Enfusion 3Q 2024 Shareholder Letter

November 2024

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Disclaimer

Forward-Looking Statements

Statements we make in this presentation may include statements which are not historical facts and are considered forward-looking within the meaning of Section 27A of the Securities Act of 1933 (Securities Act) and Section 21E of the Securities Exchange Act of 1934 (Exchange Act), including expectations regarding future financial performance. These forward-looking statements are usually identified by the use of words such as “anticipates,” “believes,” “estimates,” “expects,” “intends,” “may,” “plans,” “projects,” “seeks,” “should,” “could,” “will,” and variations of such words or similar expressions. We intend these forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in Section 27A of the Securities Act and Section 21E of the Exchange Act and are making this statement for purposes of complying with those safe harbor provisions.

These forward-looking statements reflect our current views about our plans, intentions, expectations, strategies and prospects, which are based on the information currently available to us and on assumptions we have made. Although we believe that our plans, intentions, expectations, strategies and prospects as reflected in or suggested by those forward-looking statements are reasonable, we can give no assurance that the plans, intentions, expectations or strategies will be attained or achieved. Furthermore, actual results may differ materially from those described in the forward-looking statements and will be affected by a variety of risks and factors that are beyond our control. More information on these risks and other potential factors that could affect our business, financial performance and results of operations can be found in our filings with the Securities & Exchange Commission, including in the “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” sections of our most recently filed periodic reports on Form 10-K and Form 10-Q. We assume no obligation to update publicly any forward-looking statements, whether as a result of new information, future events or otherwise.

Dear Shareholders,

Enfusion had another solid quarter, generating revenue of $51.2M, translating to 15.4% year over year revenue growth combined with year over year expansion of adjusted EBITDA margins. We won 38 new accounts this quarter, bringing our total client count to 894, a firm record. More importantly, we are executing on our product roadmap which has enabled us to be included in more RFP's and win business that was previously out of reach in the institutional asset management and corporate segments.

Q3 2024 Highlights:

- **Our initiatives are aligning and gaining momentum.** Product initiatives such as Portfolio Workbench have expanded our serviceable addressable market, allowing us to win accounts that previously passed on us. In combination with product upgrades and enhancements, we have also strengthened our personnel, bringing in world class talent in customer service, product, and engineering. These actions position us to provide the up-market service larger clients require.
- **The Americas is on track for the best launch market since 2021.** We added 8 new launch accounts in the US during 3Q 2024, bringing our year-to-date total to 31. At this rate, we are now on pace for our best year for new launch accounts since 2021, further solidifying our position as a market leader in this segment.
- **We continue to expand our footprint outside the global money centers.** Nearly one third, or 32%, of our new clients are now outside the concentrated money centers of the US, UK and Hong Kong, a meaningful expansion from our 19% average from 1Q 2021 through 2Q 2024. We won business in 12 countries in Q3, our most geographically diverse win rate and well above our historical 3-year average of 9 countries.

We are narrowing our full year revenue and Adjusted EBITDA guidance to $202M-$205M and $41M-$45M respectively. both of which are within the original guidance ranges provided at our Investor Day. We continue to be confident in our mid-term guidance and believe we remain on track to becoming a "Rule of 40" Company over the 2025-2027 time period. In summary, we are excited to see the pieces of our story coming together.

Sincerely,

Oleg Movchan
Chief Executive Officer

Our Mission

To power all investment workflows with our unparalleled technology, relentless innovation, and dedicated focus on clients

- **Front-to-back capabilities power all workflows across asset classes, strategies & investment vehicles**

- **Unparalleled multi tenant technology is a foundation of our competitive edge**

  Our product strategy reflects our innovation mindset

- **We deliver exceptional tech enabled client experience**

  Leverage the depth and breadth of our client base to improve continuously

- **Passionate team of seasoned operators**

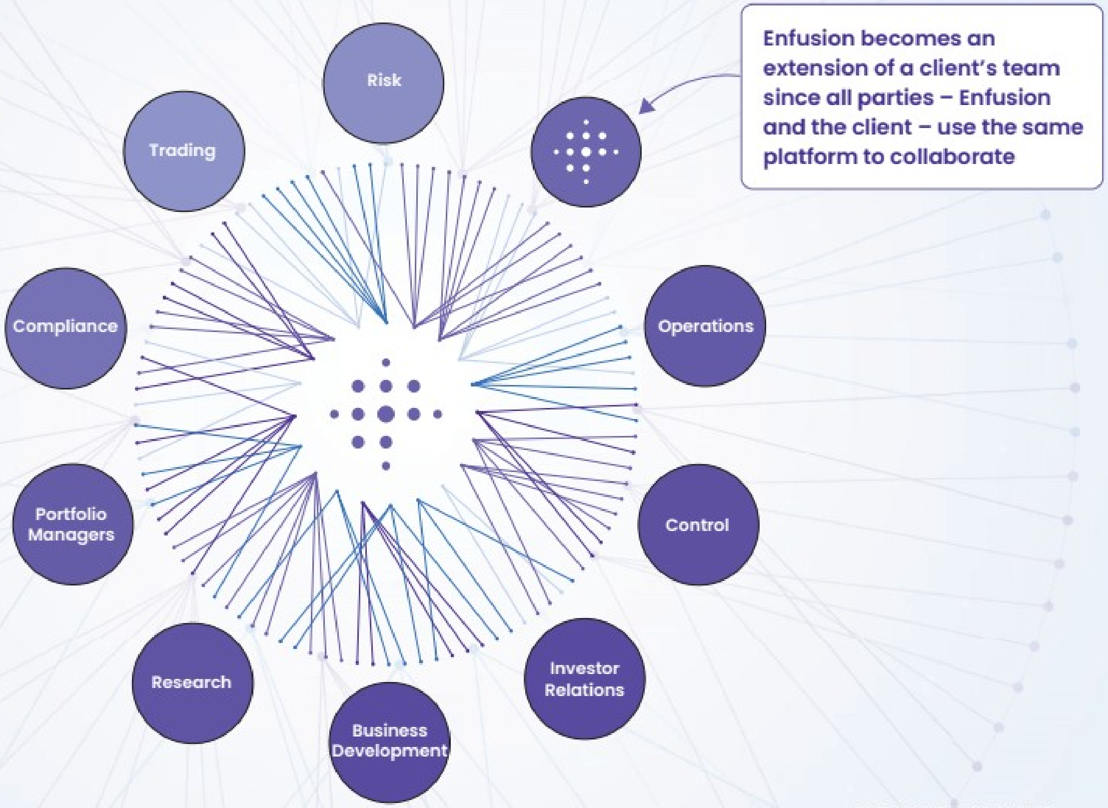
  Experience leading large organizations across multiple market cycles

- **All mission components translate into growth with a durable margin profile**

Enfusion is a Unique Collaboration Platform

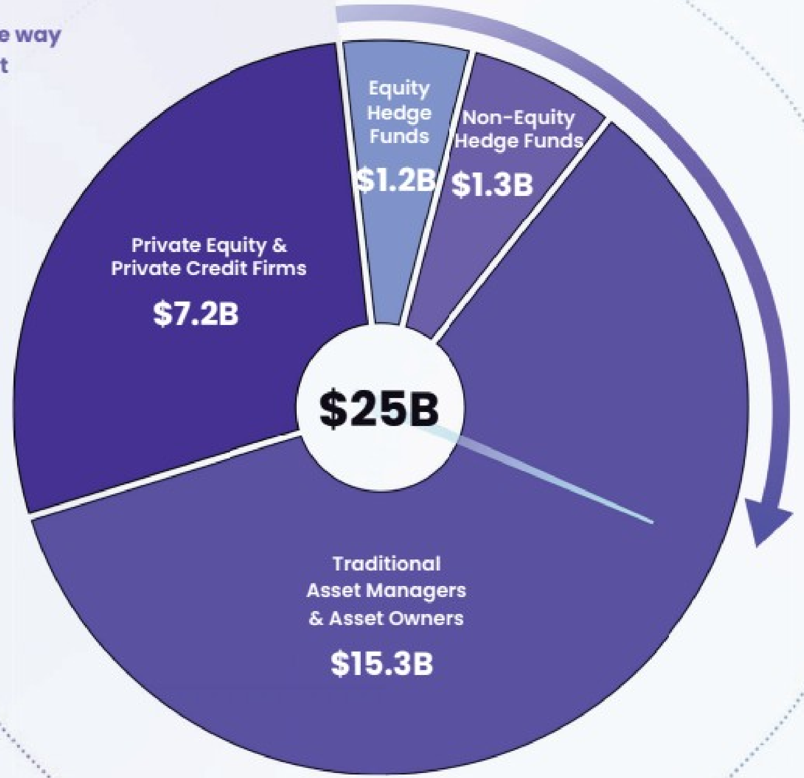
Our SaaS architecture & product roadmap expand collaboration for all related workflows to more personas across all functional areas

This architecture enables a "single source of truth" data framework



Untapped Upside Potential: **$25B TAM**

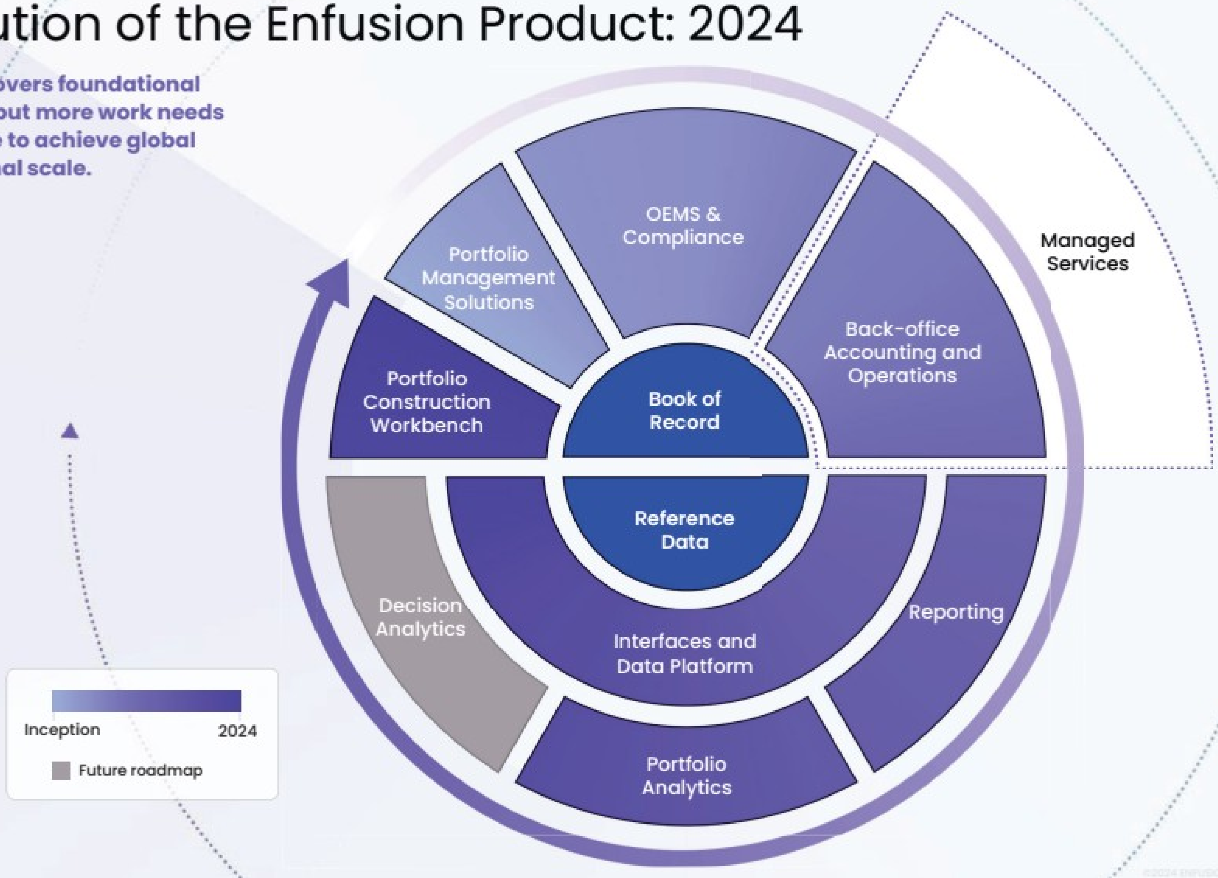
It is our time to disrupt the traditional asset management segment the same way we disrupted the alternatives segment



The above figures are based on Enfusion's internal estimates incorporating data from HFM/With Intelligence, Preqin, IPREO and other media sources

Evolution of the Enfusion Product: 2024

Product covers foundational baseline, but more work needs to be done to achieve global Institutional scale.



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The Perfect Storm: Why Enfusion Wins

Enfusion's History

Built with multi-tenant SaaS architecture from day one

Trailblazing technology foundational to future growth

Macro Market Trends

- SaaS Eating Enterprise Models → Client's Race to Cloud & Scalability
- Electronification of Markets → Client's Time-to-Market Pressures
- Active Management Fee Compression → Client's Reduced Tech Budgets

3Q24 Key Financial Highlights

$ in millions

Highly attractive SaaS model with combination of scale, growth and profitability

Total Revenue	$51.2	15.4%	YoY Growth
Gross Profit	$34.8	68.1%	Gross Margin
Adjusted Gross Profit (1)	$35.2	68.8%	Adjusted Gross Margin(1)
Net Income	$2.0	3.8%	Net Income Margin
Adjusted EBITDA(1)	$11.1	21.8%	Adjusted EBITDA Margin(1)
Operating Cash Flow	$16.2	31.6%	OCF Margin (1)
Adjusted Free Cash Flow(1)	$13.7	123.3%	FCF Conversion (1)

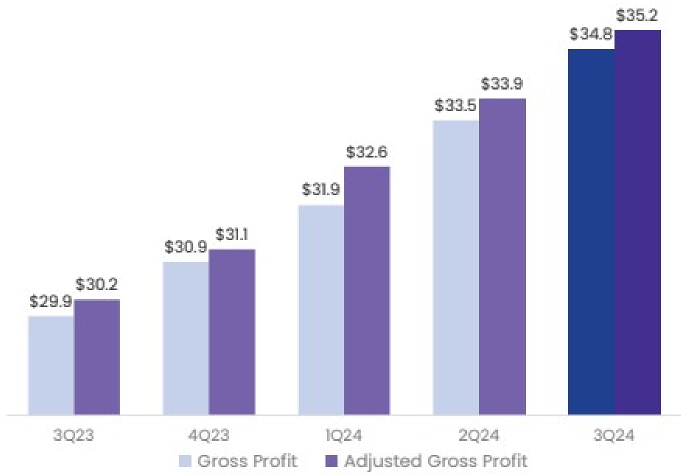
(1) See appendix for definition and non-GAAP reconciliations.

Strong Growth

$ in millions

Revenue

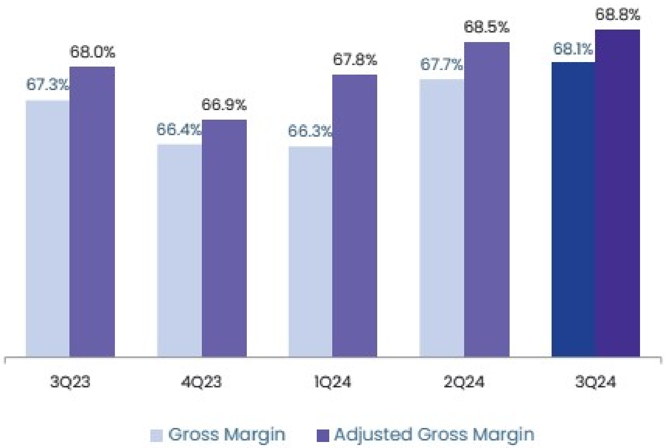
Gross Profit and Adjusted Gross Profit (1)



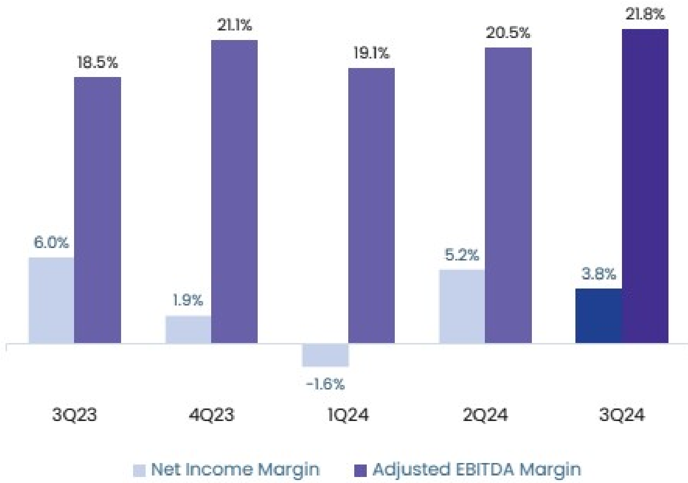
(1) See appendix for non-GAAP reconciliations.

Improving Profitability

Gross Margin and Adjusted Gross Margin (1)



Net Income Margin and Adjusted EBITDA Margin (1)



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(1) See appendix for non-GAAP reconciliations.

Improving Profitability

$ in millions

Net Income and Adjusted EBITDA[1]

Operating Cash Flow and Adjusted Free Cash Flow[1]

(1) See appendix for non-GAAP reconciliations.

Organic client growth and expansion continues to scale

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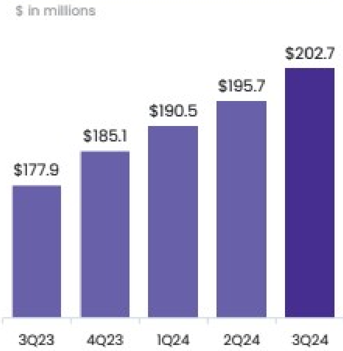
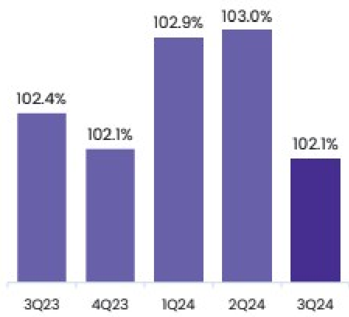


YoY Growth

3Q23	4Q23	1Q24	2Q24	3Q24
12.1%	12.4%	14.1%	14.3%	13.9%

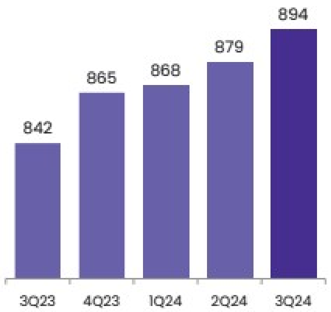
Net Dollar Retention Rate(1)



YoY Growth(2)

3Q23	4Q23	1Q24	2Q24	3Q24
-10.3%	-9.3%	-3.1%	1.3%	-0.3%

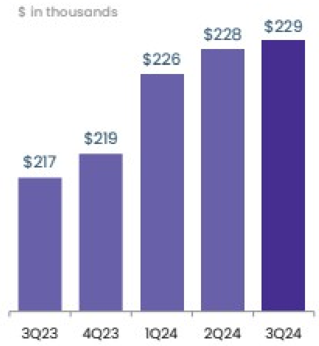
Clients



% Conversions(3)

3Q23	4Q23	1Q24	2Q24	3Q24
59%	58%	59%	59%	58%

Avg Contract Value



YoY Growth

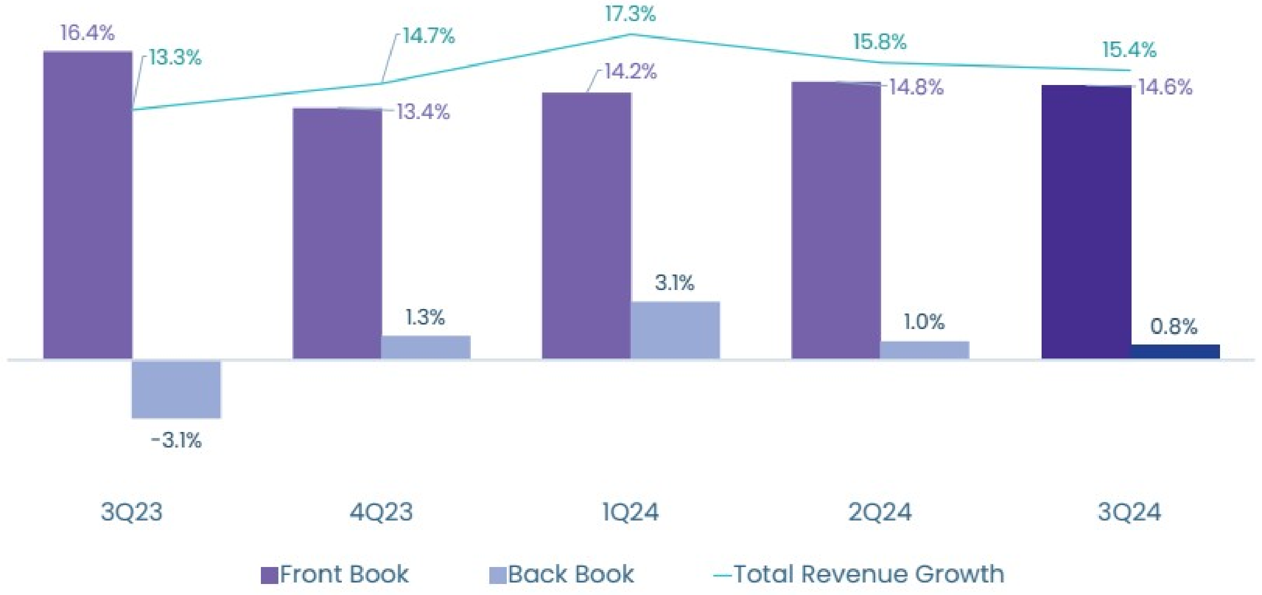
3Q23	4Q23	1Q24	2Q24	3Q24
8.0%	5.6%	7.8%	7.5%	5.7%

(1) The Net Dollar Retention Rate (NDRR) reported includes involuntary churn, and a 70 bps headwind 4Q23, a 60 bps headwind in 1Q23, a 60 bps headwind in 2Q24, and a 60 bps headwind in 3Q24, in each case because of the UBS Credit Suisse merger

(2) Represents NDR variance Year over Year

(3) Conversions as a percentage of ARR.

Front Book + Back Book = Total Revenue Growth



Front Book = Onboarding Of New Logos
Back Book = Growth From Our Existing Customer Base

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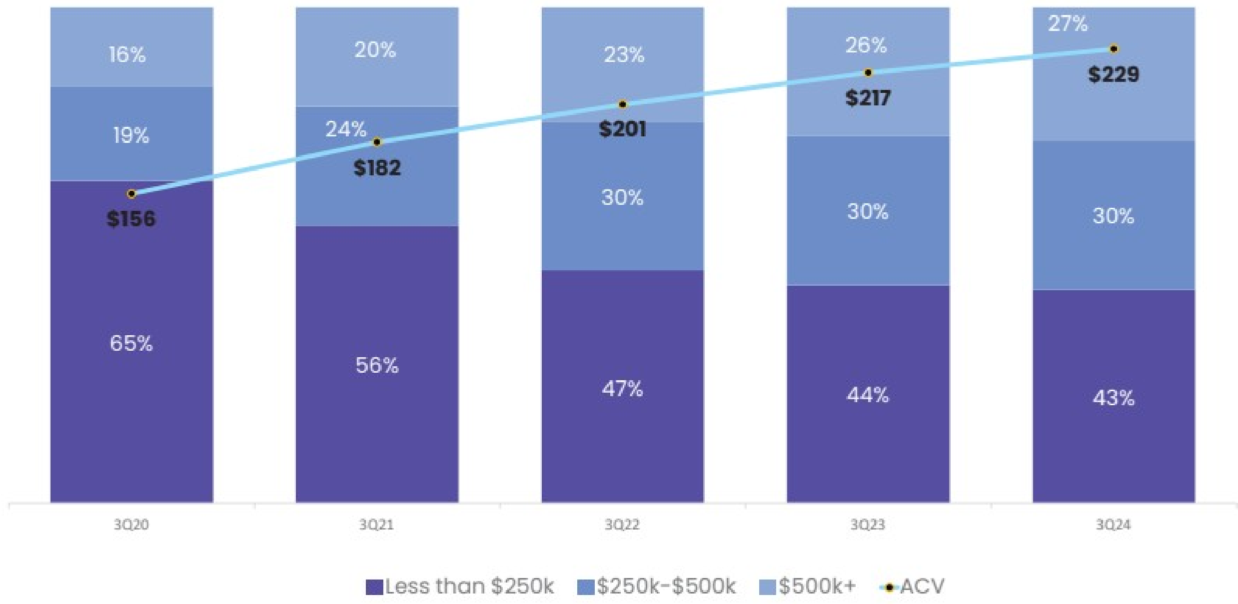
Client ARR Distribution and ACV

Client Book continues to evolve toward larger ACV clients

Evolution of Customer Size Segments – ARR Distribution



2024 Updated Guidance

Financial Metrics	Previous	New
GAAP Revenues	$200-210 Million	$202-205 Million
Adjusted EBITDA	$40-45 Million	$41-45 Million
FCF Conversion	50-55%	50-55%

FCF Conversion is adjusted Free Cash Flow divided by Adjusted EBITDA.

Adjusted EBITDA guidance excludes stock-based compensation of $19-20 million for the full year of 2024, of which we estimate approximately 1/3 occurred in 1Q24.

These statements are forward-looking and actual results may differ materially. Refer to the "Forward-Looking Statements" safe harbor section above for information on the factors that could cause our actual results to differ materially from these forward-looking statements.

A reconciliation of these forward-looking non-GAAP measures to the corresponding GAAP measure is not available without unreasonable effort because of the inherent difficulty of forecasting the occurrence and financial impact of the various adjusting items necessary for such reconciliations that have not yet occurred, are out of our control, or cannot reasonable be predicted. For the same reasons, Enfusion is unable to assess the probable significance of the unavailable information, which could have a material impact on its future GAAP financial results.

Medium Term Guidance (2025 - 2027)

Financial Metrics	No Change
Annual Revenue Growth	20-22%
Annual Adjusted EBITDA Margin Expansion	200-400 bps
Annual FCF Conversion Expansion	300-500 bps

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Appendix

ENFUSION, INC.
CONSOLIDATED BALANCE SHEETS
(dollars and shares in thousands, except par value)

	As of September 30, 2024 (Unaudited)	As of December 31, 2023
ASSETS		
Current assets:		
Cash and cash equivalents	$ 48,299	$ 35,604
Accounts receivable, net	32,173	28,069
Prepaid expenses	3,576	5,009
Other current assets	1,388	1,170
Total current assets	85,436	69,852
Notes receivable, net	3,000	—
Property, equipment, and software, net	20,513	18,314
Right-of-use-assets, net	18,926	14,304
Other assets	7,065	6,502
Total assets	$ 134,940	$ 108,972
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 1,175	$ 2,212
Accrued expenses and other current liabilities	16,460	13,841
Current portion of lease liabilities	5,935	4,256
Total current liabilities	23,570	20,309
Lease liabilities, net of current portion	15,193	11,181
Total liabilities	38,763	31,490
Commitment and contingencies (Note 8)		
Stockholders' equity:		
Preferred stock, $0.001 par value; 100,000 shares authorized, no shares issued and outstanding as of September 30, 2024 and December 31, 2023, respectively	—	—
Class A common stock, $0.001 par value; 1,000,000 shares authorized, 93,264 and 88,332 shares issued and outstanding as of September 30, 2024 and December 31, 2023, respectively	93	88
Class B common stock, $0.001 par value; 150,000 shares authorized, 35,199 and 39,199 shares issued and outstanding as of September 30, 2024 and December 31, 2023, respectively	35	39
Additional paid-in capital	240,224	226,877
Accumulated deficit	(170,230)	(172,932)
Accumulated other comprehensive loss	(199)	(406)
Total stockholders' equity attributable to Enfusion, Inc.	69,923	53,666
Non-controlling interests	26,254	23,816
Total stockholders' equity	96,177	77,482
Total liabilities and stockholders' equity	$ 134,940	$ 108,972

ENFUSION, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(dollars and shares in thousands, except per share amounts) (Unaudited)

	Three Months Ended September 30, 2024	Three Months Ended September 30, 2023
REVENUES:		
Platform subscriptions	$ 47,786	$ 40,857
Managed services	3,078	3,028
Other	302	472
Total revenues	51,166	44,357
COST OF REVENUES:		
Platform subscriptions	14,584	12,745
Managed services	1,631	1,604
Other	125	158
Total cost of revenues	16,340	14,507
Gross profit	34,826	29,850
OPERATING EXPENSES:		
General and administrative	18,782	16,721
Sales and marketing	6,221	5,503
Technology and development	6,842	4,937
Total operating expenses	31,845	27,161
Income from operations	2,981	2,689
NON-OPERATING (EXPENSE) INCOME:		
Payment to related party	—	—
Loss on extinguishment of debt	—	(78)
Interest income, net	487	252
Other (expense) income, net	(607)	165
Total non-operating (expense) income	(120)	339
Income before income taxes	2,861	3,028
Income taxes	904	367
Net income	1,957	2,661
Net income attributable to non-controlling interests	542	833
Net income attributable to Enfusion, Inc.	$ 1,415	$ 1,828
Net income per Class A common shares attributable to Enfusion, Inc.:		
Basic	$ 0.02	$ 0.02
Diluted	$ 0.02	$ 0.02
Weighted-average number of Class A common shares outstanding:		
Basic	92,904	87,739
Diluted	128,984	127,841

ENFUSION, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(dollars and shares in thousands, except per share amounts) (Unaudited)

	Nine Months Ended September 30, 2024	Nine Months Ended September 30, 2023
Cash flows from operating activities:		
Net income	$ 3,743	$ 8,353
Adjustments to reconcile net income to net cash provided by operating activities:		
Non-cash lease expense	5,554	5,231
Depreciation and amortization	8,507	6,472
Provision for credit (benefit) losses	(84)	1,390
Amortization of debt-related costs	176	17
Loss on extinguishment of debt	—	78
Stock-based compensation expense	15,300	4,054
Other operating activities	—	16
Change in operating assets and liabilities:		
Accounts receivable	(4,024)	(538)
Prepaid expenses	1,440	2,026
Other assets	(2,592)	(1,947)
Accounts payable	(879)	(342)
Accrued compensation	1,282	(2,191)
Accrued expenses and other liabilities	1,072	1,162
Lease liabilities	(4,486)	(4,733)
Net cash provided by operating activities	25,009	19,048
Cash flows from investing activities:		
Purchases of property and equipment	(2,744)	(3,248)
Capitalization of software development costs	(5,485)	(4,128)
Purchase of convertible promissory note	(3,000)	—
Net cash used in investing activities	(11,229)	(7,376)
Cash flows from financing activities:		
Distributions to non-controlling interests	(136)	—
Settlement of tax receivable acquired in reorganization transactions	—	1,501
Issuance of Class A common stock, net of issuance costs	—	17,322
Payment of withholding taxes on stock-based compensation	(1,267)	(59,868)
Payment of debt issuance and debt facility costs	—	(1,151)
Other financing activities	—	(308)
Net cash used in financing activities	(1,403)	(42,504)
Effect of exchange rate changes on cash and cash equivalents	318	(61)
Net decrease in cash and cash equivalents	12,695	(30,893)
Cash and cash equivalents, beginning of period	35,604	62,545
Cash and cash equivalents, end of period	$ 48,299	$ 31,652

Reconciliations To Non-GAAP Financial Measures

The following table reconciles gross profit to adjusted gross profit:

($ in thousands, unaudited)		Three Months Ended September 30, 2023	December 31, 2023	March 31, 2024	June 30, 2024	September 30, 2024
GAAP Gross Profit	$	**29,850**	**30,862**	**31,878**	**33,493**	**34,826**
Add back stock-based compensation expense		227	230	717	392	358
Add other non-recurring items[1]		76	—	—	—	—
Adjusted Gross Profit	$	**30,153**	**31,092**	**32,595**	**33,885**	**35,184**
Adjusted Gross Margin		68.0%	66.9%	67.8%	68.5%	68.8%

[1] For the three months ended September 30, 2023, includes $76 thousand of accelerated depreciation of leasehold improvement assets of restructured lease facilities.

The following table reconciles net income to adjusted EBITDA:

($ in thousands, unaudited)		Three Months Ended September 30, 2023	December 31, 2023	March 31, 2024	June 30, 2024	September 30, 2024
Net income (loss)	$	**2,661**	**900**	**(761)**	**2,547**	**1,957**
Interest income		(331)	(356)	(317)	(356)	(487)
Income tax expense (benefit)		367	1,280	(117)	401	904
Depreciation and amortization		2,523	3,512	2,674	2,872	2,967
EBITDA	$	**5,220**	**5,336**	**1,479**	**5,464**	**5,341**
Adjustments:						
Stock-based compensation expense		2,562	3,404	7,001	4,101	4,198
Tax payment on stock-based compensation		43	60	429	101	25
Effects of foreign currency		(85)	308	82	111	607
Other non-recurring items[1,2,3,4,5]		468	678	188	354	977
Adjusted EBITDA	$	**8,208**	**9,787**	**9,179**	**10,131**	**11,148**
Adjusted EBITDA Margin		**18.5%**	**21.1%**	**19.1%**	**20.5%**	**21.8%**

[1] For the three months ended September 30, 2023, includes $78 thousand in debt extinguishment costs, $188 thousand in double-occupancy charges of restructured New York City lease, and $202 thousand in severance related to restructuring actions within one of our functional groups.

[2] For the three months ended December 31, 2023, primarily includes the write-off of capitalized software and licenses related to a project which was abandoned in the fourth quarter of 2023 after management's decision to pursue an alternative path.

[3] For the three months ended March 31, 2024, includes the sign-on bonus for the newly-appointed Chief Operating Officer.

[4] For the three months ended June 30, 2024, includes temporary double occupancy related to office relocations.

[5] For the three months ended September 30, 2024, includes non-recurring professional fees.

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Reconciliations To Non-GAAP Financial Measures

The following table reconciles operating cash flow to adjusted free cash flow:

($ in thousands, unaudited)	Three Months Ended September 30, 2023	December 31, 2023	March 31, 2024	June 30, 2024	September 30, 2024
Net cash provided by operating activities	**$ 12,106**	**6,586**	**1,533**	**7,314**	**16,162**
Purchases of property and equipment	(958)	(1,205)	(635)	(1,005)	(1,104)
Capitalization of software development costs	(1,649)	(1,090)	(2,113)	(1,701)	(1,671)
Other non-recurring items[1]	—	—	—	—	353
Adjusted Free Cash Flow	**$ 9,499**	**4,291**	**(1,215)**	**4,608**	**13,740**

[1] For the three months ended September 30, 2024, includes non-recurring professional fees.

The Company's stock-based compensation expense was recognized in the following captions within the consolidated statements of operations:

($ in thousands, unaudited)	Three Months Ended September 30, 2024	2023
Cost of revenues	$ 358	$ 227
General and administrative	2,747	1,702
Sales and marketing	321	189
Technology and development	772	444
Total stock-based compensation expense	**$ 4,198**	**$ 2,562**

Reconciliations To Non-GAAP Financial Measures

The following table reconciles net income to adjusted net Income which is used to calculate adjusted diluted EPS:

(unaudited)	Three Months Ended September 30, 2024 In thousands	2024 Per share	2023 In thousands	2023 Per share
Net income and fully diluted EPS	**$ 1,957**	**0.02**	**$ 2,661**	**0.02**
Adjustments[1]:				
Stock-based compensation expense	4,198	0.03	2,562	0.02
Tax payment on stock-based compensation	25	0.00	43	0.00
Effects of foreign currency	607	0.00	(85)	(0.00)
Other non-recurring items[2,3]	977	0.01	468	0.00
Tax adjustment[4]	(1,835)	(0.01)	(362)	(0.00)
Sub-total adjustments	3,972	0.03	2,626	0.02
Adjusted net income and adjusted diluted EPS	**$ 5,929**	**0.05**	**$ 5,287**	**0.04**

[1] Per share amounts are based on a weighted average number of shares outstanding on a fully-diluted basis.

[2] For the three months ended September 30, 2024, includes non-recurring professional fees.

[3] For the three months ended September 30, 2023, includes $78 thousand in debt extinguishment costs, $188 thousand in double-occupancy charges of restructured New York City lease, and $202 thousand in severance related to restructuring actions within one of our functional groups.

[4] Income tax (benefit) calculated using effective tax rate for the period: 31.6% and 12.1%, respectively.

Definitions

OCF Margin

Operating Cash Flow Margin represents net cash provided from operating activities divided by total net revenues. We believe OCF Margin is an important metric because it indicates our ability to convert sales into cash.

Non-GAAP Financial Measures

In addition to financial measures prepared in accordance with GAAP, this presentation and the accompanying tables include Adjusted Diluted EPS, Adjusted EBITDA, Adjusted EBITDA Margin, Adjusted Free Cash Flow, Adjusted Gross Profit, Adjusted Gross Margin, Adjusted Net Income and FCF Conversion, which are non-GAAP financial measures. The presentation of these non-GAAP financial measures is not intended to be considered in isolation or as a substitute for, or superior to, financial information prepared and presented in accordance with GAAP.

Adjusted Diluted EPS, Adjusted EBITDA, Adjusted EBITDA Margin, Adjusted Free Cash Flow, Adjusted Gross Profit, Adjusted Gross Margin, Adjusted Net Income and FCF Conversion are supplemental measures of our operating performance and liquidity that are neither required by, nor presented in accordance with, U.S. GAAP, and our calculations thereof may not be comparable to similarly titled measures reported by other companies.

These measures are presented because they are the primary measures used by management to evaluate our financial performance and liquidity, and for forecasting purposes. This non-GAAP financial information is useful to investors because it eliminates certain items that affect period-over-period comparability and provides consistency with past financial performance or liquidity and additional information about underlying results and trends by excluding certain items that may not be indicative of our business, results of operations or outlook. Additionally, we believe that these and similar measures are often used by securities analysts, investors and other interested parties as a means of evaluating a company's operating performance.

Adjusted Diluted EPS, Adjusted EBITDA, Adjusted EBITDA Margin, Adjusted Free Cash Flow, Adjusted Gross Profit, Adjusted Gross Margin, Adjusted Net Income and FCF Conversion are non-GAAP financial measures, are not measurements of our financial performance or liquidity under U.S. GAAP and should not be considered as alternatives to net income, earnings per share, income from operations, gross profit, gross margin, or any other performance measures determined in accordance with U.S. GAAP. These non-GAAP financial measures have limitations as analytical tools and you should not consider them in isolation or as substitutes for analysis of our results as reported under GAAP, but rather as supplemental information to our business results. In addition, these non-GAAP financial measures may not be comparable to similarly titled measures of other companies due to potential differences in methods of calculation and items or events being adjusted. Furthermore, other companies may use different measures to evaluate their performance, all of which could reduce the usefulness of these non-GAAP financial measures as tools for comparison.

Adjusted EBITDA and Adjusted EBITDA Margin

Adjusted EBITDA represents earnings before interest, taxes, depreciation and amortization, adjusted to exclude stock-based compensation expense, the effect of foreign currency fluctuations, and certain non-recurring items. Adjusted EBITDA Margin represents Adjusted EBITDA divided by total net revenues.

Adjusted Free Cash Flow and FCF Conversion

Adjusted Free Cash Flow represents net cash provided from operating activities less purchases of property and equipment, capitalized software development costs, and other non-recurring items. However, given our non-discretionary expenditures, Adjusted Free Cash Flow does not represent residual cash flow available for discretionary expenditures. FCF Conversion represents Adjusted Free Cash Flow divided by Adjusted EBITDA.

Definitions Continued

Adjusted Net Income and Adjusted Diluted EPS
Adjusted Net Income represents net income adjusted to exclude stock-based compensation expense, the effect of foreign currency fluctuations, certain non-recurring items, and the tax effect of such adjustments. Adjusted Diluted EPS represents Adjusted Net Income divided by fully diluted weighted average shares outstanding.

Adjusted Gross Profit and Adjusted Gross Margin

Adjusted Gross Profit represents gross profit, excluding the impact of stock-based compensation and other non-recurring items. Adjusted Gross Margin represents Adjusted Gross Profit divided by total net revenues.

Key Metrics:
In connection with the management of our business, we identify, measure and assess a variety of key metrics. The key metrics we use in managing our business are set forth below.

Annual Recurring Revenue
We calculate Annual Recurring Revenue, or ARR, by annualizing platform subscriptions and managed services revenues recognized in the last month of the measurement period. We believe ARR provides important information about our future revenue potential, our ability to acquire new clients and our ability to maintain and expand our relationship with existing clients. ARR is included in a set of metrics we calculate monthly to review with management as well as periodically with our board of directors.

Average Contract Value
We calculate Average Contract Value, or ACV, by dividing ARR by the number of clients that are billed at the end of the measurement period. We believe ACV is an important metric because it provides important information about the growth of our clients' accounts.

Investors should not place undue reliance on ARR or Net Dollar Retention Rate or Average Contract Value as an indicator of future or expected results. Our presentation of these metrics may differ from similarly titled metrics presented by other companies and therefore comparability may be limited.

Net Dollar Retention Rate
We calculate Net Dollar Retention Rate as of a period end by starting with the ARR for all clients as of twelve months prior to such period end, or Prior Period ARR. We then calculate the ARR from those same clients as of the current period end, or Current Period ARR. Current Period ARR includes expansion within existing clients inclusive of contraction and voluntary attrition and involuntary cancellations. We define involuntary cancellations as accounts that were cancelled due to the client no longer being in business. Post 4Q23, we no longer provide the Net Dollar Retention Rate calculation excluding involuntary cancellation calculations.

Our Net Dollar Retention Rate is equal to the Current Period ARR divided by the Prior Period ARR. We believe Net Dollar Retention Rate is an important metric because, in addition to providing a measure of retention, it indicates our ability to grow revenues within existing client accounts.

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