, general market and economic conditions, available liquidity, compliance with our debt and other agreements, and applicable legal requirements.

Withholding Taxes on Certain Equity Awards

We have the right to require that certain equity awardees receive gross or net quantities of shares of our Class B common stock, including distributions from the DCP and share issuances under our Bonus Plan. In the case of a gross issuance or distribution, an awardee is required to reimburse promptly to us the cash required for his or her tax withholding amounts. Conversely, under a net issuance or distribution, shares are withheld in consideration of remitting withholding taxes on behalf of an equity awardee, thereby requiring us to remit cash for the tax withholdings. During the three months ended March 31, 2025 and 2024, we exercised our right to require that impacted equity awardees receive gross quantities of our Class B common stock. We will continue to evaluate whether share awards will be required to be received by awardees on a gross basis, or if net settlement may be elected by awardees.

Dividend Payments

The declaration and payment of dividends is within the discretion of our Board of Directors. We paid quarterly dividends of \$0.07 per share of common stock during the three months ended March 31, 2025 and \$0.06 per share of common stock during the three months ended March 31, 2024. While we intend to continue paying quarterly dividends, any future determination will be subject to the discretion of our Board of Directors and will be dependent on a number of factors, including our results of operations, capital requirements, restrictions under Delaware law, and overall financial condition, as well as any other factors our Board of Directors considers relevant. In addition, the terms of the agreement governing the Credit Facility limit the amount of dividends we can pay.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

There have been no material changes in our market risk exposure as described in Part II, Item 7A. Quantitative and Qualitative Disclosures About Market Risk in our 2024 Annual Report on Form 10-K.

Item 4. Controls and Procedures

Evaluation of Effectiveness of Disclosure Controls and Procedures

Our management maintains disclosure controls and procedures as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the “Exchange Act”) that are designed to provide reasonable assurance that information required to be disclosed in our reports filed or submitted under the Exchange Act is processed, recorded, summarized, and reported within the time periods specified in the SEC’s rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer (our principal executive officer and principal financial officer, respectively), as appropriate, to allow for timely decisions regarding required disclosure.

We evaluated, under the supervision and with the participation of management, including our principal executive and principal financial officers, the effectiveness of the design and operation of our disclosure controls and procedures as of the end of the period covered by this report. Based on this evaluation, our principal executive officer and principal financial officer concluded that, as of March 31, 2025, our disclosure controls and procedures were effective at the reasonable assurance level.

Our management, including our Chief Executive Officer and Chief Financial Officer, does not expect that our disclosure controls and procedures or our internal control over financial reporting will necessarily prevent all errors and all fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within Bentley Systems, Incorporated have been detected.

Changes in Internal Control over Financial Reporting

There was no change in our internal control over financial reporting identified in management’s evaluation pursuant to Rules 13a or 15d of the Exchange Act that occurred during the quarter ended March 31, 2025 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

We are subject from time to time to various legal proceedings and claims which arise in the ordinary course of our business. Although the outcome of these and other claims cannot be predicted with certainty, we do not believe that the ultimate resolution of pending matters will have a material adverse effect on our financial condition, results of operations, or cash flows. We currently believe that we do not have any material litigation pending against us.

Item 1A. Risk Factors

There have been no material changes from the risk factors previously disclosed in Part I, Item 1A. Risk Factors in our 2024 Annual Report on Form 10-K.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Recent Sales of Unregistered Equity Securities

From January 1, 2025 to March 31, 2025, we issued 689,203 shares of our Class B common stock in connection with distributions from our DCP.

None of the foregoing transactions involved any underwriters, underwriting discounts or commissions, or any public offering. Unless otherwise stated, the sales of the above securities were deemed to be exempt from registration under the Securities Act in reliance on Rule 701 promulgated under Section 3(b) of the Securities Act as transactions by an issuer pursuant to benefit plans and contracts relating to compensation as provided under Rule 701. All recipients had adequate access, through their relationships with us, to information about us. The issuance of these securities were made without any general solicitation or advertising.

Issuer Purchases of Equity Securities

The following table reflects our Class B common stock we repurchased during the three months ended March 31, 2025:

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plan ⁽¹⁾	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plan ⁽²⁾
January 1, 2025 to January 31, 2025	—	\$ —	—	\$ 173,154,860
February 1, 2025 to February 28, 2025	673,898	\$ 44.52	673,898	\$ 143,154,916
March 1, 2025 to March 31, 2025	—	\$ —	—	\$ 133,358,205
	<u>673,898</u>	<u>\$ 44.52</u>	<u>673,898</u>	

(1) Represents shares purchased in open-market transactions under the Repurchase Program approved by our Board of Directors.

(2) These amounts correspond to the plan publicly announced and approved by our Board of Directors in March 2024 that authorizes the repurchase of up to \$200 million of our Class B common stock and/or outstanding convertible senior notes through June 30, 2026. During March 2025, we paid \$9,797 thousand to repurchase \$10,000 thousand aggregate principal amount of our outstanding 2026 Notes through open market transactions under the Repurchase Program.

Item 5. Other Information

Rule 10b5-1 Trading Plans

On March 13, 2025, Keith A. Bentley, a member of the Company's Board of Directors, adopted a trading plan established pursuant to Rule 10b5-1 of the Exchange Act, which is intended to satisfy the affirmative defense conditions of Rule 10b5-1(c), to sell an aggregate of 150,000 shares of our Class B common stock. Mr. Bentley's plan expires on January 9, 2026.

On March 13, 2025, Raymond B. Bentley, a member of the Company's Board of Directors, adopted a trading plan established pursuant to Rule 10b5-1 of the Exchange Act, which is intended to satisfy the affirmative defense conditions of Rule 10b5-1(c), to sell an aggregate of 1,000,000 shares of our Class B common stock. Mr. Bentley's plan expires on January 9, 2026.

During the three months ended March 31, 2025, there were no other Company directors or executive officers who adopted or terminated any contract, instruction or written plan for the purchase or sale of Company securities that was intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) or any "non-Rule 10b5-1 trading arrangement."

Item 6. Exhibits

Exhibit Number	Description
10.1†*	Mutual Separation Agreement and General Release, dated as of January 7, 2025, by and between Bentley Systems, Incorporated and Michael Campbell
31.1*	Certification of CEO pursuant to Rule 13a-14(a) and Rule 15d-14(a) of the Securities Exchange Act of 1934, as amended
31.2*	Certification of CFO pursuant to Rule 13a-14(a) and Rule 15d-14(a) of the Securities Exchange Act of 1934, as amended
32*	Certification of CEO and CFO Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101.INS	Inline XBRL Instance Document—the instance document does not appear in the Interactive Data File as its XBRL tags are embedded within the Inline XBRL document
101.SCH	Inline XBRL Taxonomy Extension Schema
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase
104	Cover page formatted as Inline XBRL and contained in Exhibit 101

† Management contract or compensatory plan or arrangement.

* Filed or furnished herewith. The certification attached as Exhibit 32 that accompanies this Quarterly Report on Form 10-Q is not deemed filed with the SEC and is not to be incorporated by reference into any filing of Bentley Systems, Incorporated under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, whether made before or after the date of this Quarterly Report on Form 10-Q, irrespective of any general incorporation language contained in such filing.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Date: May 7, 2025

Bentley Systems, Incorporated

By: _____
/s/ WERNER ANDRE
Werner Andre
Chief Financial Officer
(Principal Financial Officer)

MUTUAL SEPARATION AGREEMENT AND GENERAL RELEASE

This is a Mutual Separation Agreement and General Release (“Agreement”) between Michael Campbell (“Employee”) and Bentley Systems, Incorporated (“Bentley”).

WHEREAS, on January 7, 2025, Bentley and Employee agreed to mutually separate and thus terminate his employment effective January 21, 2025 (“Termination Date”);

WHEREAS, irrespective of whether Employee signs this Agreement, Bentley will pay Employee all unreimbursed business expenses that Bentley would reimburse in the ordinary course, provided Employee submits them in accordance with Bentley policy and no later than three weeks after Employee’s Termination Date, or in accordance with relevant law;

WHEREAS, irrespective of whether Employee signs this Agreement, Bentley will pay Employee final wages and all accrued and unused vacation;

WHEREAS, irrespective of whether Employee signs this Agreement, Bentley has promised to pay for 6 months of executive level outplacement assistance provided by Right Management (which must commence within six (6) months of the Termination Date, valued at \$6,193;

WHEREAS, Employee, in consideration of the termination of his employment and acceptance of the compensation and benefits set forth herein, agrees to certain non-disclosure and non-solicitation provisions;

WHEREAS, Bentley has offered Employee additional payments and benefits as a severance arrangement on the terms set forth herein, and Employee has accepted such package; and

WHEREAS, Bentley and Employee also desire to settle fully and finally, in the manner set forth herein, all differences between them which have arisen, or which may arise, prior to, or at the time of, the execution of this Agreement, including any and all claims and controversies arising out of the employment relationship between Employee and Bentley prior to the effective date of this Agreement.

NOW, THEREFORE, in consideration of the mutual promises set forth in this Agreement and intending to be legally bound hereby, Employee and Bentley agree as follows:

1. Acknowledgment of Mutual Separation Resulting in Permanent Termination of Employment. Employee acknowledges that, as a result of this mutual separation, his employment relationship with Bentley permanently ended on the Termination Date.

2. Separation Payment; Benefits. Within two weeks after the Effective Date of this Agreement (as defined in paragraph 5 below), Bentley will pay Employee the total gross sum of \$1,500,000.00 in cash, less withholding of all applicable taxes (e.g., FICA taxes and federal, state and, where required, local income taxes). In addition, if Employee timely elects continuation of his health care coverage under COBRA, Bentley will pay the full cost of the COBRA premiums for 9 months, or until Employee is covered under another employer's group health plan, whichever occurs first. To effectuate this provision, Employee agrees to promptly notify Suzanne Little in Bentley's Human Resources Department if and when he obtains such other group health coverage. Bentley further agrees that it will pay Employee for expenses under the terms of Bentley's expense reimbursement policies and practices. Subject to the approval of Employee's manager, Employee will also be entitled to receive, in cash, his "on-target" cash incentive payment in respect of the fourth quarter of 2024, payable in accordance with Bentley's standard payroll practice, less withholding of all applicable taxes. Finally, Employee will also be entitled to receive any shares of Bentley Class B Common Stock issuable in connection with the vesting, if any, of Employee's performance-based restricted stock units granted in 2024 as and when the Bentley Board of Directors (or a committee thereof) makes a final vesting determination in respect thereof, less withholding of all applicable taxes. Employee agrees that he has no entitlement to any salary, bonus, commission, payout, severance pay, vacation pay or other benefits (including employer 401(k) contributions and long-term disability insurance), damages, attorneys' fees or costs from Bentley except as specifically provided in this Agreement, and that he will not bring any action contrary to this understanding. Employee represents and warrants that he has been properly paid by Bentley for all time worked while employed by Bentley. Employee also agrees that he will submit for reimbursement all receipts for work-related expenses incurred prior to the Termination Date to Bentley no later than the Termination Date. Employee also acknowledges that, as of the Termination Date, he is no longer authorized to incur any expenses, liabilities, and/or obligations on behalf of Bentley, and Employee agrees that, after the Termination Date, he will not hold himself out to be an agent of Bentley.

3. Good Faith Settlement. This Agreement is not, and shall not in any way be construed as an admission by Bentley or its predecessors, or any of its or their directors, officers, agents, colleagues, stockholders or representatives (collectively, the "Interested Parties"), that any of the Interested Parties committed any wrongful or discriminatory acts against Employee, that any of the Interested Parties violated any federal, state or local law, or that Employee's termination from employment was unwarranted, unjustified, discriminatory or otherwise unlawful. Instead, this Agreement constitutes the good-faith settlement of a claim or potential claim. Bentley specifically disclaims any liability to Employee or any other person on the part of itself and any other Interested Party.

4. Restrictive Covenants and Other Agreements.

- a) *Confidential Information.* The term “Confidential Information” as used herein shall mean an item of information, or a compilation of information, in any form, related to Bentley’s business or the business or personal affairs of Bentley’s clients, that has not been made public or of which it has not authorized public disclosure and that is not already generally known to the public or to other persons who might obtain value or competitive advantage from its disclosure or use. Confidential Information will not lose its protected status under this Agreement if it becomes known to others through improper means such as the unauthorized use or disclosure of the information by Employee or another person. Confidential Information includes, but is not limited to, confidential and/or proprietary information concerning Bentley, including without limitation, (1) Bentley’s technical data, trade secrets or know how, (2) information regarding Bentley’s business operations and non-public financial affairs, systems and procedures, (3) research relating to past, present, and potential suppliers, customers, clients, and strategic opportunities of Bentley, (4) contractual terms with, and lists of, Bentley’s clients, customers, vendors, suppliers, and contractors, (5) Bentley’s marketing and business strategies and techniques, (6) information relating to Bentley’s recommendations to suppliers, clients, customers, or potential clients, suppliers, and customers, (7) compensation and performance information about any of Bentley’s employees, other than Employee, (8) applications, operating systems, tools, and communication and other computer software developed or used by Bentley, (9) Bentley’s source and object codes, flowcharts, algorithms, coding sheets, compilers, assemblers, design concepts, routines and subroutines, and documents and manuals for the software described in subsection (8), (10) Bentley’s production processes, purchasing information, price lists, pricing policies, and quoting procedures, (11) Bentley’s discoveries, concepts and ideas, whether or not patentable or protectable by copyright, including without limitation the nature and results of research and development activities, technical information on product or program performance and reliability, processes, formulas, techniques, “know-how”, designs, drawings and specifications; and (12) any other Bentley information Employee has reason to know that Bentley treats as confidential for any purpose. Private disclosure of otherwise Confidential Information to parties Bentley is doing business with shall not cause the information to lose its protected status under this Agreement.
- b) *Non-Disclosure.* For so long as Confidential Information is maintained as confidential by Bentley, Employee agrees that he will not, directly or through others, undertake or attempt to undertake any of the following activities: (i) engage in any unauthorized use or disclosure of Confidential Information to any other person or entity; or (ii) use Confidential Information for Employee’s own personal purposes. Information entrusted to Employee by third parties in confidence that Employee had access to as a result of Employee’s employment (“Third-Party Confidential Information”) shall be subject to the same restrictions, limitations and requirements and any additional guidelines issued by Bentley regarding such Third-Party Confidential Information.

However, if time limitation is required on the post-employment restrictions applicable to Confidential Information that does not qualify as a trade secret or Third-Party Confidential Information, then such restrictions shall be limited to a period of two (2) years following the Termination Date. Trade secret information will remain protected for as long as it qualifies as a trade secret under applicable law. Third-Party Confidential Information will remain protected for as long as allowed under the laws and/or separate agreements that make them confidential. Nothing in the foregoing shall be construed to permit Employee to recreate records of Confidential Information from memory or retain copies of Confidential Information in any form after the Termination Date. Employee understands that Employee should have no records of this kind in Employee's possession or control with which to refresh Employee's memory after the Termination Date.

- c) *Non-Solicitation*. During the 12-month period following the Termination Date, Employee shall not, directly or through others, solicit, attempt to solicit, or assist in the solicitation of any employee, independent contractor, or consultant of Bentley with whom Employee had work-related contact or learned confidential information about during the Look Back Period, to terminate their relationship with Bentley ("Covered Individual"); provided that the individuals listed on Schedule 2(c) shall not be deemed Covered Individuals. "Look Back Period" means (i) the last two (2) years of Employee's employment with Bentley, or such shorter time as Employee was employed, or if that is not enforceable, then (ii) the last one (1) year of Employee's employment with Bentley.

These non-solicitation restrictions are understood to be reasonably limited by geography to those locations and/or places of business where the employees, independent contractors, and consultants are located and available for solicitation. However, if this restriction requires a different form of geographic limitation under applicable law to be enforceable, then it shall be deemed limited to the "Territory". For purposes of this Agreement, "Territory" means, as of the Termination Date, the county where Employee resides, the contiguous counties, and either: (i) the geographic territory(ies) assigned to Employee during the Look Back Period (using counties, states, or other recognized boundaries used by Bentley in the ordinary course of its business); or (ii) if Employee has no such geographic assignment or Employee is in a position within the management of Bentley that has company-wide responsibility without geographic limitations, then each county and state where Bentley conducted business during the Look Back Period that Employee has involvement with or access to confidential information about, so long as Bentley continues to pursue business in that territory. References to a county or state include their equivalents.

- d) *Reasonableness*. Employee acknowledges and agrees that the restrictive covenants in Sections 4(b) and 4(c) are reasonable and necessary for the adequate protection of Bentley's legitimate business interests.

- e) *Enforcement.* In the event of an actual or threatened breach of Section 4(b) and/or 4(c), Employee acknowledges Bentley may have the right to obtain an injunction from a court of competent jurisdiction restraining such a breach or threatened breach and the right to specific performance of the provisions of these Sections. Nothing in this Agreement shall be construed as prohibiting Bentley from pursuing any other available remedies for such breach or threatened breach of Sections 4(b) and/or 4(c). In the event of a breach of the covenants set forth in Section 4(b) and/or 4(c), (i) Bentley shall be relieved of its obligation to make or provide any remaining payments or benefits under this Agreement, except for \$500.00, which Employee acknowledges and agrees is sufficient consideration for the releases in this Agreement and shall keep the releases in this Agreement applicable and enforceable; and (ii) Bentley shall be entitled to commence a civil action to recover all payments and benefits previously made or provided under this Agreement or its actual damages, whichever is greater, unless otherwise prohibited by law.
- f) *Fairness Extension.* In the event Employee breaches any provision(s) of Section 4(b) and/or 4(c) and Bentley seeks injunctive relief to enforce that provision(s), the time period for Employee's obligations will be extended by one day for each day Employee violates it, up to a maximum of one (1) year, or to the extent permitted by law.
- g) *Return of Company Property.* No later than the Termination Date, Employee will return to Bentley all property of Bentley, which is or has been in his possession, custody, or control, including but not limited to written materials, records, computer files, databases, lap-top computers, and documents (whether maintained in hard copy format, digitally, electronically, or in any other medium), and any copies thereof, including, but not limited to, all property of Bentley taken or received by Employee during his employment or upon his separation from Bentley.
- h) *Cooperation.* Following the Termination Date, and thereafter, Employee agrees that Employee shall, without any additional compensation, respond to reasonable requests for information from Bentley regarding matters that may arise in Bentley's business, including, without limitation, as it relates to director and officer questionnaires. Employee agrees that Employee will respond to any such requests from Bentley promptly. Employee further agrees to fully and completely cooperate with Bentley, its advisors and its legal counsel with respect to any litigation that is pending against Bentley and any claim or action that may be filed against Bentley in the future. Such cooperation shall include Employee being available at reasonable times and places for participating in interviews, reviewing documents, testifying in a deposition or a legal or administrative proceeding, and providing information to Bentley in preparing defenses to any pending or potential future claims against Bentley. Bentley agrees to reimburse Employee for any travel and legal expenses incurred, in each case, with Bentley's prior written approval and as a result of such cooperation with Bentley.

5. Release of Claims & Covenant Not to Sue.

- a) *Release.* In exchange for the severance consideration agreed to by Bentley, Employee, for Employee personally and Employee's representatives, heirs, executors, administrators, successors and assigns, fully, finally and forever releases and discharges Bentley and its affiliates, as well as their respective successors, assigns, officers, owners, stockholders, directors, agents, representatives, attorneys, insurers, and employees ("Released Parties"), of and from all claims, demands, actions, causes of action, suits, damages, losses, and expenses, of any and every nature whatsoever, individually or as part of a group action, known or unknown, as a result of actions or omissions occurring through the date Employee signs this Agreement. Specifically included in this waiver and release are, among other things, claims of unlawful discrimination, harassment, retaliation, or failure to accommodate; related to terms and conditions of employment; for denial of substantive rights, for compensation or benefits; and/or for wrongful termination of employment, under Title VII of the Civil Rights Act of 1964, the Americans with Disabilities Act, the Civil Rights Act of 1866, the Employee Retirement Income Security Act (ERISA), the Age Discrimination in Employment Act (ADEA), the Family and Medical Leave Act (FMLA), the National Labor Relations Act (NLRA), the Uniformed Services Employment and Reemployment Rights Act, the Worker Adjustment and Retraining Notification Act, the Massachusetts Fair Employment Practices Act, the Massachusetts Payment of Wages Law, the Massachusetts Minimum Fair Wages Law, the Massachusetts Civil Rights Act, the Massachusetts Equal Rights Act, the Massachusetts Equal Pay Act, the Massachusetts Labor and Industries Act, the Massachusetts Privacy Act, the Massachusetts Independent Contractor statute, the Massachusetts Earned Sick Time Law, and the anti-discrimination provisions of the Massachusetts Paid Family and Medical Leave Act, any amendments to the foregoing, or any other federal, state or local statute, rule, ordinance, or regulation, as well as claims in equity or under the common law for tort, breach of contract, wrongful discharge, defamation, emotional distress, and negligence or other unlawful behavior.

Nothing in this Agreement is intended to waive claims (a) for unemployment or workers' compensation benefits, (b) for vested rights under employee compensation and benefit plans as applicable on the date Employee signs this Agreement, (c) that may arise after Employee signs this Agreement, (d) for reimbursement of expenses under Bentley's expense reimbursement policies, or (e) which cannot be released by private agreement.

- b) *Covenant Not to Sue.* Employee understands that following the Revocation Period (as defined below), this Agreement will be final and binding. Employee promises not to file a lawsuit or arbitration proceeding based on any claim that is settled by this Agreement. If Employee breaks this promise or fails to comply

with Employee's obligations under the Agreement, Employee agrees to pay all of Bentley's costs and expenses (including reasonable attorneys' fees) related to the defense of any claims covered by this Agreement or any Released Party's efforts to enforce the terms of this Agreement, to the extent permitted by applicable law, except this covenant not to sue does not apply to claims under the Older Worker Benefit Protection Act (OWBPA) and the ADEA. Although Employee is releasing claims that Employee may have under the ADEA, Employee may challenge the knowing and voluntary nature of this release before a court, the Equal Employment Opportunity Commission (EEOC) or any other federal, state, or local agency charged with the enforcement of any employment laws.

- c) *Right to Revoke.* This Agreement will not become effective or enforceable until seven days after the Employee executes it. Employee may revoke this Agreement at any time within that seven-day period ("Revocation Period"), by sending a written notice to Suzanne Little, at Bentley's corporate offices located at 685 Stockton Drive, Exton, PA 19341. Such written notice may be sent by email, mail, fax (610-709-5814), or hand delivery. If such a written revocation is received within that seven-day period, this Agreement shall be null and void for all purposes. If the Revocation Period expires on a weekend or holiday, Employee will have until the end of the next business day to revoke. This Agreement will become effective on the day after the end of the Revocation Period, provided Employee does not revoke this Agreement ("Effective Date").
6. Non-Defamation. Employee agrees not to make any false adverse, malicious, derogatory, disparaging, or defamatory statements or communications about Bentley or any of the other Released Parties with knowledge of their falsity or with reckless disregard for their truth or falsity. Employee also agrees not to post any such statements on the internet or any blog or social networking site including, but not limited to, Facebook, Glassdoor, LinkedIn, or any other internet site or platform.
7. Unemployment Compensation. Bentley makes no representations concerning eligibility for unemployment compensation; provided, however, that Bentley shall truthfully disclose the circumstances of the employment separation to any governmental authority in accordance with state law. Employee acknowledges and understand that any determination as to eligibility for unemployment compensation is made solely by the state agency to which Employee applies for such benefits.
8. Advice of Counsel, Consideration and Revocation Periods, Other Information. Bentley advises Employee to consult with an attorney prior to signing this Agreement. Employee has 21 days to consider whether to sign this Agreement from the date Employee receives this Agreement and any attached information ("Consideration Period"). Employee must return this signed Agreement to Bentley's representative set forth below within the Consideration Period. If

Employee signs and returns this Agreement before the end of the Consideration Period, it is because Employee freely chose to do so after carefully considering its terms. Employee must return this signed Agreement and any revocation to Suzanne Little by email, Suzanne.Little@Bentley.com, within the Consideration Period. Employee agrees with Bentley that changes, whether material or immaterial, do not restart the running of the Consideration Period.

9. Other Representations. Employee hereby acknowledges that neither Bentley nor its agents, attorneys or colleagues made any representations or promises concerning Employee's rights to the payments and benefits or the terms or effects of this Agreement other than those contained in this Agreement, or the Memorandum, both of which are incorporated by reference herein.
10. Applicable Law; Language of Agreement. This Agreement is governed by and shall be interpreted under the laws of the state in which Employee last worked for Bentley. The language of all parts of this Agreement shall in all cases be construed as a whole, according to its fair meaning, and not strictly for or against any of the parties.
11. Amendment. This Agreement may not be changed or modified, except by a writing signed by Employee and Bentley (or as otherwise permitted herein).
12. Entire Agreement. This Agreement sets forth the entire agreement between Employee and Bentley as to the subject matters hereof and thereof. Any prior agreements between or directly involving Employee and Bentley are superseded by this Agreement, except Employee's obligations under previously signed agreements related to inventions, business ideas, confidentiality of corporate information, unfair competition, and arbitration or other dispute resolution programs remain intact. To the extent there is any conflict in the language between a previously signed agreement and this Agreement, this Agreement shall control.
13. 409A. The provisions of this Agreement will be administered, interpreted and construed in a manner consistent with Section 409A of the Internal Revenue Code of 1986, as amended, the regulations issued thereunder, or any exception thereto or disregarded to the extent such provision cannot be so administered, interpreted, or construed (collectively, "Section 409A"). Each payment under this Agreement shall be considered a separate and distinct payment. Employee shall have no right to designate the date of any payment under this Agreement. Employee will not be considered to have terminated employment with Bentley and its affiliates for purposes of any payments under this Agreement which are subject to Section 409A until Employee would be considered to have incurred a "separation from service" (within the meaning of Section 409A). To the extent required in order to avoid accelerated taxation and/or tax penalties under Section 409A, amounts that would otherwise be payable pursuant to this Agreement or any other arrangement between Employee and Bentley and its affiliates during the six (6) month period immediately following Employee's

separation from service will instead be paid on the first business day after the date that is six (6) months following Employee's separation from service (or, if earlier, Employee's date of death). Nothing contained in this Agreement shall constitute any representation or warranty by Bentley regarding compliance with Section 409A or any other applicable provision of federal, state, local or other tax law. Bentley has no obligation to take any action to prevent the assessment of any tax under Section 409A or any other applicable provision of federal, state, local or other tax law, and neither Bentley nor any of its subsidiaries or affiliates shall have any liability to Employee or any other person with respect thereto.

14. **Severability.** The provisions of this Agreement are severable, and if any part of this Agreement except the release of claims is found by a court of law to be unenforceable, the remainder of this Agreement will continue to be valid and effective. The headings in this Agreement are provided for reference only and shall not affect the substance of this Agreement.

15. **Protected Rights.** Nothing in this Agreement (a) limits or affects Employee's right to disclose or discuss sexual harassment or sexual assault disputes; (b) limits or affects Employee's right to challenge the validity of this Agreement under the ADEA or the OWBPA, (c) prevents Employee from communicating with, filing a charge or complaint with, providing documents or information voluntarily or in response to a subpoena or other information request to, or from participating in an investigation or proceeding conducted by the Equal Employment Opportunity Commission, National Labor Relations Board, the Securities and Exchange Commission, law enforcement, or any other federal, state or local agency charged with the enforcement of any laws; or from testifying, providing evidence, or responding to a subpoena or discovery request in court litigation or arbitration; or (d) prevents a non-management, non-supervisory employee from engaging in protected concerted activity under §7 of the NLRA or similar state law such as joining, assisting, or forming a union, bargaining, picketing, striking, or participating in other activity for mutual aid or protection, or refusing to do so; this includes using or disclosing information acquired through lawful means regarding wages, hours, benefits, or other terms and conditions of employment, unless the information was entrusted to the employee in confidence by Bentley as part of the employee's job duties. However, by signing this Agreement Employee is waiving rights to individual relief (including backpay, frontpay, reinstatement or other legal or equitable relief) in any charge, complaint, or lawsuit or other proceeding brought by Employee or on Employee's behalf by any third party, except for any right Employee may have to receive a payment or award from a government agency (and not Bentley) for information provided to the government agency or otherwise where prohibited. Pursuant to the Defend Trade Secrets Act of 2016, (i) an individual shall not be held criminally or civilly liable under any U.S. federal or state trade secret law for the disclosure of a trade secret that is made (A) in confidence to a U.S. federal, state, or local government official

or to an attorney solely for the purpose of reporting or investigating a suspected violation of law, or (B) in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal, and (ii) an individual who files a lawsuit for retaliation by an employer for reporting a suspected violation of law may disclose the trade secret to the attorney of the individual and use the trade secret information in the court proceeding, if the individual files any document containing the trade secret under seal, and does not disclose the trade secret except pursuant to court order. Executive does not need the prior authorization of (or to give notice to) the Company regarding any such communication or disclosure. Notwithstanding the foregoing, Employee is not authorized to disclose any information protected by (or to waive in any respect) Bentley's attorney-client privilege or attorney work product privilege.

THIS AGREEMENT CONTAINS A RELEASE OF CLAIMS. READ CAREFULLY BEFORE SIGNING.

Bentley Systems, Incorporated

By:

/s/ Suzanne Little

January 7, 2025

Suzanne Little

Date

Employee:

/s/ Michael Campbell

January 7, 2025

Michael Campbell

Date

Schedule 2(c)

[omitted per Items 601(a)(5) and (6) of Regulation S-K]

**Management Certification Pursuant to
Section 302 of the Sarbanes-Oxley Act of 2002**

I, Nicholas H. Cumins, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Bentley Systems, Incorporated (the “registrant”);
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and
5. The registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: May 7, 2025

/s/ NICHOLAS H. CUMINS

Nicholas H. Cumins
Chief Executive Officer
(Principal Executive Officer)

**Management Certification Pursuant to
Section 302 of the Sarbanes-Oxley Act of 2002**

I, Werner Andre, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Bentley Systems, Incorporated (the “registrant”);
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and
5. The registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: May 7, 2025

/s/ WERNER ANDRE

Werner Andre
Chief Financial Officer
(Principal Financial Officer)

**Certification of CEO and CFO Pursuant to
18 U.S.C. Section 1350,
as Adopted Pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002**

In connection with the Quarterly Report of Bentley Systems, Incorporated (the "Company") on Form 10-Q for the period ended March 31, 2025, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), each of the undersigned officers of the Company certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to his knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 7, 2025

/s/ NICHOLAS H. CUMINS

Nicholas H. Cumins

Chief Executive Officer

(Principal Executive Officer)

/s/ WERNER ANDRE

Werner Andre

Chief Financial Officer

(Principal Financial Officer)