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Work OS

Changing the way that people work and businesses operate

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This presentation contains certain supplemental financial measures that are not calculated pursuant to GAAP. The Company believes that these non-GAAP financial measures, when presented in conjunction with comparable GAAP measures, provide useful information about its operating results and enhance the overall ability to assess the Company’s financial performance. These non-GAAP financial measures are in addition to, and not as a substitute for or superior to measures of financial performance prepared in accordance with GAAP. There are a number of limitations related to the use of these non-GAAP financial measures versus their most directly comparable GAAP equivalents. For example, other companies may calculate non-GAAP financial measures differently or may use other measures to evaluate their performance, all of which could reduce the usefulness of our non-GAAP financial measures as tools for comparison.

monday.com Q2-21 overview in numbers

$70.6M
Revenue

94%
YoY revenue growth

226%
YoY increase in customers with $50K ARR**
470 customers, up from 144 in Q2-20

>125%
Net dollar retention rate** of customers with 10+ users
up from 121% for Q1-21, and 119% for Q4-20

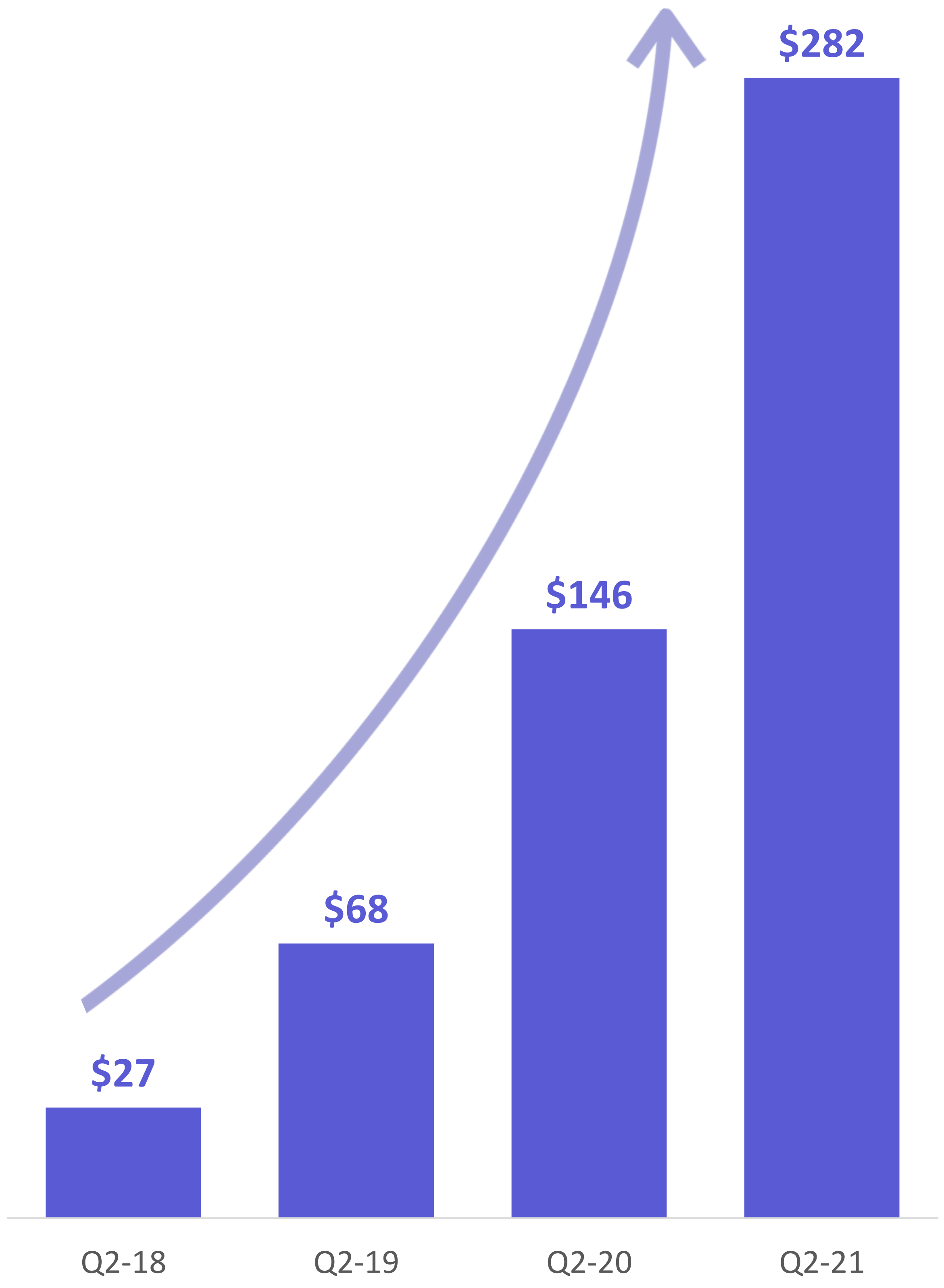
89.7%
Gross margin*

($1.5M)
Adjusted free cash flow* represents (2%) of revenue

* Non-GAAP financial measures, see Appendix.
** For definitions of ARR and Net dollar retention, see Appendix.

Strong revenue growth

Quarterly Revenue Run Rate (GAAP Revenue X 4)



~100% of our revenue is generated from subscriptions
GAAP revenue was $32M, $78M, and $161M for FY 2018, 2019 and 2020, respectively.

Serving teams and organizations of all kinds

Teams & orgs
of all sizes
2 – 7,000

Land & expand

Self-serve + flywheel
sales model

190+
countries

14 languages

한국어 中文 Español
Português русский
Français Deutsch

200+
business
industries

Thousands of use cases

Work management tools
Software applications
Creating a unified workspace

Tech & non-tech
industries

~70%

non-tech for its simplicity
and ease of use

Traditional work software wasn't working

- **Rigid architectures**
  Forcing users to adapt to software rather than the other way around.
- **Development capabilities limited to a select few**
  Creating a lack of speed and agility.
- **Disconnected work tools and applications**
  Causing work silos and loss of information.

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Product demo

monday.com Work OS

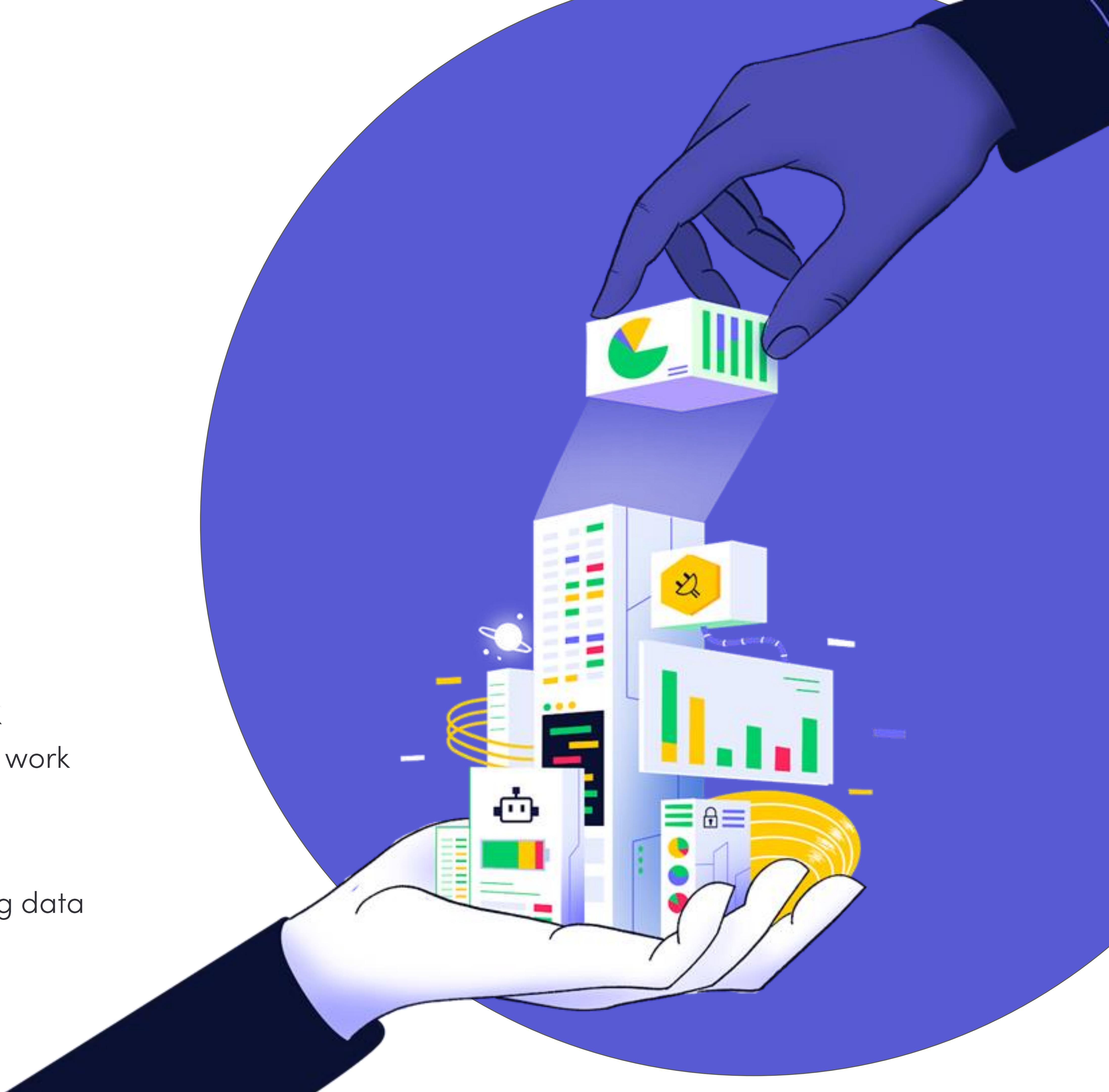
Democratizing the power of software

Watch now

Pioneering a new category of software

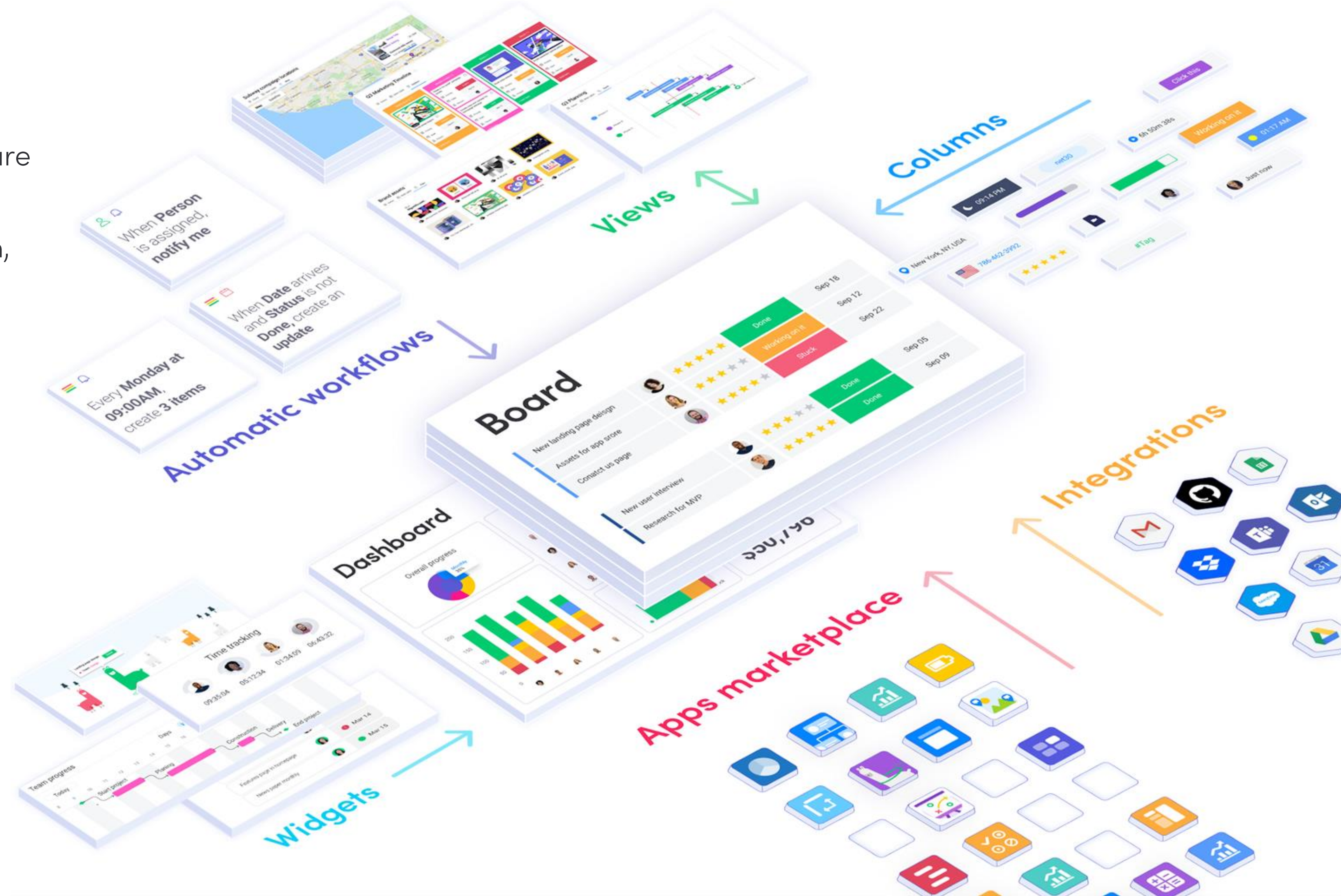
The monday.com Work OS

- **Flexible and adaptable**
  Built to change and grow with every customer
- **Customizable no-code building blocks**
  Easy enough for anyone to use
- **One platform to run all aspects of work**
  Where employees run and manage their everyday work
- **Creating a single unified workspace**
  Connective tissue integrating tools and aggregating data



Built like no other software

Simple-to-use building blocks that are powerful enough to drive the core functionality within any organization, in any industry, for any use case.



Building blocks

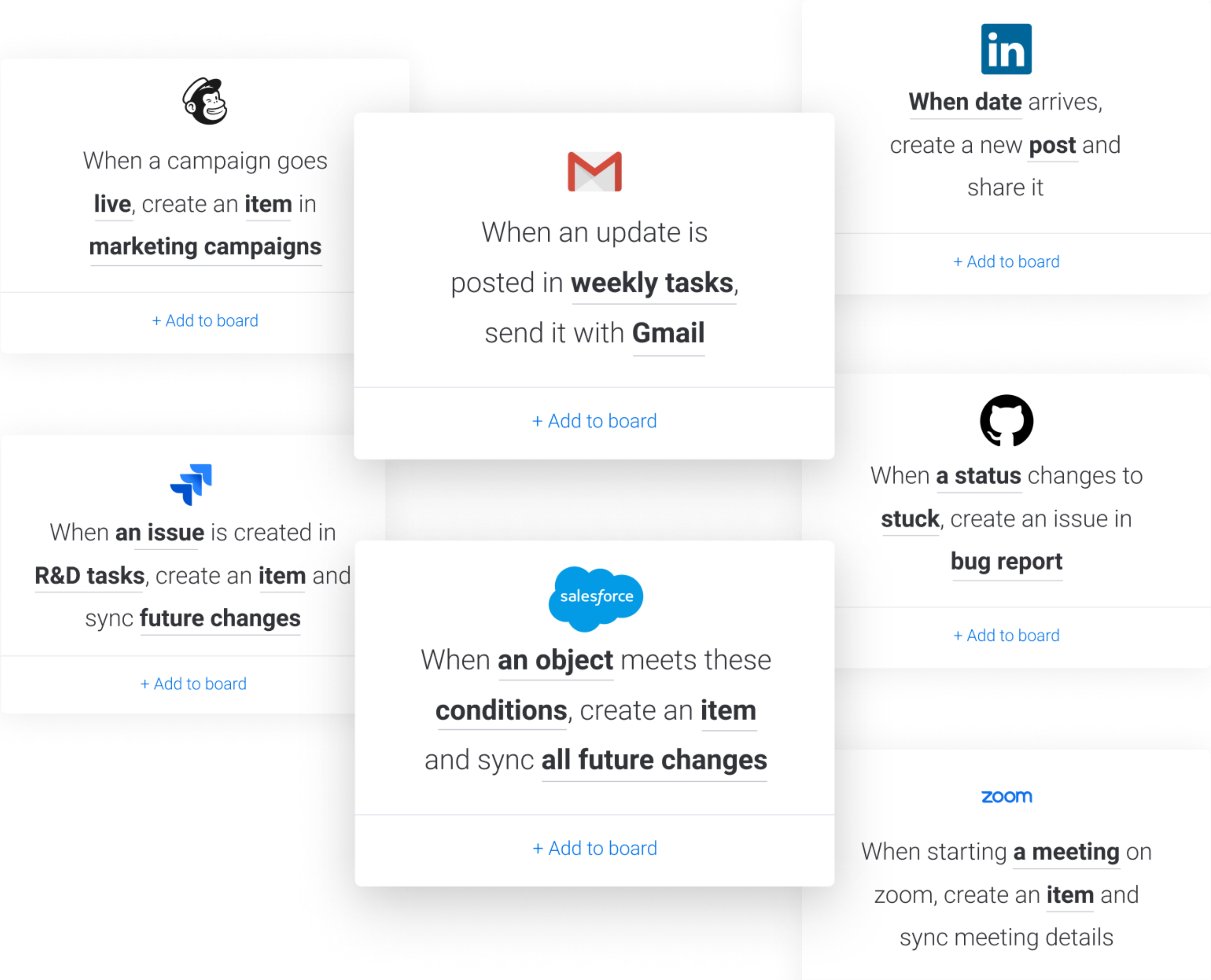
Empowering anyone to build their own tools with no-code building blocks

- Built as a modular, non-rigid infrastructure
- Easy to adopt and easy to scale over time
- Users can fully customize their experience with our no-code and low-code capabilities — nothing is predefined
- Every building block supports a compounding effect, allowing us to advance rapidly

Connective layer

Integrates with any tool. Automates any workflow

- Brings organizations' departments, applications and data into one unified workspace
- Serves as a connective layer, integrating with various digital tools across any organization
- Easily automates complex workflows to accelerate digital transformation, enhance organizational agility, boost productivity and increase operational efficiency



Building blocks

Introducing monday workdocs

A unique building block that offers a powerful and flexible canvas to drive workflows forward and turn words into actions.

- **Connects to the entire work ecosystem**
  Workdocs is an active, live layer of any organization's work processes, propelling ideas into action items through real-time, connected data.

- **Opens a whole new world of use case**
  From creative marketing briefs to HR performance reviews, legal documents, and much more.

- **New entry point for customers**
  A more flexible way to onboard new customers and deepen adoption in companies.

Pricing model

- ~100% of our revenue is subscription-based
- Price is per user according to the subscription plan

Free tier

$0 free forever

Up to 2 seats

For individuals looking to keep track of their tasks and work

Basic

$8 seat/ month

Total $23 / month

Billed annually

Try for free

For teams getting started with managing all their work in one place

Standard

$10 seat/ month

Total $29 / month

Billed annually

Try for free

For teams to collaborate externally & visualize their work in different ways

Pro

$16 seat/ month

Total $47 / month

Billed annually

Try for free

For teams to streamline and control complex workflows and operations

Enterprise

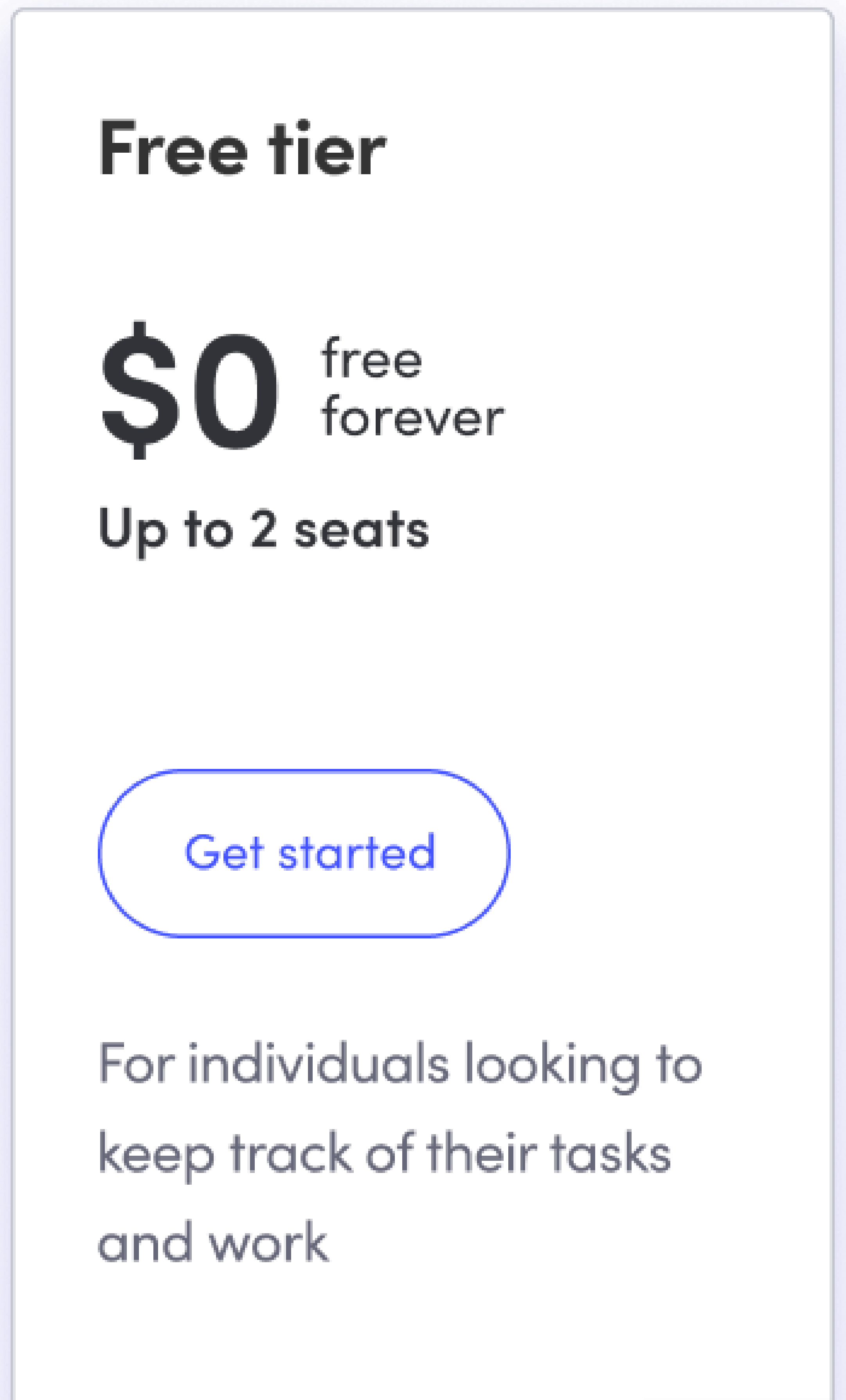
Contact us

For organizations seeking enterprise-grade project & workflow management

monday.com is now available to everyone thanks to our new free tier

We launched a free plan for teams of **up to 2 people**.

This new plan allows us to expand and develop a long-term relationship with new audience, providing easy entry to the platform for everyone.



Go-to-market strategy

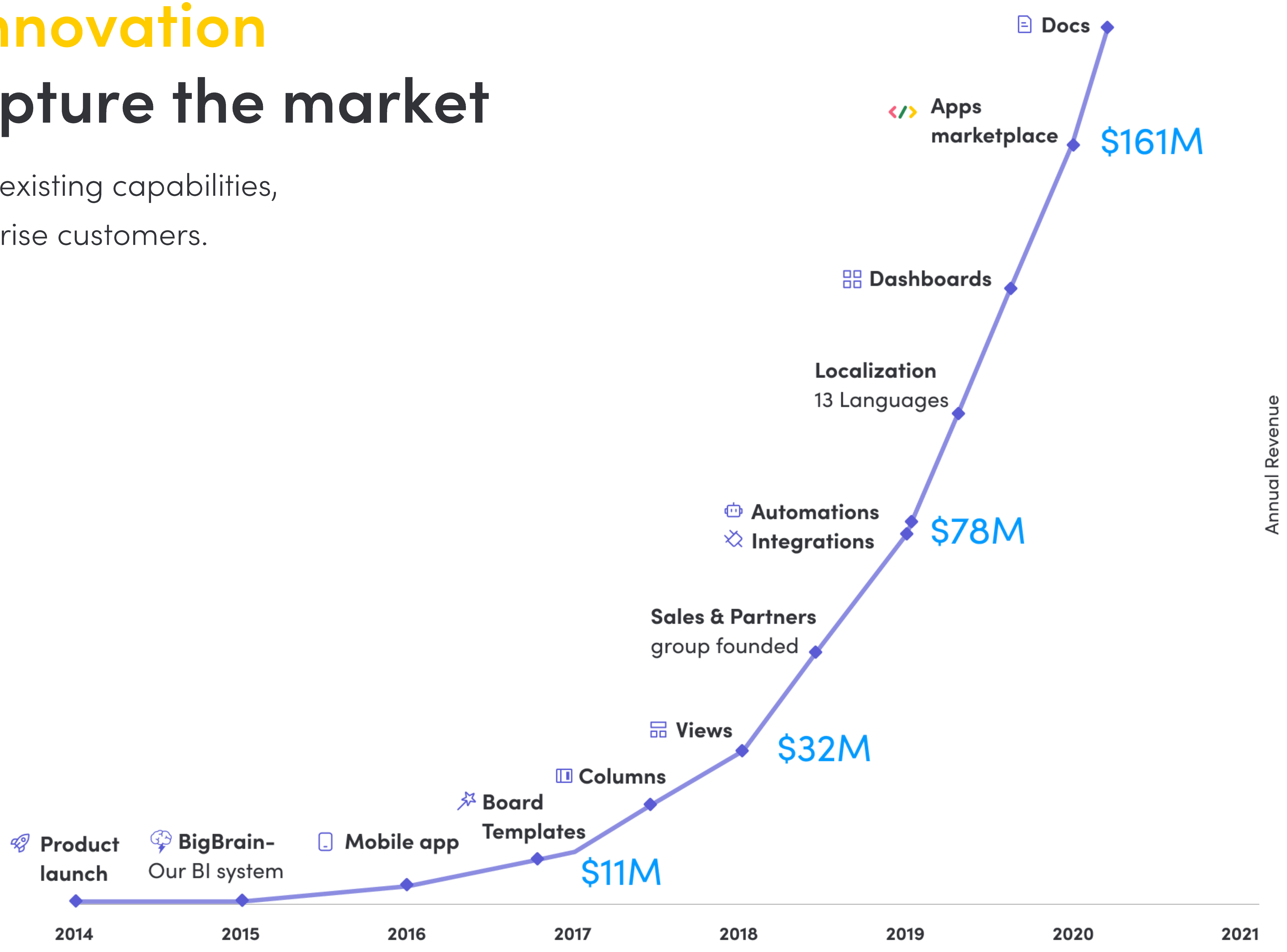
Rapid product innovation

One platform, many Product Solutions

Expanding upmarket

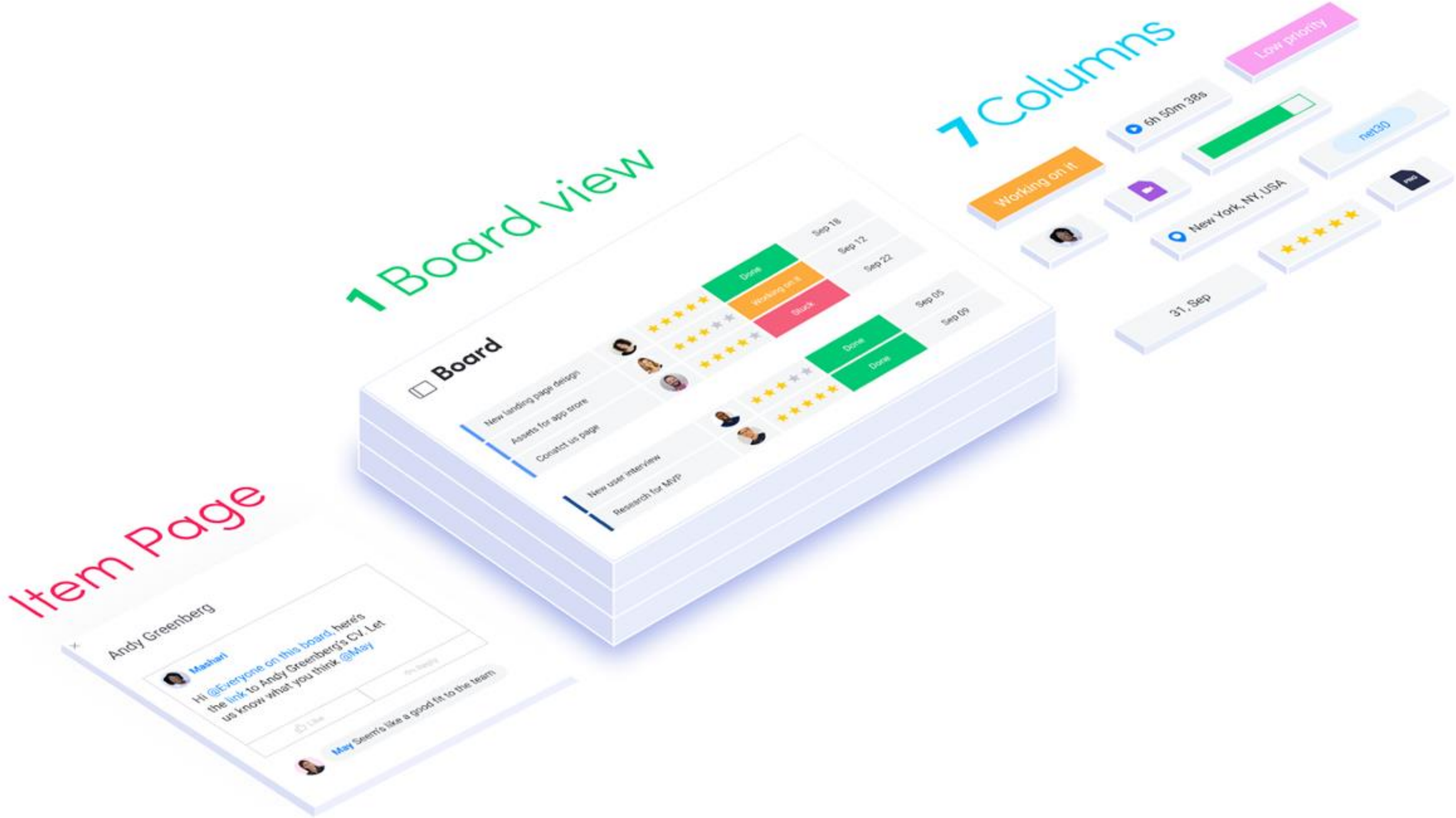
Rapid product innovation enables us to capture the market

We are constantly expanding our existing capabilities, serving new industries and enterprise customers.



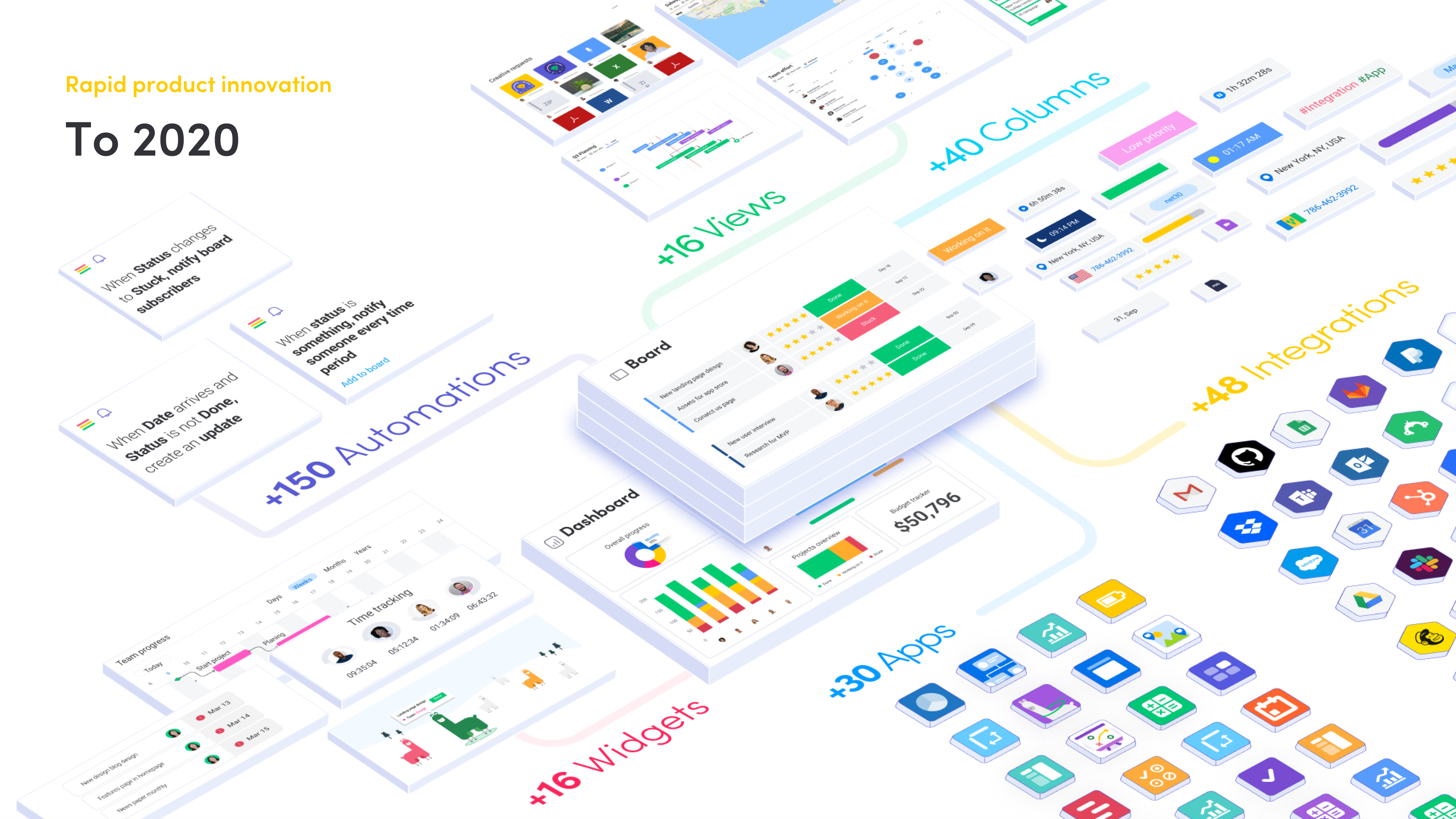
Rapid product innovation

From 2018



Rapid product innovation

To 2020



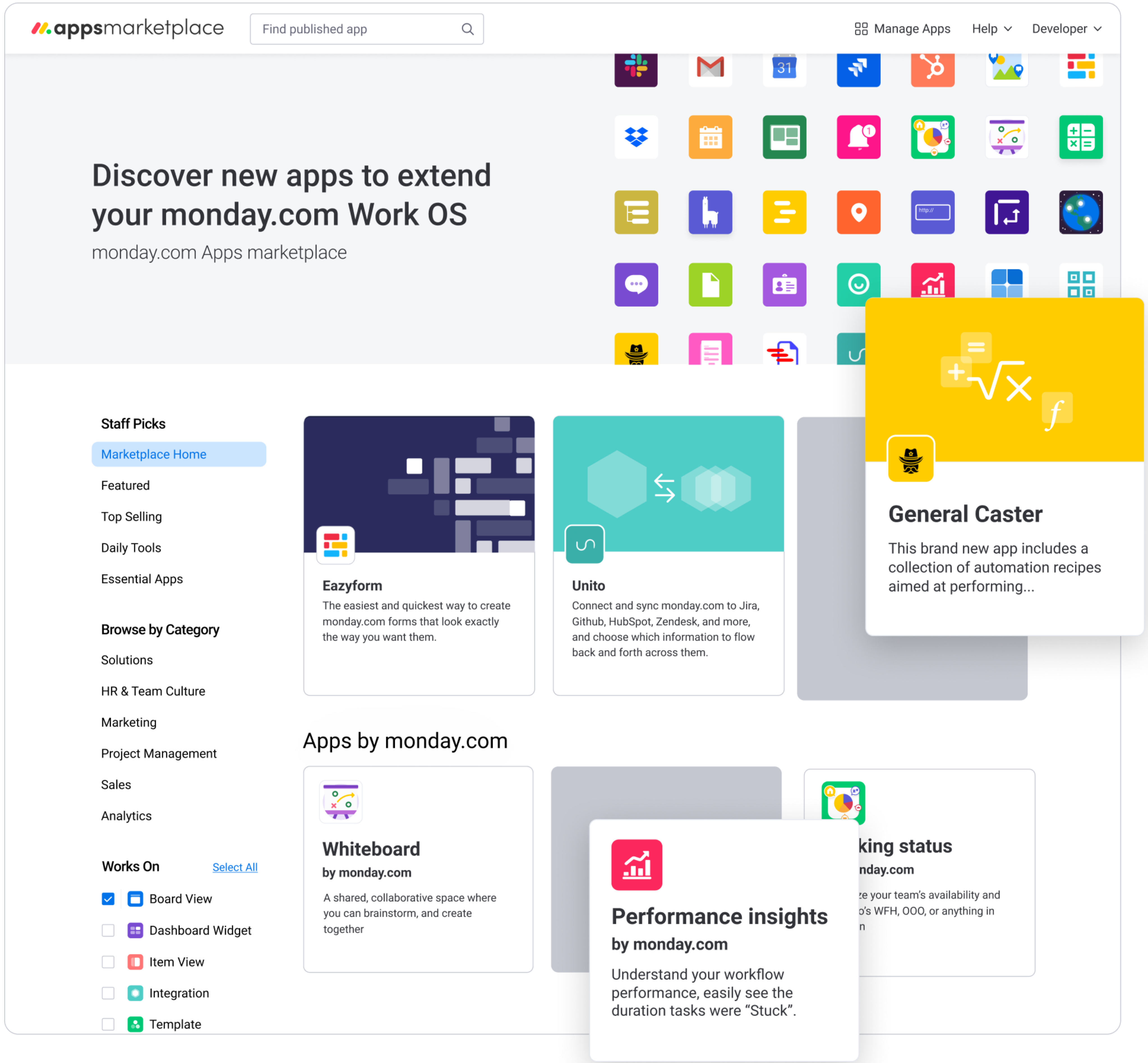
Rapid product innovation

Apps marketplace

We opened the Work OS to external developers, rapidly expanding its capabilities and deepening our Product Solutions.

Q4 2020	>16K
Launched	External developers

- Accelerates innovation
- Enterprise deal driver
- Supports Product Solutions

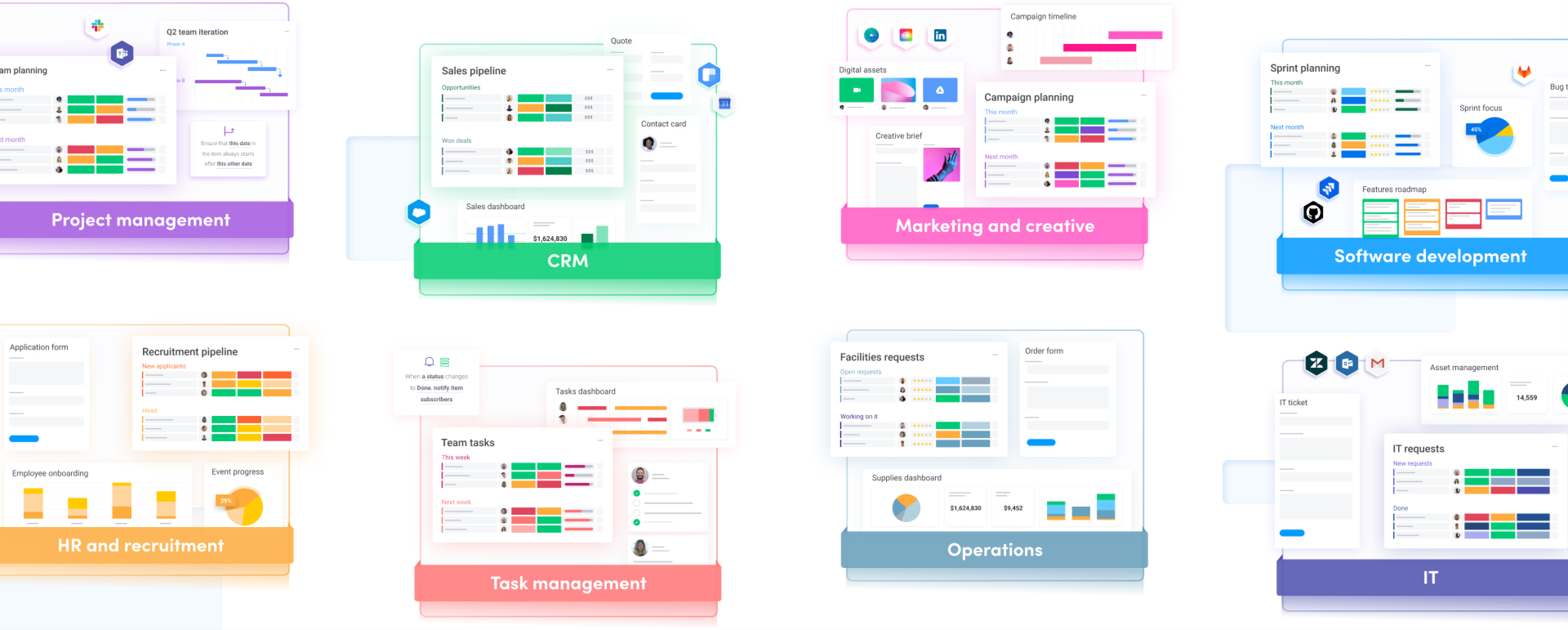


One product,
many Product Solutions

We're taking one modular infrastructure and packaging our offerings into Product Solutions, expanding to hundreds of industries and thousands of use cases without friction.

Product Solutions

Broad customer acquisition funnel

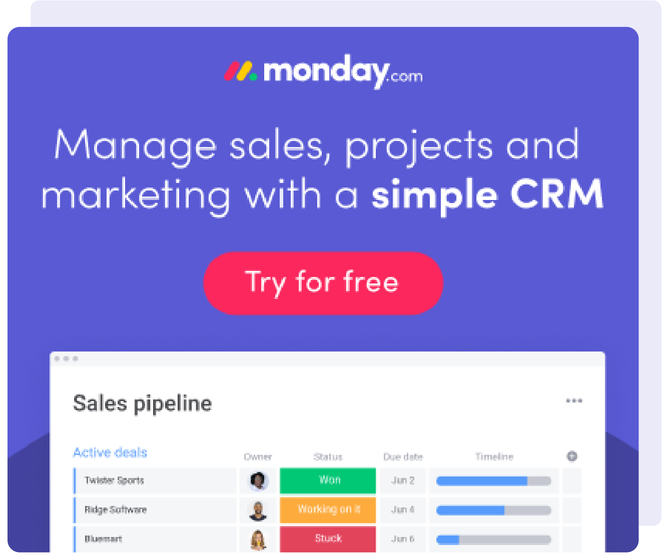


Product Solutions

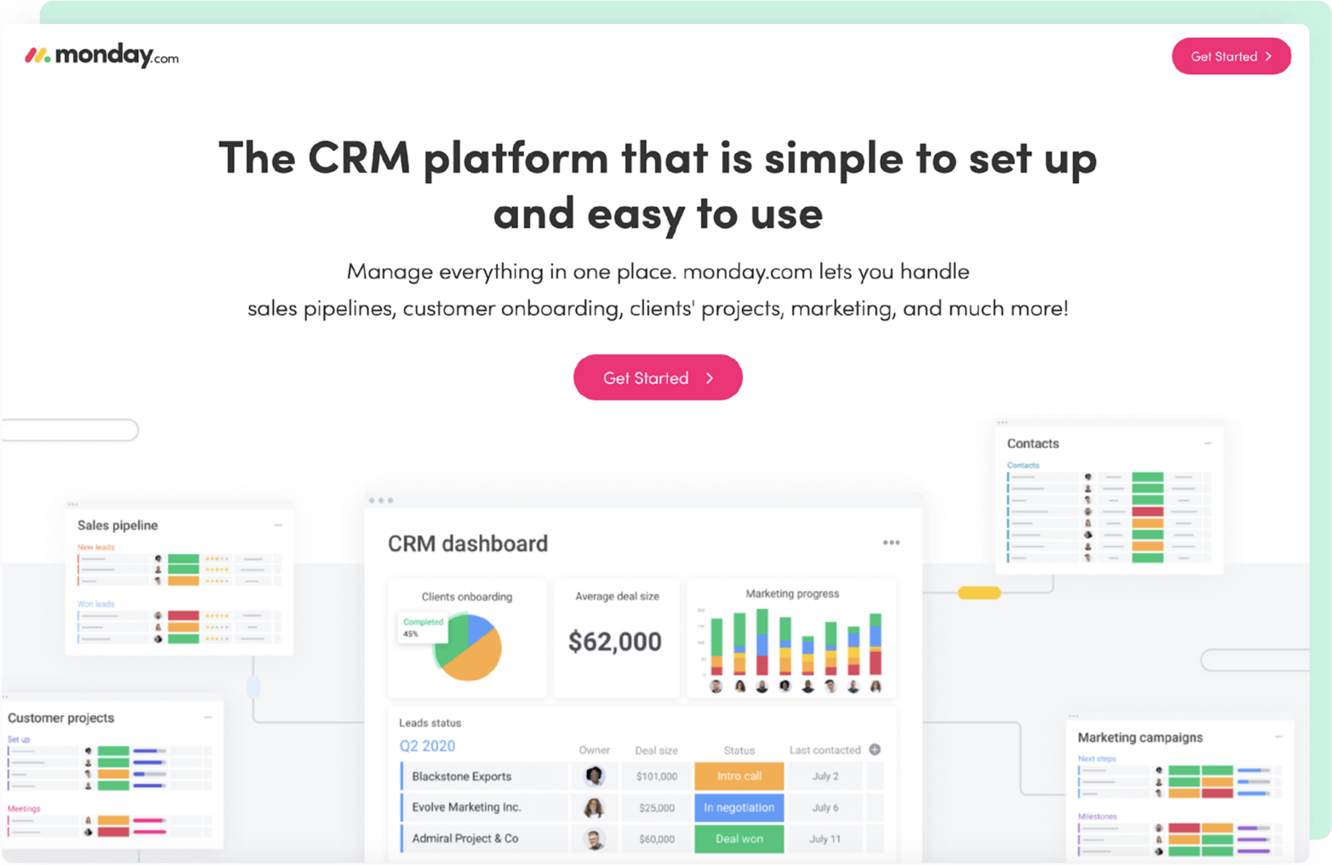
A customized user journey

An example: CRM Product Solution

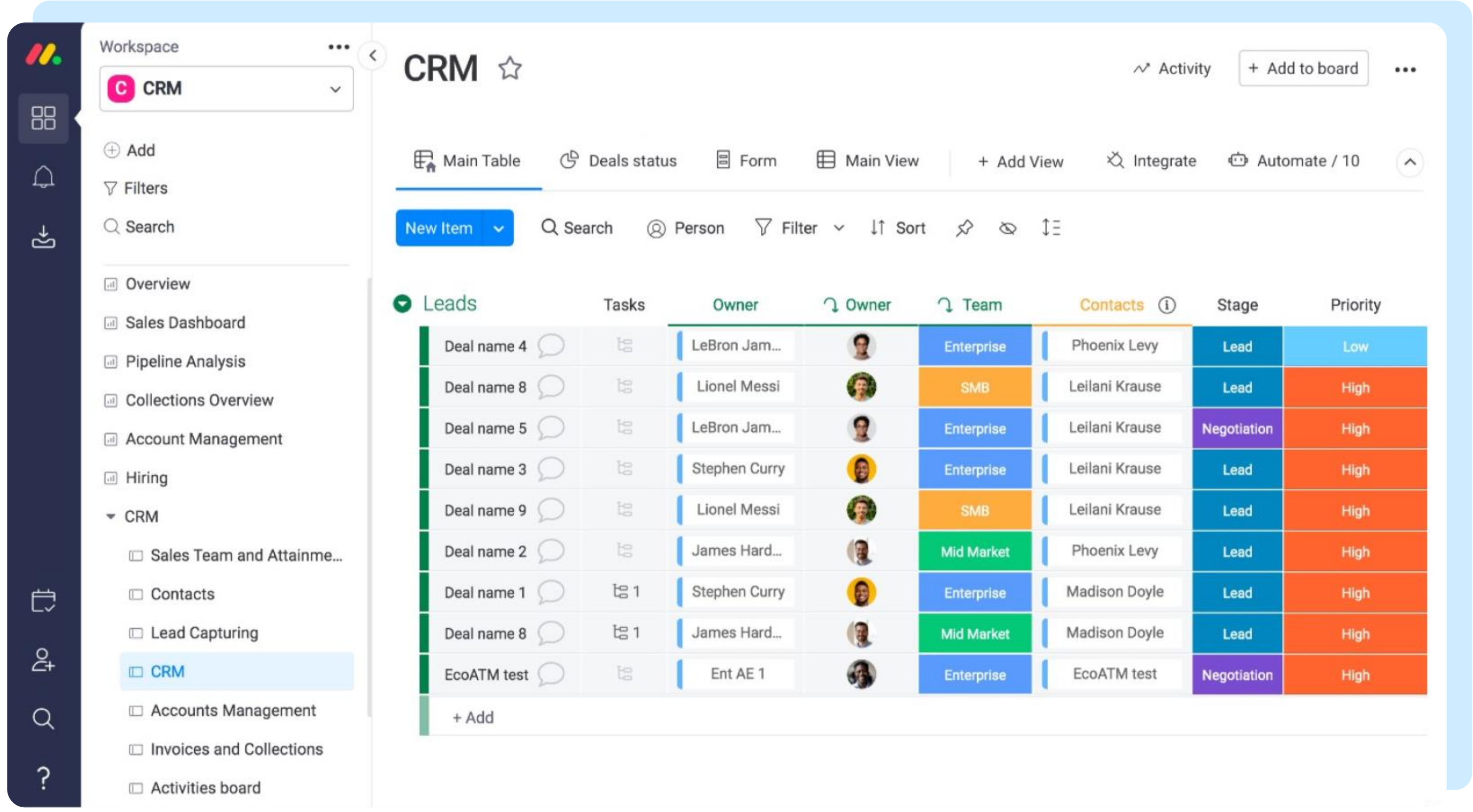
Targeted ads



Landing pages



Product

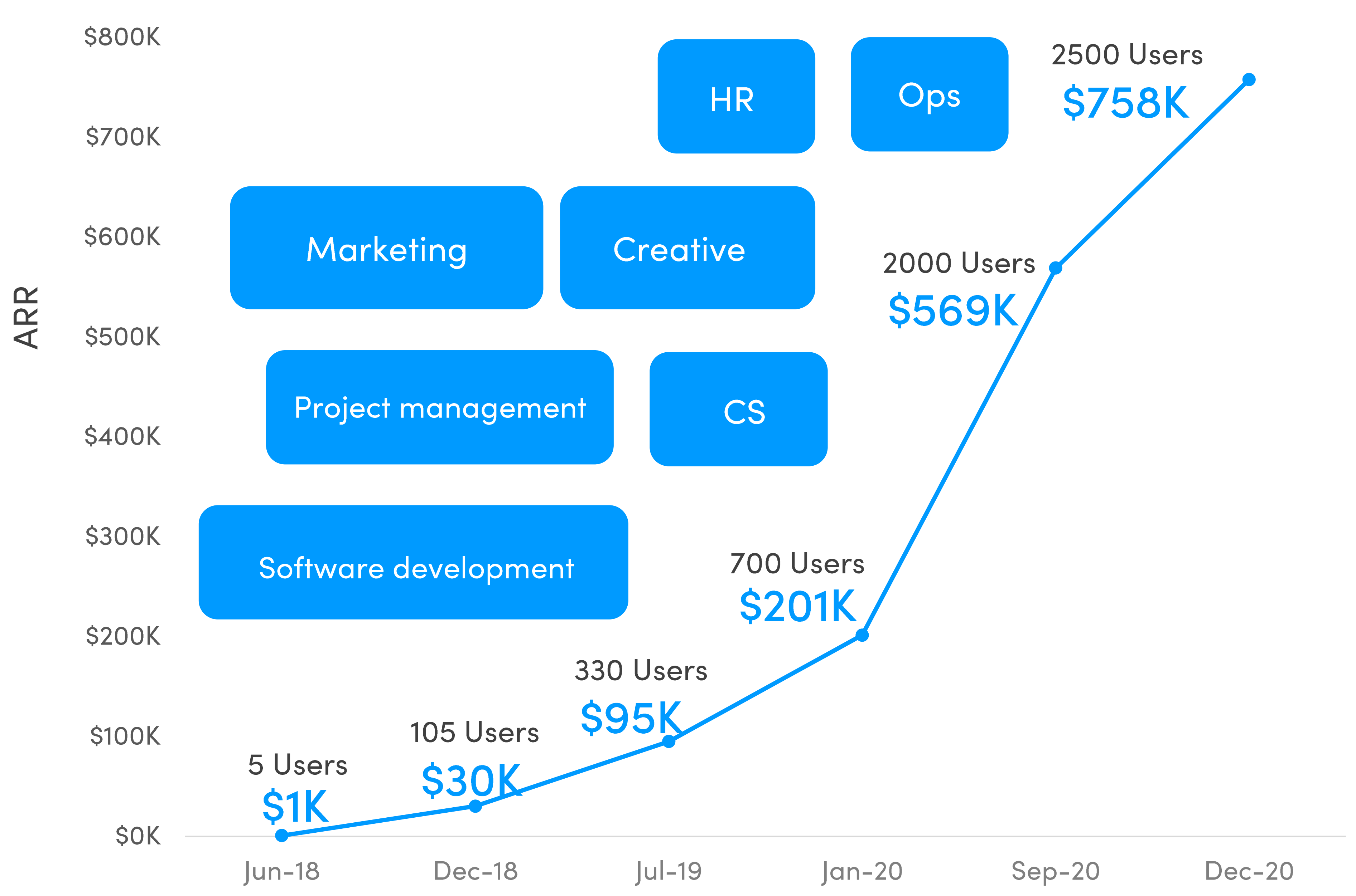


Discovery opportunities for Product Solutions include our template store, integration center, email marketing, CSM, and more.

Expanding upmarket with different product solutions, across any organization

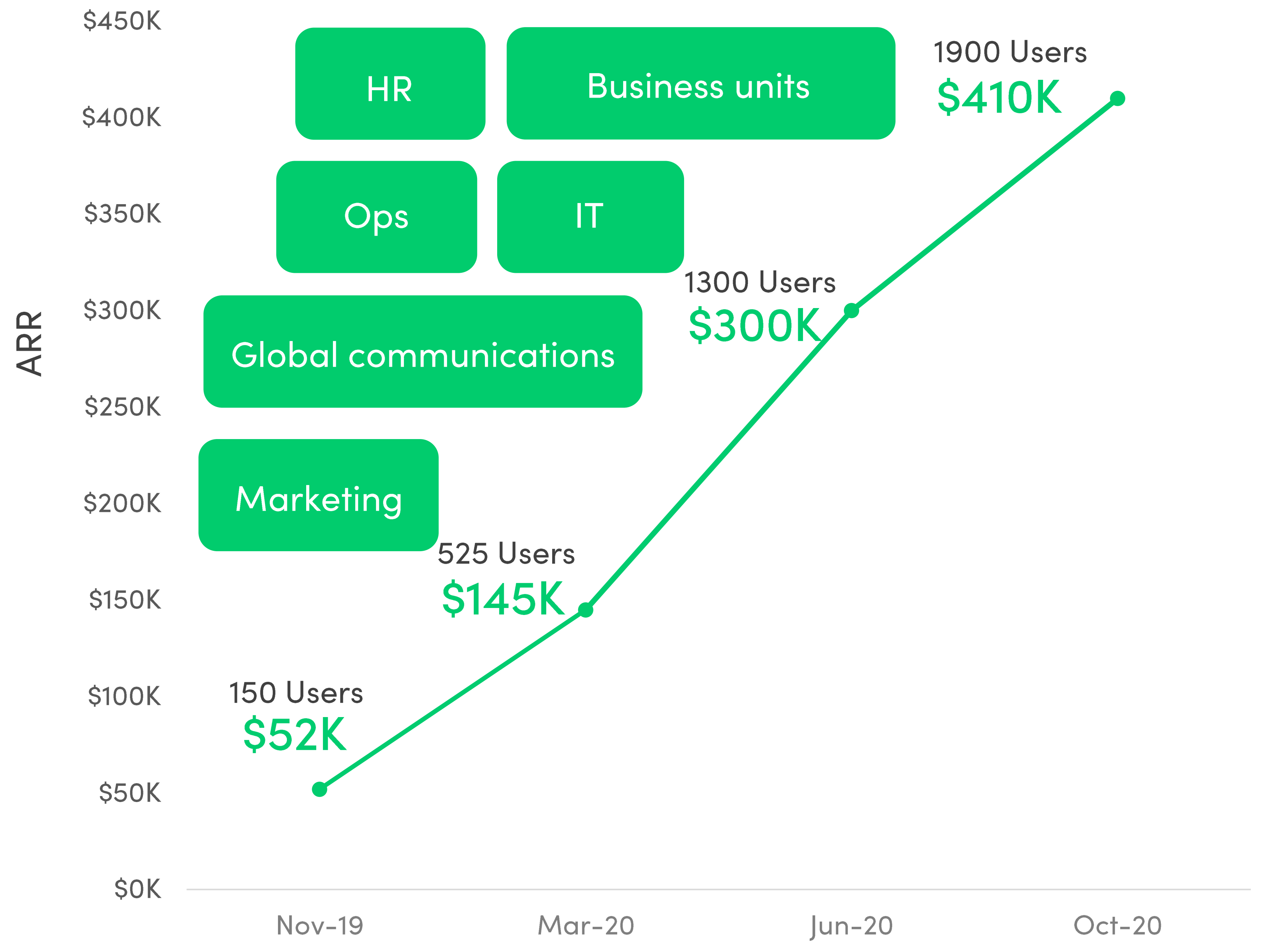
Bottom-up adoption

Illustrative leading game publisher



Sales-led adoption

Illustrative leading financial institution

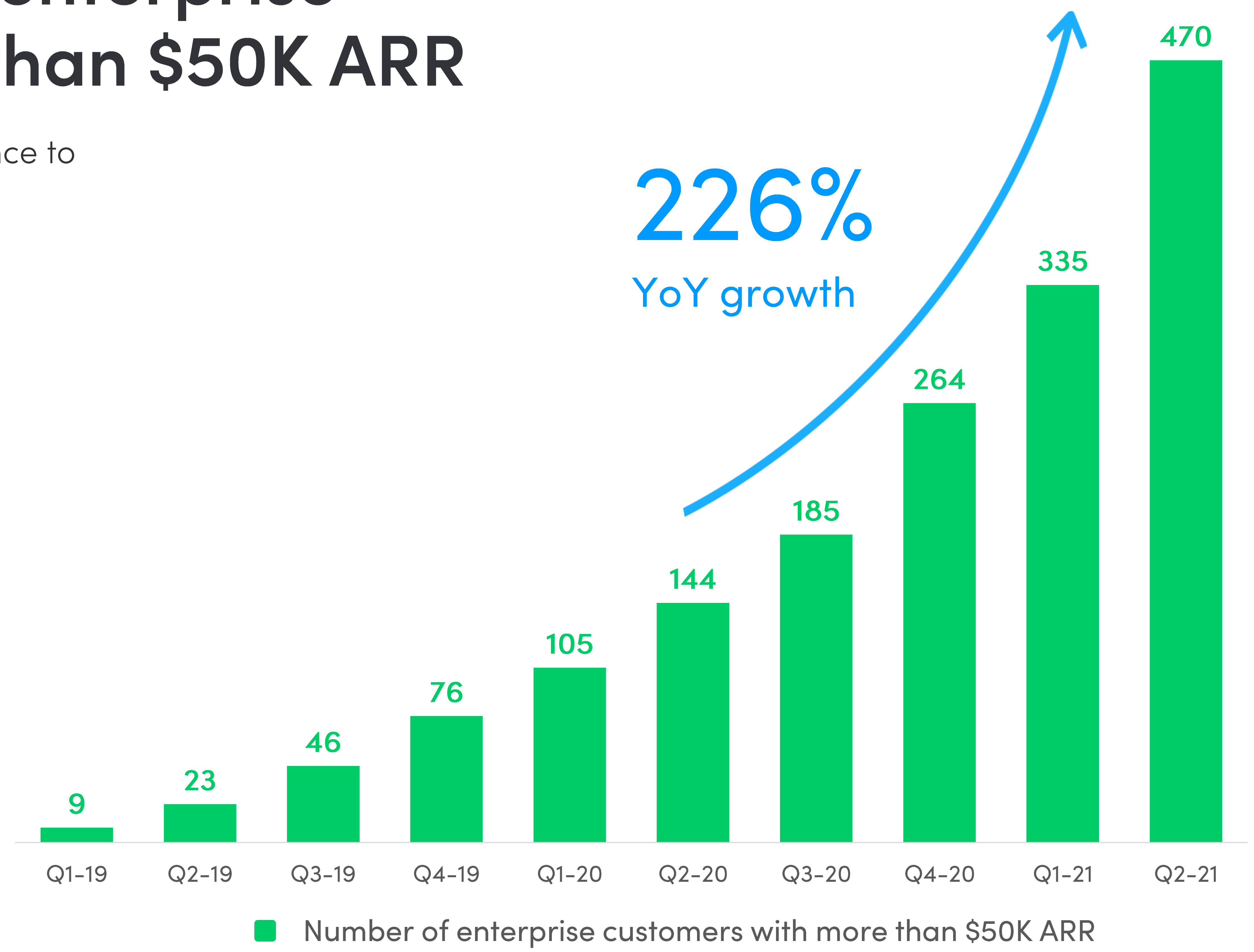


Expanding upmarket

Increasing number of enterprise customers with more than $50K ARR

We’re focusing on security, control and governance to enable new enterprise deals and expansion.

- Robust board and item level permissions
- Audit log enhancements
- Domain block and IP restriction
- Multi-region support — EU region is fully operational



* Information is as of the end of each quarter.

Expanding upmarket

Every team, every industry, every use case

NHL
Canva
lightspeed
BBC STUDIOS
PELOTON

SEMRUSH
BAUER MEDIA GROUP
ifood
TENNESSEE ONCOLOGY
UNIVERSAL
UNIVERSAL MUSIC GROUP

THE STUDENT HOTEL
OXY
CA INDOSUEZ WEALTH MANAGEMENT
HOLT CAT
INTERIOR LOGIC GROUP
Carrefour

Large and growing market opportunity

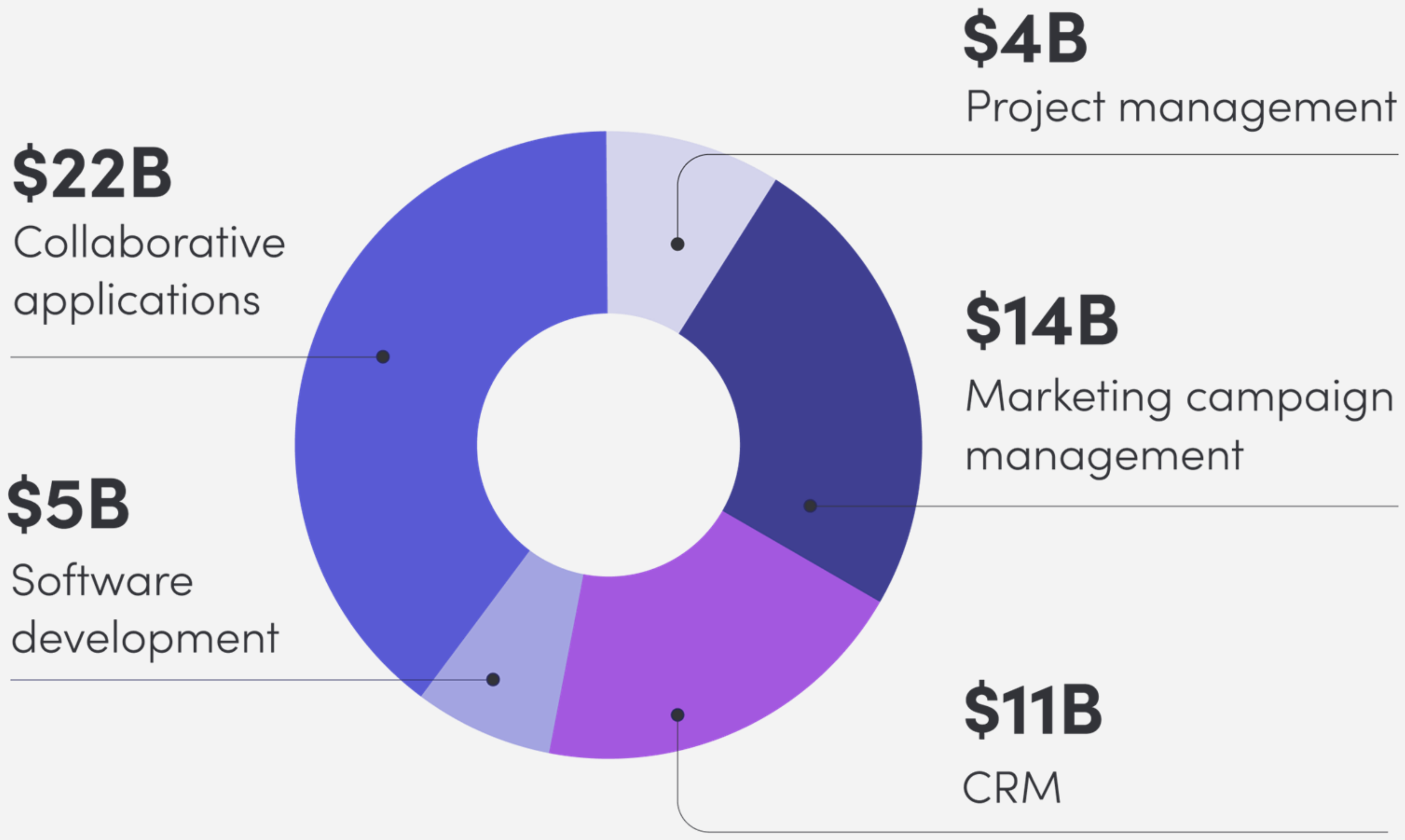
Market trends:

Organizations continue to **digitize** all aspects of work, across all industries

Work is becoming much more **distributed, cross-functional** and reliant on software

Total TAM

$56B



Note: Based on IDC data for 2020, representing the relevant segments of the entire market

Why we win

1 A new category of software

Work OS is the future of work software

2 Flexible and adaptable

Fits organizations of all sizes, from teams of 2 to companies of over 7,000

3 Creating a unified workspace

Connecting departments, tools and data across the organization

4 Virtually limitless

Flexible building blocks, open API, and apps marketplace ensure customers never hit a wall

5 A core work tool

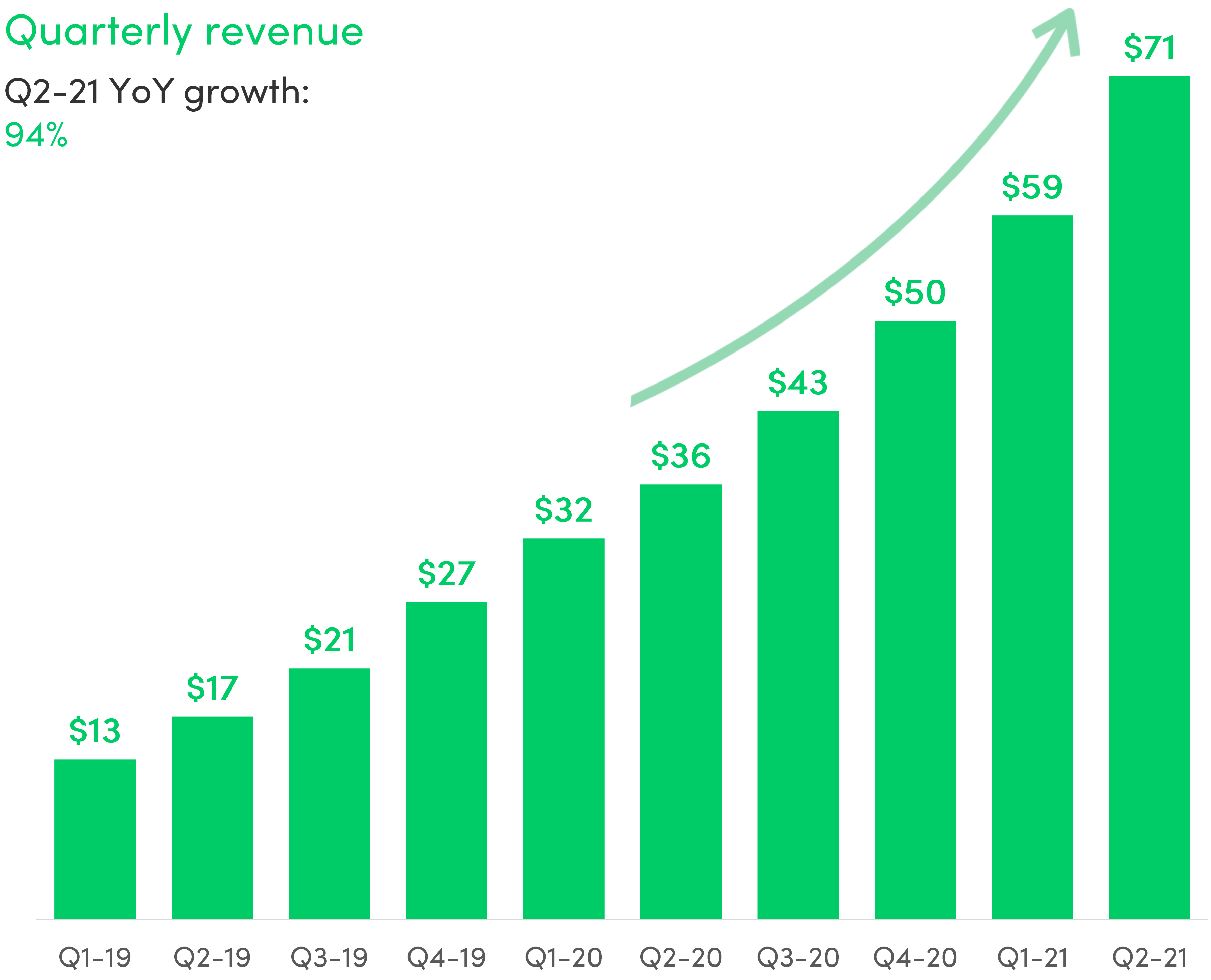
Used on a daily basis by all information workers, both tech and non-tech

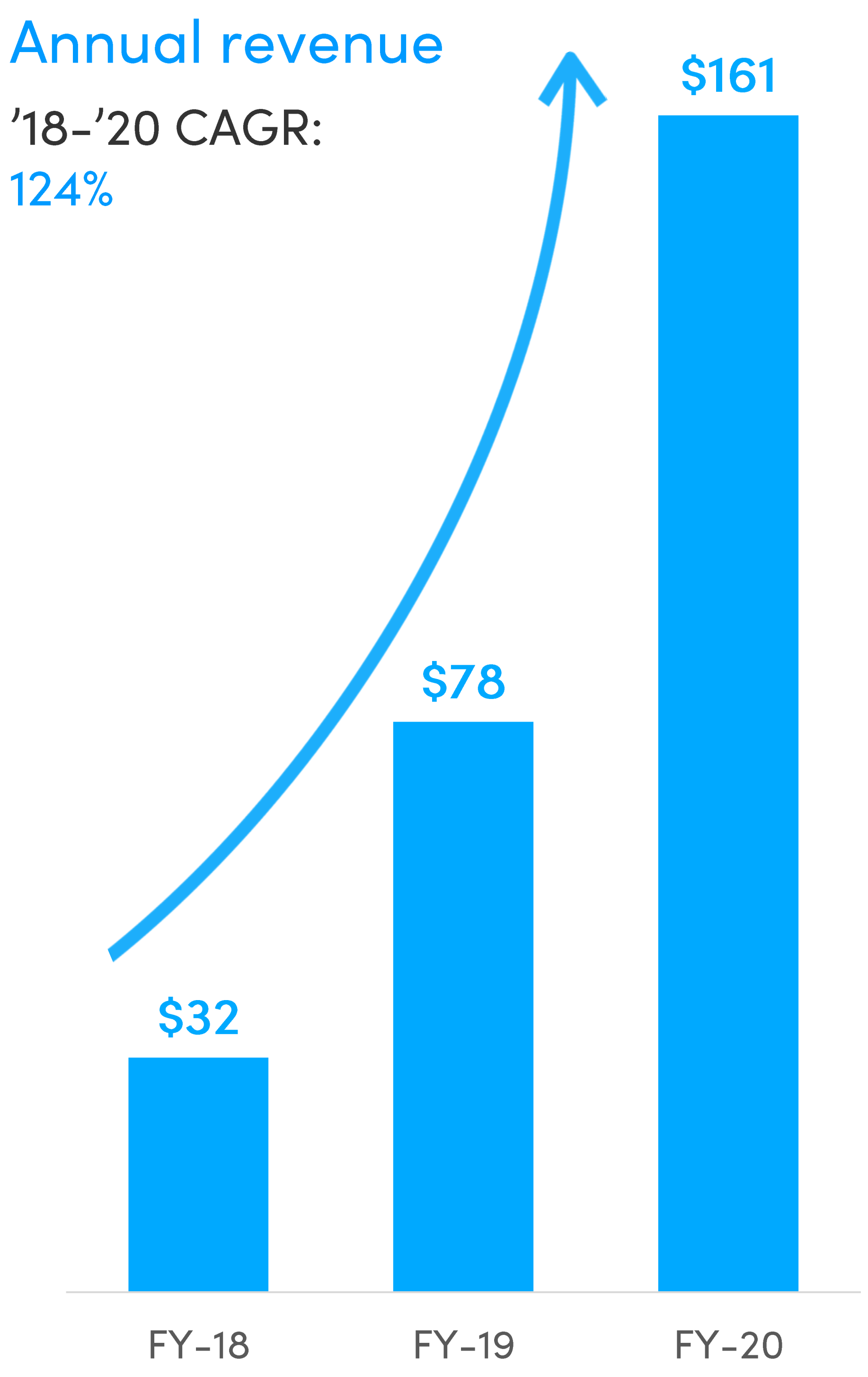
6 Strong culture and values

A key factor in our success and a key differentiator for our business

Financial overview and update

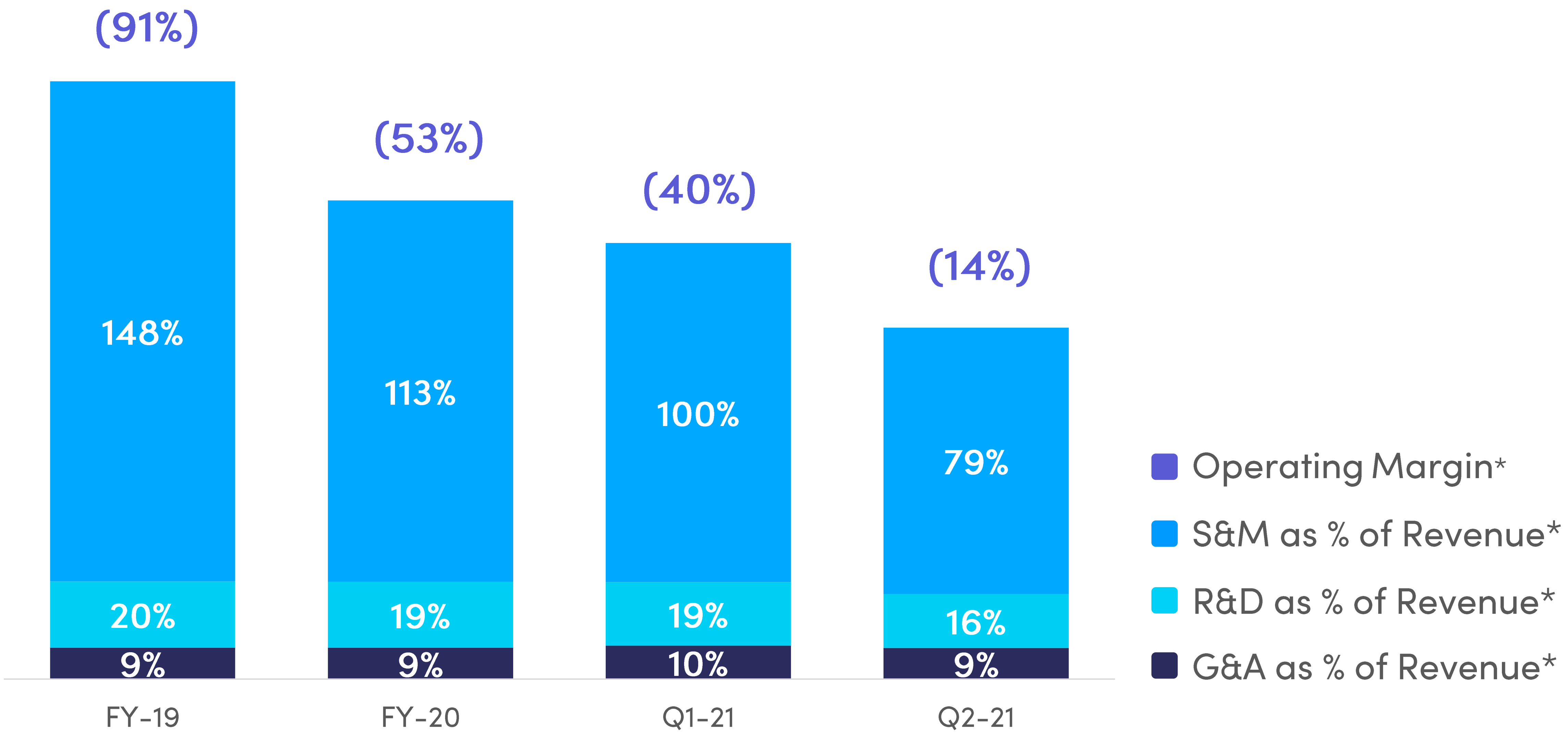
Consistent incremental revenue growth ($ Millions)





Improving operating leverage

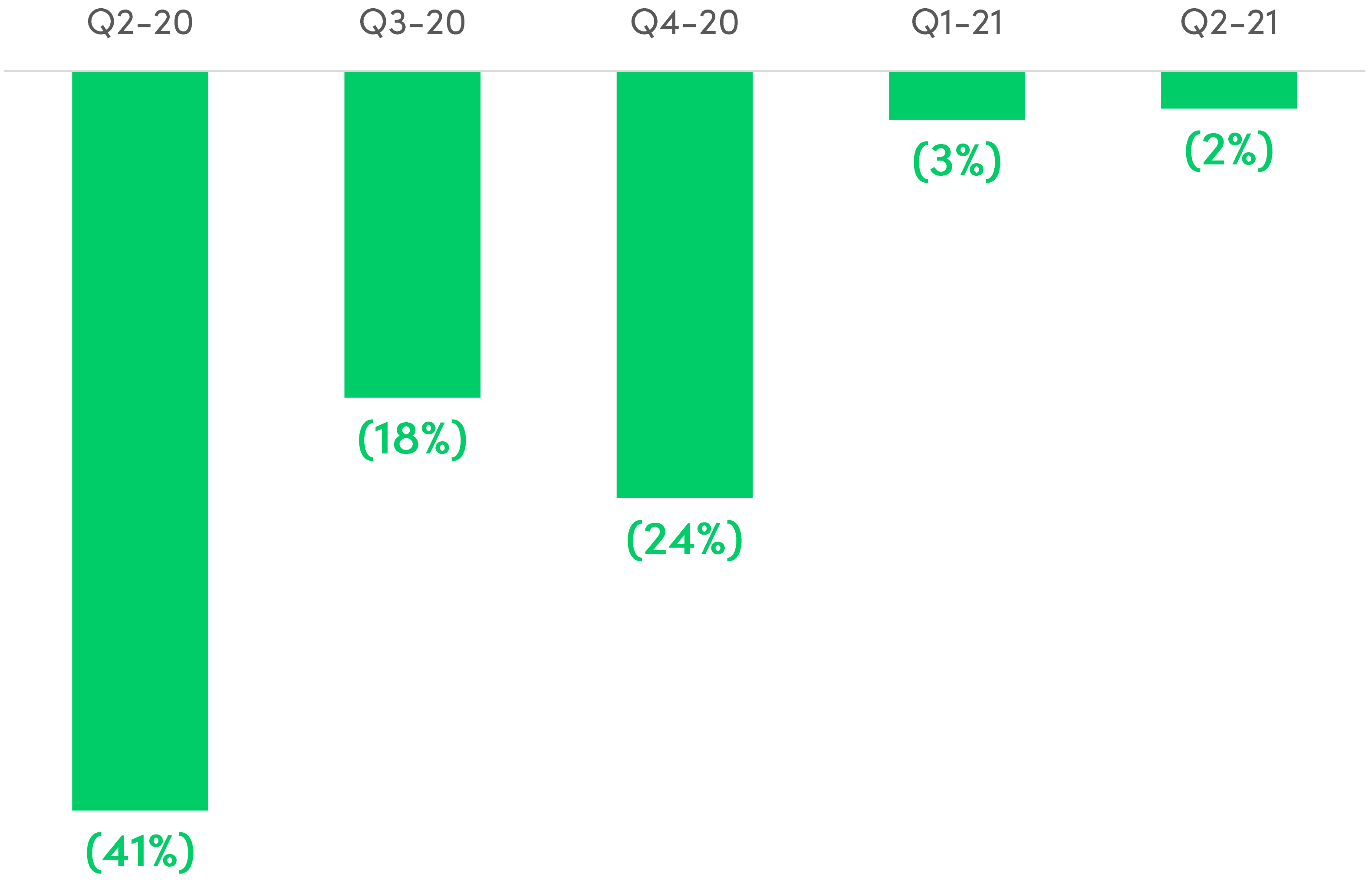
Expenses as a % of revenue



* Non-GAAP financial measures, see Appendix.

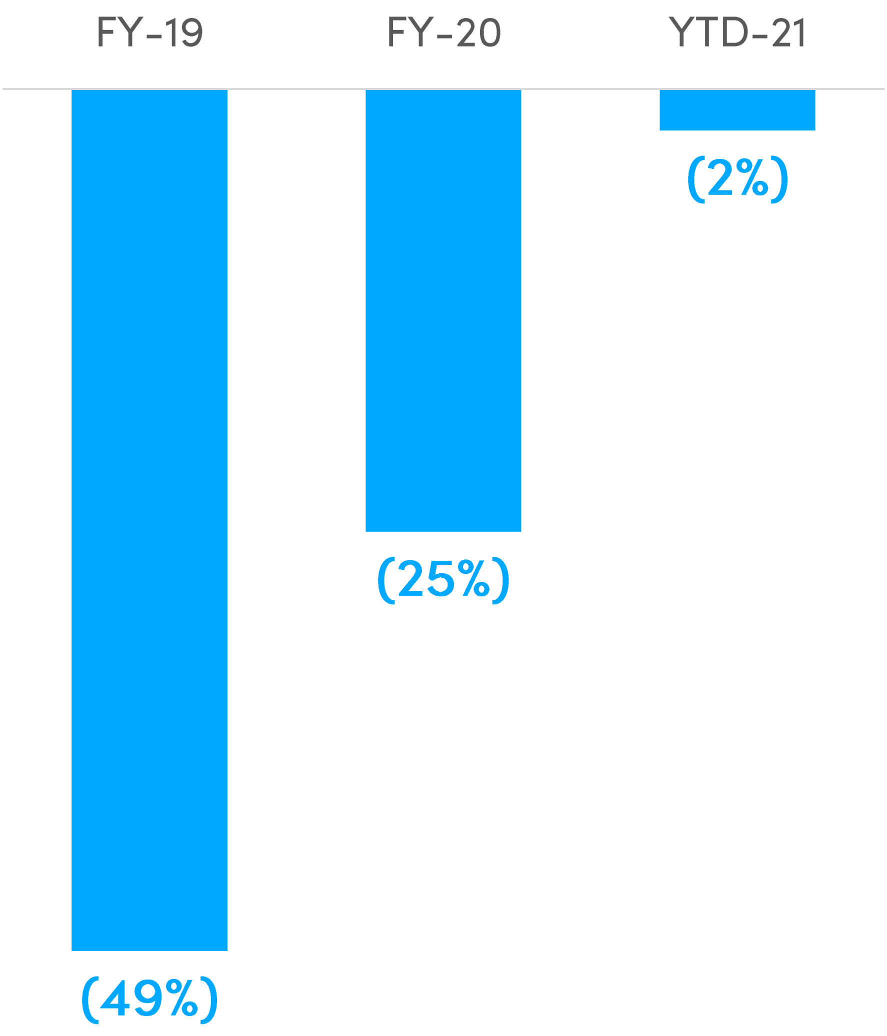
Investing in growth while improving cash efficiency

Quarterly Adjusted Free Cash Flow* Margin



Adjusted free cash flow amounts to: ($15M), ($7.8M), ($11.9M), ($1.6M), and ($1.5M) for Q2-20, Q3-20, Q4-20, Q1-21, and Q2-21, respectively.

Annual Adjusted Free Cash Flow* Margin



Adjusted free cash flow amounts to: ($38.4M), ($40.7M) and ($3.1M) for FY-19, FY-20 and YTD-21, respectively.

* Non-GAAP financial measures, see Appendix.

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Thank you

Appendix

Supplementary materials

Definitions

(1) We calculate Net Dollar Retention Rate as of a period end by starting with the ARR from customers as of the 12 months prior to such period end (“Prior Period ARR”). We then calculate the ARR from these customers as of the current period end (“Current Period ARR”). The calculation of Current Period ARR includes any upsells, contraction and attrition. We then divide the total Current Period ARR by the total Prior Period ARR to arrive at the net dollar retention rate. We then use a weighted average of this calculation of our quarterly Net Dollar Retention Rate for the four quarters ending with the most recent quarter.

(2) Annual recurring revenue (“ARR”) is defined to mean, as of a measurement date, the annualized value of our customer subscription plans assuming that any contract that expires during the next 12 months is renewed on its existing terms.

(3) Adjusted free cash flow includes net cash used in operating activities less cash used for purchases of property and equipment and capitalized software development costs, plus non-recurring expenditures such as capital expenditures from the purchases of property and equipment associated with the build-out of our corporate headquarters.

Reconciliation of non-GAAP financial measures
Adjusted free cash flow

($ in millions)	FY-19	FY-20	YTD-21
Net cash used in operating activities	(36.7)	(37.2)	(1)
Purchase of PP&E	(1.4)	(4.4)	(5.6)
Capitalized software development costs	(0.3)	(1.1)	(1.2)
Purchases associated with build-out of new corporate headquarters	-	2.0	4.7
Adjusted free cash flow	(38.4)	(40.7)	(3.1)
Adjusted free cash flow margin	(49%)	(25%)	(2%)

Reconciliation of non-GAAP financial measures
Adjusted free cash flow

($ in millions)	Q2-20	Q3-20	Q4-20	Q1-21	Q2-21
Net cash used in operating activities	(13.9)	(7.2)	(10.9)	(0.6)	(0.4)
Purchase of PP&E	(1)	(0.5)	(1.7)	(4.2)	(1.4)
Capitalized software development costs	(0.2)	(0.2)	(0.6)	(0.5)	(0.7)
Purchases associated with build-out of new corporate headquarters	0.1	0.1	1.3	3.7	1
Adjusted free cash flow	**(15)**	**(7.8)**	**(11.9)**	**(1.6)**	**(1.5)**
Adjusted free cash flow margin	**(41%)**	**(18%)**	**(24%)**	**(3%)**	**(2%)**

Reconciliation of non-GAAP financial measures

($ in thousands)	FY-19	FY-20	Q1-21	Q2-21
Reconciliation of gross profit:				
GAAP gross profit	66,111	138,635	51,048	61,507
Add: Share-based compensation	970	2,720	1,531	1,833
Non-GAAP gross profit	**67,081**	**141,355**	**52,579**	**63,340**
Reconciliation of gross margin:				
GAAP gross margin	85%	86%	87%	87%
Non-GAAP adjustments	1%	2%	2%	3%
Non-GAAP gross margin	**86%**	**88%**	**89%**	**90%**
Reconciliation of operating expenses:				
GAAP research and development	24,637	43,480	15,581	16,271
Less: Share-based compensation	9,396	12,142	4,537	5,068
Non-GAAP research and development	**15,241**	**31,338**	**11,044**	**11,203**

Reconciliation of non-GAAP financial measures

($ in thousands)	FY-19	FY-20	Q1-21	Q2-21
GAAP sales and marketing	118,534	191,353	63,048	61,057
Less: Share-based compensation	3,283	10,068	4,034	5,536
Non-GAAP sales and marketing	**115,251**	**181,285**	**59,014**	**55,521**
GAAP general and administrative	15,458	54,339	10,266	11,648
Less: Share-based compensation	8,190	39,415	4,438	5,121
Non-GAAP general and administrative	**7,268**	**14,924**	**5,828**	**6,527**
Reconciliation of operating loss:				
GAAP operating loss	(92,518)	(150,537)	(37,847)	(27,469)
Add: Share-based compensation	21,839	64,345	14,540	17,558
Non-GAAP operating loss	**(70,679)**	**(86,192)**	**(23,307)**	**(9,911)**
GAAP operating margin	(118%)	(93%)	(64%)	(39%)
Non-GAAP adjustments	27%	40%	24%	25%
Non-GAAP operating margin	**(91%)**	**(53%)**	**(40%)**	**(14%)**