

SVMK INC.
CONDENSED CONSOLIDATED BALANCE SHEETS (unaudited) ⁽¹⁾

<i>(in thousands)</i>	March 31, 2019	December 31, 2018
Assets		
Current assets:		
Cash and cash equivalents	\$ 165,910	\$ 153,807
Accounts receivable, net of allowance	7,189	7,336
Deferred commissions, current	2,248	1,981
Prepaid expenses and other current assets	15,219	7,081
Total current assets	190,566	170,205
Property and equipment, net	45,532	117,718
Operating lease right-of-use assets	60,266	—
Capitalized internal-use software, net	33,710	33,280
Acquisition intangible assets, net	8,299	9,324
Goodwill	336,861	336,861
Deferred commissions, non-current	3,932	3,317
Other assets	8,554	8,643
Total assets	<u>\$ 687,720</u>	<u>\$ 679,348</u>
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable	\$ 2,983	\$ 2,804
Accrued expenses and other current liabilities	11,937	9,692
Accrued compensation	11,730	20,070
Deferred revenue	110,691	101,236
Operating lease liabilities, current	6,139	—
Debt, current	1,900	1,900
Total current liabilities	<u>145,380</u>	<u>135,702</u>
Deferred tax liabilities	4,341	4,246
Debt, non-current	215,040	215,515
Financing obligation on leased facility	—	92,009
Operating lease liabilities, non-current	82,528	—
Other non-current liabilities	5,436	12,493
Total liabilities	452,725	459,965
Commitments and contingencies		
Stockholders' equity:		
Preferred stock	—	—
Common stock	1	1
Additional paid-in capital	582,652	551,937
Accumulated other comprehensive loss	(306)	(287)
Accumulated deficit	(347,352)	(332,268)
Total stockholders' equity	234,995	219,383
Total liabilities and stockholders' equity	<u>\$ 687,720</u>	<u>\$ 679,348</u>

(1) The Company adopted ASC 842 as of January 1, 2019 on a prospective basis. Amounts presented for as of March 31, 2019 are under ASC 842 and amounts presented as of December 31, 2018 are under ASC 840.

SVMK INC.

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (unaudited) ⁽¹⁾

<i>(in thousands, except per share amounts)</i>	Three Months Ended March 31,	
	2019	2018
Revenue	\$ 68,641	\$ 58,491
Cost of revenue ⁽²⁾⁽³⁾	17,530	18,063
Gross profit	51,111	40,428
Operating expenses:		
Research and development ⁽²⁾	20,806	17,940
Sales and marketing ⁽²⁾⁽³⁾	26,050	17,421
General and administrative ⁽²⁾	20,556	13,018
Restructuring	(66)	5
Total operating expenses	67,346	48,384
Loss from operations	(16,235)	(7,956)
Interest expense	3,659	7,094
Other non-operating income (expense), net	1,979	633
Loss before income taxes	(17,915)	(14,417)
Provision for (benefit from) income taxes	(138)	300
Net loss	<u>\$ (17,777)</u>	<u>\$ (14,717)</u>
Net loss per share, basic and diluted	<u>\$ (0.14)</u>	<u>\$ (0.15)</u>
Weighted-average shares used in computing basic and diluted net loss per share	126,786	101,212

(1) The Company adopted ASC 842 as of January 1, 2019 on a prospective basis. Amounts presented for the three months ended March 31, 2019 are under ASC 842 and amounts presented for the three months ended March 31, 2018 are under ASC 840.

(2) Includes stock-based compensation, net of amounts capitalized as follows:

<i>(in thousands)</i>	Three Months Ended March 31,	
	2019	2018
Cost of revenue	\$ 1,096	\$ 658
Research and development	4,766	3,447
Sales and marketing	2,780	768
General and administrative	6,469	3,667
Stock-based compensation, net of amounts capitalized	<u>\$ 15,111</u>	<u>\$ 8,540</u>

(3) Includes amortization of acquisition intangible assets as follows:

<i>(in thousands)</i>	Three Months Ended March 31,	
	2019	2018
Cost of revenue	\$ 488	\$ 488
Sales and marketing	537	604
Amortization of acquisition intangible assets	<u>\$ 1,025</u>	<u>\$ 1,092</u>

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CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (unaudited)

<i>(in thousands)</i>	Three Months Ended March 31,	
	2019	2018
Cash flows from operating activities		
Net loss	\$ (17,777)	\$ (14,717)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation and amortization	9,655	11,979
Non-cash leases expense	1,338	—
Stock-based compensation expense, net of amounts capitalized	15,111	8,540
Amortization of debt discount and issuance costs	75	242
Deferred income taxes	95	143
Gain on sale of a private company investment	(1,001)	(999)
Other	(154)	175
Changes in assets and liabilities:		
Accounts receivable	163	(763)
Prepaid expenses and other assets	(2,184)	(1,857)
Accounts payable and accrued liabilities	2,991	1,099
Accrued interest on financing lease obligation, net of payments	—	(358)
Accrued compensation	(8,359)	(7,449)
Deferred revenue	9,575	9,728
Operating lease liabilities	(1,725)	—
Net cash provided by operating activities	<u>7,803</u>	<u>5,763</u>
Cash flows from investing activities		
Purchases of property and equipment	(581)	(880)
Capitalized internal-use software	(3,150)	(2,640)
Proceeds from sale of a private company investment	1,001	999
Net cash used in investing activities	<u>(2,730)</u>	<u>(2,521)</u>
Cash flows from financing activities		
Proceeds from stock option exercises	7,640	1
Employee payroll taxes paid for net share settlement of restricted stock units	—	(1,765)
Repayment of debt	(550)	(750)
Net cash provided by (used in) financing activities	<u>7,090</u>	<u>(2,514)</u>
Effect of exchange rate changes on cash	(44)	—
Net increase in cash, cash equivalents and restricted cash	<u>12,119</u>	<u>728</u>
Cash, cash equivalents and restricted cash at beginning of period	154,371	35,345
Cash, cash equivalents and restricted cash at end of period	<u>\$ 166,490</u>	<u>\$ 36,073</u>
Supplemental cash flow data:		
Interest paid for term debt	<u>\$ 3,423</u>	<u>\$ 5,126</u>
Interest paid for financing obligation on leased facility	<u>\$ —</u>	<u>\$ 2,038</u>
Cash paid for operating leases	<u>\$ 3,438</u>	<u>\$ —</u>
Income taxes paid (refunds received)	<u>\$ 247</u>	<u>\$ (33)</u>
Non-cash investing and financing transactions:		
Stock compensation included in capitalized software costs	<u>\$ 953</u>	<u>\$ 327</u>
Proceeds receivable from stock option exercises	<u>\$ 6,779</u>	<u>\$ —</u>
Accrued unpaid capital expenditures	<u>\$ 517</u>	<u>\$ 1,893</u>
Derecognized financing obligation related to building due to adoption of ASC 842	<u>\$ 92,009</u>	<u>\$ —</u>
Derecognized building due to adoption of ASC 842	<u>\$ 71,781</u>	<u>\$ —</u>
Reconciliation of cash, cash equivalents and restricted cash:		
Cash and cash equivalents at beginning of period	\$ 153,807	\$ 35,345
Restricted cash (included in other assets) at beginning of period	564	—
Total cash, cash equivalents and restricted cash at beginning of period	<u>\$ 154,371</u>	<u>\$ 35,345</u>
Cash and cash equivalents at end of period	\$ 165,910	\$ 36,073
Restricted cash (included in other assets) at end of period	580	—
Total cash, cash equivalents and restricted cash at end of period	<u>\$ 166,490</u>	<u>\$ 36,073</u>