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 December 31, 2023

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: 001-40550

Intapp, Inc.
(Exact Name of Registrant as Specified in its Charter)

Delaware	**46-1467620**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**
3101 Park Blvd Palo Alto, California	**94306**
(Address of principal executive offices)	**(Zip Code)**

Registrant's telephone number, including area code: (650) 852-0400

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value $0.001 per share	INTA	The Nasdaq Global Select Market

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	☐	Accelerated filer	☒
Non-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 January 31, 2024, the registrant had 72,260,288 shares of common stock, $0.001 par value per share, outstanding.

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CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q, particularly in the sections captioned “Risk Factors” under Part II, Item 1A, and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” under Part I, Item 2, contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, or the Securities Act, and Section 21E of the Securities Exchange Act of 1934, as amended, or the Exchange Act. All statements contained in this Quarterly Report on Form 10-Q other than statements of historical fact, including statements regarding our future operating results and financial position, our business strategy and plans, potential acquisitions, market growth and trends, and our objectives for future operations, are forward-looking statements. You can identify these forward-looking statements by the use of forward-looking words such as “anticipate,” “believe,” “continue,” “could,” “estimate,” “expect,” “intend,” “may,” “might,” “objective,” “ongoing,” “plan,” “predict,” “project,” “potential,” “should,” “will,” or “would,” or the negative version of those words or other comparable words. Any forward-looking statements contained in this Quarterly Report on Form 10-Q are based upon our historical performance and on our current plans, estimates and expectations in light of information currently available to us. The inclusion of this forward-looking information should not be regarded as a representation by us or any other person that the future plans, estimates or expectations contemplated by us will be achieved. Such forward-looking statements are subject to various risks and uncertainties and assumptions relating to our operations, financial results, financial condition, business, prospects, growth strategy, and liquidity. Accordingly, there are, or will be, important factors that could cause our actual results to differ materially from those indicated in these statements. We believe that these factors include, but are not limited to:

- our ability to continue our growth at or near historical rates;
- our future financial performance and ability to be profitable;
- the effect of global events on the U.S. and global economies, our business, our employees, results of operations, financial condition, demand for our products, sales and implementation cycles, and the health of our clients’ and partners’ businesses;
- our ability to prevent and respond to data breaches, unauthorized access to client data or other disruptions of our solutions;
- our ability to effectively manage U.S. and global market and economic conditions, including inflationary pressures, economic and market downturns and volatility in the financial services industry, particularly adverse to our targeted industries;
- the length and variability of our sales cycle;
- our ability to attract and retain clients;
- our ability to attract and retain talent;
- our ability to compete in highly competitive markets, including artificial intelligence (“AI”) products;
- our ability to manage additional complexity, burdens, and volatility in connection with our international sales and operations;
- our ability to incur indebtedness in the future and the effect of conditions in credit markets;
- the sufficiency of our cash and cash equivalents to meet our liquidity needs; and
- our ability to maintain, protect, and enhance our intellectual property rights.

These statements are based upon information available to us as of the date of this report, and while we believe such information forms a reasonable basis for such statements, such information may be limited or incomplete, and our statements should not be read to indicate that we have conducted an exhaustive inquiry into, or review of, all potentially available relevant information. These statements are inherently uncertain and investors are cautioned not to unduly rely upon these statements.

You should read the section titled “Risk Factors” set forth in Part II, Item 1A of this Quarterly Report on Form 10-Q and in Part I, Item 1A of our Annual Report on Form 10-K for the fiscal year ended June 30, 2023 for a discussion of important factors that may cause our actual results to differ materially from those expressed or implied by our forward-looking statements. Moreover, we operate in an evolving environment. New risk factors and uncertainties may emerge from time to time, and it is not possible for management to predict all risk factors and uncertainties. As a result of these factors, we cannot assure you that the forward-looking statements in this Quarterly Report on Form 10-Q will prove to be accurate. Except as required by applicable law, we do not plan to publicly update or revise any forward-looking statements contained herein, whether as a result of any new information, future events, changed circumstances or otherwise.

You should read this Quarterly Report on Form 10-Q completely and with the understanding that our actual future results may be materially different from what we expect. We qualify all of our forward-looking statements by these cautionary statements.

PART I—FINANCIAL INFORMATION

Item 1. Financial Statements

INTAPP, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(in thousands, except per share data)
(unaudited)

	December 31, 2023	June 30, 2023
Assets		
Current assets:		
Cash and cash equivalents	$ 166,357	$ 130,377
Restricted cash	200	808
Accounts receivable, net of allowance of $1,528 and $994 as of December 31, 2023 and June 30, 2023, respectively	78,969	92,973
Unbilled receivables, net	16,435	10,661
Other receivables, net	1,524	878
Prepaid expenses	8,028	7,335
Deferred commissions, current	12,585	11,807
Total current assets	284,098	254,839
Property and equipment, net	17,311	16,366
Operating lease right-of-use assets	15,378	17,180
Goodwill	278,955	278,890
Intangible assets, net	37,938	43,257
Deferred commissions, noncurrent	16,819	16,529
Other assets	3,029	1,846
Total assets	$ 653,528	$ 628,907
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	$ 10,559	$ 6,018
Accrued compensation	31,622	39,761
Accrued expenses	12,546	11,626
Deferred revenue, net	195,513	191,042
Other current liabilities	8,903	10,902
Total current liabilities	259,143	259,349
Deferred tax liabilities	1,205	1,422
Deferred revenue, noncurrent	1,721	1,355
Operating lease liabilities, noncurrent	14,663	16,195
Other liabilities	5,139	9,378
Total liabilities	281,871	287,699
Commitments and contingencies (Note 8)		
Stockholders' equity:		
Preferred stock, $0.001 par value per share, 50,000 shares authorized; no shares issued or outstanding	—	—
Common stock, $0.001 par value per share, 700,000 shares authorized; 71,941 and 68,574 shares issued and outstanding as of December 31, 2023 and June 30, 2023, respectively	72	69
Additional paid-in capital	852,558	797,639
Accumulated other comprehensive loss	(1,278)	(1,339)
Accumulated deficit	(479,695)	(455,161)
Total stockholders' equity	371,657	341,208
Total liabilities and stockholders' equity	$ 653,528	$ 628,907

See accompanying notes to unaudited condensed consolidated financial statements.

INTAPP, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands, except per share data)
(unaudited)

	Three Months Ended December 31,		Six Months Ended December 31,	
	2023	2022	2023	2022
Revenues				
SaaS and support	$ 77,109	$ 61,605	$ 150,170	$ 118,418
Subscription license	14,143	10,979	28,046	23,227
Total recurring revenues	91,252	72,584	178,216	141,645
Professional services	12,681	12,108	27,292	22,585
Total revenues	103,933	84,692	205,508	164,230
Cost of revenues				
SaaS and support	14,416	12,456	28,829	24,854
Total cost of recurring revenues	14,416	12,456	28,829	24,854
Professional services	16,353	14,329	33,513	27,265
Total cost of revenues	30,769	26,785	62,342	52,119
Gross profit	73,164	57,907	143,166	112,111
Operating expenses:				
Research and development	27,981	23,392	56,477	43,071
Sales and marketing	35,269	33,538	69,688	64,850
General and administrative	20,996	20,753	42,048	41,163
Lease modification and impairment	—	(348)	—	1,601
Total operating expenses	84,246	77,335	168,213	150,685
Operating loss	(11,082)	(19,428)	(25,047)	(38,574)
Interest and other income (expense), net	2,057	140	1,114	(583)
Net loss before income taxes	(9,025)	(19,288)	(23,933)	(39,157)
Income tax expense	(188)	(466)	(601)	(651)
Net loss	$ (9,213)	$ (19,754)	$ (24,534)	$ (39,808)
Net loss per share, basic and diluted	$ (0.13)	$ (0.31)	$ (0.35)	$ (0.63)
Weighted-average shares used to compute net loss per share, basic and diluted	70,521	63,287	69,729	63,076

See accompanying notes to unaudited condensed consolidated financial statements.

INTAPP, INC.
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
(in thousands)
(unaudited)

	Three Months Ended December 31,		Six Months Ended December 31,	
	2023	**2022**	**2023**	**2022**
Net loss	$ (9,213)	$ (19,754)	$ (24,534)	$ (39,808)
Other comprehensive income (loss):				
Foreign currency translation adjustments	352	651	61	(27)
Other comprehensive income (loss):	352	651	61	(27)
Comprehensive loss	$ (8,861)	$ (19,103)	$ (24,473)	$ (39,835)

See accompanying notes to unaudited condensed consolidated financial statements.

INTAPP, INC.
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(in thousands)
(unaudited)

	Three Months Ended December 31, 2023					
	Common Stock		Additional Paid-in Capital	Accumulated Other Comprehensive Loss	Accumulated Deficit	Total Stockholders' Equity
	Shares	Amount				
Balance as of September 30, 2023	69,378	$ 69	$ 818,716	$ (1,630)	$ (470,482)	$ 346,673
Issuance of common stock upon exercise of stock options	1,412	2	15,610	—	—	15,612
Vesting of performance stock units and restricted stock units	1,070	1	(1)	—	—	—
Issuance of common stock under employee stock purchase plan	81	—	1,725	—	—	1,725
Stock-based compensation	—	—	16,508	—	—	16,508
Foreign currency translation adjustments	—	—	—	352	—	352
Net loss	—	—	—	—	(9,213)	(9,213)
Balance as of December 31, 2023	71,941	$ 72	$ 852,558	$ (1,278)	$ (479,695)	$ 371,657

	Three Months Ended December 31, 2022					
	Common Stock		Additional Paid-in Capital	Accumulated Other Comprehensive Loss	Accumulated Deficit	Total Stockholders' Equity
	Shares	Amount				
Balance as of September 30, 2022	62,985	$ 63	$ 658,523	$ (2,350)	$ (405,790)	$ 250,446
Issuance of common stock upon exercise of stock options	312	1	3,450	—	—	3,451
Vesting of performance stock units and restricted stock units, net of shares withheld for taxes	288	—	(3,447)	—	—	(3,447)
Issuance of common stock under employee stock purchase plan	66	—	1,241	—	—	1,241
Stock-based compensation	—	—	20,268	—	—	20,268
Foreign currency translation adjustments	—	—	—	651	—	651
Net loss	—	—	—	—	(19,754)	(19,754)
Balance as of December 31, 2022	63,651	$ 64	$ 680,035	$ (1,699)	$ (425,544)	$ 252,856

See accompanying notes to unaudited condensed consolidated financial statements.

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INTAPP, INC.
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(in thousands)
(unaudited)

	Six Months Ended December 31, 2023					
	Common stock		Additional Paid-in Capital	Accumulated Other Comprehensive Loss	Accumulated Deficit	Total Stockholders' Equity
	Shares	Amount				
Balance as of June 30, 2023	68,574	$ 69	$ 797,639	$ (1,339)	$ (455,161)	$ 341,208
Issuance of common stock upon exercise of stock options	1,641	2	17,934	—	—	17,936
Vesting of performance stock units and restricted stock units	1,645	1	(1)	—	—	—
Issuance of common stock under employee stock purchase plan	81	—	1,725	—	—	1,725
Stock-based compensation	—	—	35,265	—	—	35,265
Issuance of common stock upon follow-on offering, net of offering costs of $1,569	—	—	(4)	—	—	(4)
Foreign currency translation adjustments	—	—	—	61	—	61
Net loss	—	—	—	—	(24,534)	(24,534)
Balance as of December 31, 2023	71,941	$ 72	$ 852,558	$ (1,278)	$ (479,695)	$ 371,657

	Six Months Ended December 31, 2022					
	Common Stock		Additional Paid-in Capital	Accumulated Other Comprehensive Loss	Accumulated Deficit	Total Stockholders' Equity
	Shares	Amount				
Balance as of June 30, 2022	62,739	$ 63	$ 643,227	$ (1,672)	$ (385,736)	$ 255,882
Issuance of common stock upon exercise of stock options	423	1	4,479	—	—	4,480
Vesting of performance stock units and restricted stock units, net of shares withheld for taxes	423	—	(4,948)	—	—	(4,948)
Issuance of common stock under employee stock purchase plan	66	—	1,241	—	—	1,241
Stock-based compensation	—	—	36,036	—	—	36,036
Foreign currency translation adjustments	—	—	—	(27)	—	(27)
Net loss	—	—	—	—	(39,808)	(39,808)
Balance as of December 31, 2022	63,651	$ 64	$ 680,035	$ (1,699)	$ (425,544)	$ 252,856

See accompanying notes to unaudited condensed consolidated financial statements.

INTAPP, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)
(unaudited)

	Six Months Ended December 31, 2023	Six Months Ended December 31, 2022
Cash Flows from Operating Activities:		
Net loss	$ (24,534)	$ (39,808)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation and amortization	7,984	7,737
Amortization of operating lease right-of-use assets	2,282	2,404
Accounts receivable allowances	1,228	676
Stock-based compensation	35,265	36,036
Lease modification and impairment	—	1,601
Change in fair value of contingent consideration	(2,215)	(232)
Deferred income taxes	(217)	(304)
Other	77	77
Changes in operating assets and liabilities:		
Accounts receivable	12,570	(1,514)
Unbilled receivables, current	(5,774)	(2,390)
Prepaid expenses and other assets	(1,788)	1,029
Deferred commissions	(1,068)	(1,556)
Accounts payable and accrued liabilities	(1,517)	(8,094)
Deferred revenue, net	4,837	18,773
Operating lease liabilities	(2,339)	(3,123)
Other liabilities	(1,144)	2,035
Net cash provided by operating activities	23,647	13,347
Cash Flows from Investing Activities:		
Purchases of property and equipment	(1,354)	(1,698)
Capitalized internal-use software costs	(3,453)	(2,697)
Net cash used in investing activities	(4,807)	(4,395)
Cash Flows from Financing Activities:		
Payments for deferred offering costs	(781)	—
Proceeds from stock option exercises	17,936	4,480
Proceeds from employee stock purchase plan	1,725	1,241
Payments related to tax withholding for vested equity awards	—	(4,948)
Payments of deferred contingent consideration and holdback associated with acquisitions	(2,551)	(11,115)
Net cash provided by (used in) financing activities	16,329	(10,342)
Effect of foreign currency exchange rate changes on cash and cash equivalents	203	(351)
Net increase (decrease) in cash, cash equivalents and restricted cash	35,372	(1,741)
Cash, cash equivalents and restricted cash - beginning of period	131,185	54,311
Cash, cash equivalents and restricted cash - end of period	$ 166,557	$ 52,570
Reconciliation of cash, cash equivalents and restricted cash to the condensed consolidated balance sheets:		
Cash and cash equivalents	$ 166,357	$ 51,563
Restricted cash	200	1,007
Total cash, cash equivalents and restricted cash	$ 166,557	$ 52,570
Supplemental Disclosures of Cash Flow Information:		
Cash paid for interest	$ 1	$ 2
Cash paid for income taxes, net of tax refunds	$ 352	$ 745
Non-cash investing and financing activities:		
Purchases of property and equipment in accounts payable and accrued liabilities	$ 7	$ 308
Changes in capitalized internal-use software costs in accounts payable and accrued liabilities	$ (378)	$ —
Changes in deferred offering costs in accounts payable and accrued liabilities	$ (776)	$ —

See accompanying notes to unaudited condensed consolidated financial statements.

Intapp, Inc.
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Note 1. Description of Business

Intapp, Inc. (“Intapp” or the “Company”) is a holding company and conducts its operations through its wholly-owned subsidiary, Integration Appliance, Inc. The Company is a leading provider of industry-specific, cloud-based software solutions for the global professional and financial services industry. The Company empowers the world’s premier private capital, investment banking, legal, accounting, and consulting firms with the technology they need to operate more competitively, deliver timely insights to their professionals, and meet rapidly changing client, investor, and regulatory requirements. The Company serves clients primarily in the United States and the United Kingdom. References to “the Company,” “us,” “we,” or “our” in these unaudited condensed consolidated financial statements refer to the consolidated operations of Intapp and its consolidated subsidiaries.

Note 2. Summary of Significant Accounting Policies

Basis of Presentation and Principles of Consolidation

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with generally accepted accounting principles in the United States of America (“GAAP”) and the requirements of the U.S. Securities and Exchange Commission (the “SEC”) for interim reporting. Certain information and disclosures normally included in the financial statements prepared in accordance with GAAP have been condensed or omitted pursuant to such rules and regulations. Therefore, these unaudited condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements and notes included in the Company's Annual Report on Form 10-K for the fiscal year ended June 30, 2023 filed with the SEC on September 7, 2023. The unaudited condensed consolidated financial statements include accounts of the Company and its consolidated subsidiaries, after eliminating all inter-company transactions and balances.

The interim unaudited condensed consolidated financial statements have been prepared on a basis consistent with the annual consolidated financial statements and, in the opinion of management, reflect all adjustments, which include only normal and recurring adjustments, necessary to state fairly the Company’s financial condition, its operations and cash flows for the periods presented. The historical results are not necessarily indicative of future results, and the results of operations for the three and six months ended December 31, 2023 are not necessarily indicative of the results to be expected for the full year or any other period.

Use of Estimates

The preparation of the accompanying unaudited condensed consolidated financial statements in conformity with GAAP requires us to make estimates and assumptions that affect the amounts reported and disclosed in the unaudited condensed consolidated financial statements and accompanying notes. Those estimates and assumptions include, but are not limited to, revenue recognition including determination of the standalone selling price (“SSP”) of the deliverables included in multiple deliverable revenue arrangements; allowance for credit losses; the depreciable lives of long-lived assets including intangible assets; the expected useful life of deferred commissions; the fair value of stock-based awards; the fair value of assets acquired and liabilities assumed in business combinations; goodwill and long-lived assets impairment assessment; the fair value of contingent consideration liabilities; the incremental borrowing rate used to determine the operating lease liabilities; valuation allowances on deferred tax assets; uncertain tax positions; and loss contingencies. The Company evaluates estimates and assumptions on an ongoing basis using historical experience and other factors and adjusts those estimates and assumptions when facts and circumstances dictate. As future events and their effects cannot be determined with precision, actual results could differ from these estimates, and those differences could be material to the unaudited condensed consolidated financial statements.

Significant Accounting Policies

The Company’s significant accounting policies are described in Note 2, *Summary of Significant Accounting Policies*, to the consolidated financial statements included in the Company’s Annual Report on Form 10-K for the fiscal year ended June 30, 2023. Our revenue recognition policy is included below due to its significance to our financial statements. Except for the accounting policies for cash equivalents and allowance for expected credit losses described below, there have been no material changes to the significant accounting policies during the three and six months ended December 31, 2023.

Revenue Recognition

The Company’s revenues are derived from contracts with our clients. The majority of the Company’s revenues are derived from the sale of our software as a service (“SaaS”) solutions and subscriptions to our term software applications, including support services, as well as the provision of professional services for the implementation of our solutions.

The Company accounts for revenues in accordance with Accounting Standards Codification 606, Revenue from Contracts with Customers (“ASC 606”). The core principle of ASC 606 is to recognize revenues upon the transfer of control of services or products to customers in an amount that reflects the consideration the Company expects to be entitled to in exchange for those services or products.

The Company applies the following framework to recognize revenues:

Identification of the contract, or contracts, with our clients

The Company considers the terms and conditions of written contracts and its customary business practices in identifying its contracts under ASC 606. The Company determines it has a contract with a client when the contract is approved, each party's rights regarding the services and products to be transferred can be identified, payment terms for the services and products can be identified, the client has the ability and intent to pay, and the contract has commercial substance. The Company evaluates whether two or more contracts entered within close proximity with one another should be combined and accounted for as a single contract. The Company also evaluates the client's ability and intent to pay, which is based on a variety of factors, including the client's historical payment experience or, in the case of a new client, credit and financial information pertaining to the client.

Identification of the performance obligations in the contract

Performance obligations promised in a contract are identified based on the services or products that will be transferred to the client that are both:

i. capable of being distinct, whereby the client can benefit from the service or product either on its own or together with other resources that are readily available from the Company or third parties, and

ii. distinct in the context of the contract, whereby the transfer of the services or products is separately identifiable from other promises in the contract.

To the extent a contract includes multiple promised services or products, the Company applies judgment to determine whether promised services or products are capable of being distinct and distinct in the context of the contract. If these criteria are not met, the promised services or products are accounted for as a combined performance obligation.

The Company derives its revenues primarily from the following four sources, which represent the performance obligations of the Company:

i. *Sales of SaaS under subscription arrangements*: revenue derived from subscriptions to our SaaS solutions;

ii. *Sales of subscriptions to our licenses:* software revenues derived from the sale of term licenses to clients;

iii. *Support activities:* support activities that consist of email and phone support, bug fixes, and rights to unspecified software updates and upgrades released on a when, and if, available basis during the support term; and

iv. *Sales of professional services:* services related to the implementation and configuration of the Company's SaaS offerings and software licenses.

SaaS and subscription licenses are generally sold as annual or multi-year initial terms with automatic annual renewal provisions on expiration of the initial term. Support for subscription licenses follows the same contract periods as the initial or renewal term. Professional services related to implementation and configuration activities are typically time and materials contracts.

Determination of the transaction price

The transaction price is determined based on the consideration to which the Company expects to be entitled in exchange for transferring services and products to the client. Variable consideration is estimated and included in the transaction price if, in the Company's judgment, it is probable that no significant future reversal of cumulative revenues under the contract will occur.

In instances where the timing of revenue recognition differs from the timing of invoicing, the Company has determined that contracts generally do not include a significant financing component. The primary purpose of the Company's invoicing terms is to provide clients with simplified and predictable ways of purchasing the Company's products and services, not to receive financing from clients or to provide clients with financing.

Allocation of the transaction price to the performance obligations in the contract

If the contract contains a single performance obligation, the entire transaction price is allocated to the single performance obligation. Contracts that contain multiple performance obligations require an allocation of the transaction price to each performance obligation based on its relative SSP. The majority of the Company's contracts contain multiple performance obligations, such as when subscription licenses are sold with support and professional services. Some of the Company's performance obligations have observable inputs that are used to determine the SSP of those distinct performance obligations. Where SSP is not directly observable, the Company determines the SSP using information that may include market conditions and other observable inputs.

Recognition of revenues when, or as, the Company satisfies a performance obligation

The Company recognizes revenues as control of the services or products is transferred to a client, in an amount that reflects the consideration the Company expects to be entitled to in exchange for those services or products. The Company is principally responsible for the satisfaction of its distinct performance obligations, which are satisfied either at a point in time or over a period of time.

The Company records revenues net of applicable sales taxes collected. Sales taxes collected from clients are recorded in other current liabilities in the accompanying unaudited condensed consolidated balance sheets and are remitted to state and local taxing jurisdictions based on the filing requirements of each jurisdiction.

Performance obligations satisfied at a point in time

Subscription licenses

The Company has concluded that its sale of term licenses to clients ("subscription licenses") provides the client with the right to functional intellectual property ("IP") and are distinct performance obligations from which the client can benefit on a stand-alone basis. The transaction price allocated to subscription license arrangements is recognized as revenues at a point in time when control is transferred to the client, which generally occurs at the time of delivery or upon commencement of the renewal term. Subscription license fees are generally payable in advance on an annual basis over the term of the license arrangement, which is typically noncancelable.

Performance obligations satisfied over a period of time

SaaS and support as well as professional services arrangements comprise the majority of distinct performance obligations that are satisfied over a period of time.

SaaS and support

The transaction price allocated to SaaS subscription arrangements is recognized as revenues over time throughout the term of the contract as the services are provided on a continuous basis, beginning after the SaaS environment is provisioned and made available to clients. The Company's SaaS subscriptions are generally one to three years in duration, with the majority being one year. Consideration from SaaS arrangements is typically billed in advance on an annual basis.

The Company's subscription license sales include noncancelable support which entitle clients to receive technical support and software updates, on a when and if available basis, during the term of the subscription license agreement. Technical support and software updates are considered distinct from the related subscription licenses but accounted for as a single stand ready performance obligation as they each constitute a series of distinct services that are substantially the same and have the same pattern of transfer to the client. The transaction price allocated to support is recognized as revenue over time on a straight-line basis over the term of the support contract which corresponds to the underlying subscription license agreement. Consideration for support services is typically billed in advance on an annual basis. In some instances, the client may purchase premium support services which are generally priced as a percentage of the associated subscription license.

Professional services

The Company's professional services revenues are primarily comprised of implementation, configuration and upgrade services. The Company has determined that professional services provided to clients represent distinct performance obligations. These services may be provided on a stand-alone basis or bundled with other performance obligations, including SaaS arrangements, subscription licenses, and support services. The transaction price allocated to these performance obligations is recognized as revenue over time as the services are performed. The professional services engagements are billed to clients on a time and materials basis and are recognized as invoiced. In instances where professional services arrangements are sold on a fixed price basis, revenues are recognized over time using an input measure of time incurred to date relative to total estimated time to be incurred at project completion. Professional services arrangements sold on a time and materials basis are generally invoiced monthly in arrears and those sold on a fixed fee basis are invoiced upon the achievement of project milestones.

The Company records reimbursable out-of-pocket expenses associated with professional services contracts in both revenues and cost of revenues.

Contract Modifications

Contracts may be modified to account for changes in contract scope or price. The Company considers contract modifications to exist when the modification either creates new rights or obligations or changes the existing enforceable rights and obligations of either party. Contract modifications are accounted for prospectively when it results in the promise to deliver additional products and services that are distinct and contract price does not increase by an amount that reflects standalone selling price for the new goods or services.

Balance Sheet Presentation

Contracts with our clients are reflected in the unaudited condensed consolidated balance sheets as follows:

- Accounts receivable, net represents amounts billed to clients in accordance with contract terms for which payment has not yet been received. It is presented net of allowance as part of current assets in the unaudited condensed consolidated balance sheets.

- Unbilled receivables, net represents amounts that are unbilled due to agreed-upon contractual terms in which billing occurs subsequent to revenue recognition. This generally occurs in multi-year subscription license arrangements where control of the software license is transferred at the inception of the contract, but the client is invoiced annually in advance over the term of the license. Unbilled receivables may also arise on professional services arrangements sold on a fixed fee basis and on which revenue is recognized in proportion to the hours worked on the project, relative to the total expected hours. In some instances, revenue may be recognized in advance of the amounts which are invoiced on the achievement of contractual milestones. Unbilled receivables are presented net of allowance, if applicable, in the unaudited condensed consolidated balance sheets with the long-term portion included in other assets. Under ASC 606, these balances represent contract assets.
- Contract costs consist principally of client acquisition costs (sales commissions). The Company classifies deferred commissions as current or non-current on our unaudited condensed consolidated balance sheets based on the timing of when the Company expects to recognize the expense.
- Deferred revenue, net represents amounts that have been invoiced to the client for which the Company has the right to invoice, but that have not been recognized as revenues because the related products or services have not been transferred to the client. Deferred revenue that will be realized within twelve months of the balance sheet date is classified as current. The remaining deferred revenue is presented as non-current. Under ASC 606, these balances represent contract liabilities.

The Company may receive consideration from its clients in advance of performance on a portion of the contract and, on another portion of the contract, perform in advance of receiving consideration. Contract assets and liabilities related to rights and obligations in a contract are interdependent. Therefore, contract assets and liabilities are presented net at the contract level, as either a single contract asset or a single contract liability, in the unaudited condensed consolidated balance sheets.

Cash and Cash Equivalents

All highly-liquid investments with a remaining maturity of three months or less at the time of purchase are considered to be cash equivalents. Cash equivalents consist primarily of investments in institutional money market funds. The fair value of money market funds held was $76.7 million as of December 31, 2023. There were no cash equivalents as of June 30, 2023.

Accounts Receivable and Allowance for Expected Credit Losses

Accounts receivable are recorded at invoiced amounts, net of allowance for expected credit losses. The Company evaluates the collectability of its accounts receivable based on known collection risks, historical experience and forecasts of future collectability, and maintains an allowance for expected credit losses for estimated losses resulting from its clients failing to make required payments for subscriptions or services rendered. Sufficiency of the allowance is assessed based upon knowledge of credit-worthiness of our clients, review of historical receivable and reserves trends and other pertinent information. Actual future losses from uncollectible accounts may differ from these estimates.

Concentrations of Credit Risk and Significant Clients

Financial instruments that potentially subject the Company to concentrations of credit risk consist of cash, cash equivalents and accounts receivable. The Company maintains its cash and cash equivalents with multiple high credit quality financial institutions. The Company is exposed to credit risk for cash held in financial institutions to the extent that such amounts recorded on the balance sheet are in excess of amounts that are insured by the Federal Deposit Insurance Corporation (“FDIC”). The Company has not experienced any such losses.

No client individually accounted for 10% or more of the Company’s revenues for either of the three and six months ended December 31, 2023 and 2022. As of December 31, 2023, no client individually accounted for 10% or more of the Company’s total accounts receivable. As of June 30, 2023, one client individually accounted for 15% of the Company’s total accounts receivable.

Recent Accounting Pronouncements

The Company is an emerging growth company, as defined in the Jumpstart Our Business Startups Act of 2012 (the “JOBS Act”). Under the JOBS Act, emerging growth companies can delay adopting new or revised accounting standards issued subsequent to the enactment of the JOBS Act until those standards apply to private companies. The Company has elected to use this extended transition period for complying with new or revised accounting standards that have different effective dates for public and private companies until the earlier of the date that it is (i) no longer an emerging growth company or (ii) affirmatively and irrevocably opts out of the extended transition period provided in the JOBS Act. As a result, the unaudited condensed consolidated financial statements may not be comparable to companies that comply with the new or revised accounting pronouncements as of public company effective dates.

The JOBS Act does not preclude an emerging growth company from early adopting new or revised accounting standards.

On December 31, 2023, the last day of the second fiscal quarter in 2024, the market value of common stock held by non-affiliates exceeded $700 million. Accordingly, the Company will be deemed a large accelerated filer as of June 30, 2024. As such, the Company will no longer (i) qualify as an emerging growth company, (ii) be able to take advantage of the extended timeline to comply with new or revised accounting standards applicable to public companies beginning with the Annual Report on Form 10-K for the year ending June 30, 2024 and (iii) be exempt from providing an auditor's attestation report on internal control over financial reporting pursuant to Section 404(b) of the Sarbanes-Oxley Act.

Recently Adopted Accounting Pronouncements

In June 2016, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) No. 2016-13, *Financial Instruments – Credit Losses*, which requires the establishment of an allowance for estimated credit losses on financial assets, including trade and other receivables, at each reporting date. The Company adopted this guidance on July 1, 2023 on a modified retrospective basis. The adoption did not have a material impact on its unaudited condensed consolidated financial statements.

Accounting Pronouncements Not Yet Adopted

In November 2023, the FASB issued ASU No. 2023-07, *Segment Reporting (ASC 280): Improvements to Reportable Segment Disclosures*, which expands annual and interim disclosure requirements for reportable segments, primarily through enhanced disclosures about significant segment expenses. This guidance will be effective for the Company’s fiscal year beginning July 1, 2024, and should be applied on a retrospective basis to all periods presented. The Company is currently evaluating the impact of the adoption on its disclosures.

In December 2023, the FASB issued ASU No. 2023-09, *Income Taxes (ASC 740): Improvements to Income Tax Disclosures*, which requires additional income tax disclosures to better assess how an entity’s operations, related tax risks, tax planning and operational opportunities affect its tax rate and prospects of future cash flows. This guidance will be effective for the Company’s fiscal year beginning July 1, 2025, and should be applied on a prospective or retrospective basis. The company expects the adoption to result in additional disclosures only.

Note 3. Revenues

Disaggregation of Revenues

Revenues by geography were as follows (in thousands):

	Three Months Ended December 31,		Six Months Ended December 31,	
	2023	**2022**	**2023**	**2022**
United States	$ 73,163	$ 57,887	$ 143,018	$ 113,539
United Kingdom	13,829	13,511	28,555	26,523
Rest of the world	16,941	13,294	33,935	24,168
Total	$ 103,933	$ 84,692	$ 205,508	$ 164,230

No country other than those listed above accounted for 10% or more of the Company’s total revenues during the three and six months ended December 31, 2023 and 2022.

Contract balances

The Company’s contract assets and liabilities were as follows (in thousands):

	December 31, 2023	**June 30, 2023**
Unbilled accounts receivable, net[(1)]	$ 16,435	$ 10,765
Deferred revenue, net	197,234	192,397

(1) The long-term portion of $104 as of June 30, 2023 is included in other assets on the unaudited condensed consolidated balance sheets.

There was no allowance for credit losses associated with unbilled receivables as of December 31, 2023 and June 30, 2023. During the six months ended December 31, 2023, the Company recognized $125.1 million in revenue pertaining to deferred revenue as of June 30, 2023.

Remaining Performance Obligations

Remaining performance obligations represent non-cancellable contracted revenues that have not yet been recognized, which includes deferred revenue and amounts that will be invoiced and recognized as revenues in future periods. SaaS subscription is typically satisfied over one to three years, subscription license is typically satisfied at a point in time, support services are generally satisfied within one year, and professional services are typically satisfied within one year. Professional services contracts are not included in the performance obligations amount as these arrangements can be cancelled at any time.

As of December 31, 2023, approximately $447.6 million of revenues is expected to be recognized from remaining performance obligations with approximately 58% over the next 12 months and the remainder thereafter.

Note 4. Goodwill and Intangible Assets

Goodwill

Changes in the carrying amounts of goodwill were as follows (in thousands):

	Six Months Ended December 31,	
	2023	2022
Balance, beginning of period	$ 278,890	$ 269,103
Purchase price adjustment	—	784
Foreign currency translation adjustment	65	(22)
Balance, end of period	$ 278,955	$ 269,865

During the six months ended December 31, 2022, the Company recognized a purchase price adjustment of $0.8 million related to the Billstream acquisition that occurred in June 2022, which increased goodwill and deferred consideration.

Intangible Assets

Intangible assets acquired through business combinations consisted of the following (in thousands):

	December 31, 2023			
	Useful Life (In years)	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Client relationships	9 to 15	$ 48,900	$ (26,682)	$ 22,218
Non-compete agreements	3 to 5	4,907	(3,709)	1,198
Trademarks and trade names	Indefinite	4,683	—	4,683
Trademarks and trade names	5 to 10	7,822	(5,563)	2,259
Core technology	4 to 6	52,519	(45,385)	7,134
Backlog	2	1,000	(554)	446
Intangible assets, net		$ 119,831	$ (81,893)	$ 37,938

	June 30, 2023			
	Useful Life (In years)	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Client relationships	9 to 15	$ 48,900	$ (24,341)	$ 24,559
Non-compete agreements	3 to 5	4,907	(3,383)	1,524
Trademarks and trade names	Indefinite	4,683	—	4,683
Trademarks and trade names	5 to 10	7,822	(5,270)	2,552
Core technology	4 to 6	52,519	(43,275)	9,244
Backlog	2	1,000	(305)	695
Intangible assets, net		$ 119,831	$ (76,574)	$ 43,257

Amortization expense related to acquired intangible assets was recognized as follows (in thousands):

	Three Months Ended December 31,		Six Months Ended December 31,	
	2023	2022	2023	2022
Cost of SaaS and support	$ 1,055	$ 917	$ 2,110	$ 2,413
Sales and marketing	1,396	1,467	2,883	2,931
General and administrative	163	122	326	243
Total amortization expense	$ 2,614	$ 2,506	$ 5,319	$ 5,587

As of December 31, 2023, the estimated future amortization expense for acquired intangible assets is as follows (in thousands):

Fiscal Year Ending June 30,	Amount
2024 (remaining 6 months)	$ 4,890
2025	7,506
2026	5,090
2027	4,925
2028	4,428
2029 and thereafter	6,416
Total remaining amortization	$ 33,255

Note 5. Fair Value Measurements

The authoritative guidance on fair value measurements establishes a three-tier fair value hierarchy for disclosure of fair value measurements as follows:

Level 1—Inputs are unadjusted, quoted prices in active markets for identical, assets or liabilities at the measurement date;

Level 2—Inputs are quoted prices in markets that are not active, or inputs which are observable, either directly or indirectly, for substantially the full term of the asset or liability;

Level 3—Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (i.e., supported by little or no market activity).

Money market funds are classified as Level 1 as the assets are valued using quoted prices in active markets. Liabilities for contingent consideration related to business combinations are classified as Level 3 liabilities as the Company uses unobservable inputs in the valuation, specifically related to the projected total contract value generated by the acquired businesses for a distinct period of time.

The following table sets forth the Company's financial assets that were measured at fair value on a recurring basis as of the date indicated by level within the fair value hierarchy (in thousands):

	December 31, 2023			
	Level 1	Level 2	Level 3	Total
Financial assets:				
Cash equivalents:				
Money market funds	$ 76,665	$ —	$ —	$ 76,665
Total financial assets	$ 76,665	$ —	$ —	$ 76,665

The following tables set forth the Company's financial liabilities that were measured at fair value on a recurring basis as of the dates indicated by level within the fair value hierarchy (in thousands):

	December 31, 2023			
	Level 1	Level 2	Level 3	Total
Liabilities:				
Liability for contingent consideration, current portion	$ —	$ —	$ 1,550	$ 1,550
Liability for contingent consideration, non-current portion	—	—	1,931	1,931
Total financial liabilities	$ —	$ —	$ 3,481	$ 3,481

	June 30, 2023			
	Level 1	Level 2	Level 3	Total
Liabilities:				
Liability for contingent consideration, current portion	$ —	$ —	$ 2,364	$ 2,364
Liability for contingent consideration, non-current portion	—	—	4,317	4,317
Total financial liabilities	$ —	$ —	$ 6,681	$ 6,681

In connection with the acquisition of Paragon Data Labs, Inc. in May 2023, the Company recorded a contingent consideration liability of $4.3 million on the acquisition date for the estimated fair value of the contingent consideration. The fair value was measured based on the probability of achieving certain performance measures pursuant to the acquisition agreement. The liability was included in other liabilities on the audited consolidated balance sheet as of June 30, 2023. As of December 31, 2023, the fair value of the contingent consideration was re-measured at $3.5 million.

In connection with the acquisition of the Billstream business from Billstream LLC in June 2022, the Company recorded a contingent consideration liability of $4.1 million on the acquisition date for the estimated fair value of the contingent consideration. The fair value was measured based on the probability of achieving certain performance measures pursuant to the acquisition agreement. The fair value of the contingent consideration was remeasured at $2.4 million and was included in other current liabilities on the audited consolidated balance sheet as of June 30, 2023. During the three and six months ended December 31, 2023, the Company paid $1.0 million in full consideration for the remaining contingent consideration.

The fair value of the contingent consideration was initially estimated on the acquisition date using the Monte Carlo simulation and included key assumptions used by management related to the estimated probability of occurrence and discount rates. Subsequent changes in the fair value of the contingent consideration liabilities, resulting from management's revision of key assumptions and estimates, have been recorded in general and administrative expenses in the unaudited condensed consolidated statements of operations. Gains and losses arising from exchange rate fluctuation on these liabilities not denominated in U.S. dollars have been included in interest and other income (expense), net on the unaudited condensed consolidated statements of operations.

Changes in the fair value of contingent consideration liabilities during the six months ended December 31, 2023 and 2022 were as follows (in thousands):

	Six Months Ended December 31,	
	2023	2022
Balance, beginning of period	$ 6,681	$ 13,835
Payment of contingent consideration	(985)	(9,299)
Change in fair value of contingent consideration	(2,215)	(232)
Effect of foreign currency exchange rate changes	—	(410)
Balance, end of period	$ 3,481	$ 3,894

Other financial instruments consist of accounts receivable, accounts payable, accrued expenses, accrued liabilities and other current liabilities, which are stated at their carrying value as it approximates fair value due to the short time to expected receipt or payment.

Note 6. Property and Equipment

Property and equipment, net, consisted of the following (in thousands):

	December 31, 2023	June 30, 2023
Computer equipment and software	$ 2,698	$ 2,290
Capitalized internal-use software	20,053	16,978
Furniture and office equipment	2,390	2,433
Leasehold improvements	5,840	5,897
Construction in progress	491	386
Total property and equipment	31,472	27,984
Less: accumulated depreciation and amortization	(14,161)	(11,618)
Property and equipment, net	$ 17,311	$ 16,366

Depreciation expense, excluding the amortization of capitalized internal-use software costs, was $0.5 million and $0.4 million for the three months ended December 31, 2023 and 2022, respectively, and was $0.9 million and $0.8 million for the six months ended December 31, 2023 and 2022, respectively.

The Company capitalized $3.1 million and $2.7 million of costs related to software developed for internal use during the six months ended December 31, 2023 and 2022, respectively. Amortization expense related to capitalized internal-use software was $0.9 million and $0.7 million for the three months ended December 31, 2023 and 2022, respectively, and was $1.7 million and $1.3 million for the six months ended December 31, 2023 and 2022, respectively. The net book value of capitalized internal-use software was $11.7 million and $10.3 million as of December 31, 2023 and June 30, 2023, respectively.

Note 7. Leases

The Company leases the majority of its office space in the U.S., U.K., Singapore and Ukraine under non-cancelable operating lease agreements, which have various expiration dates through June 2030, some of which include options to extend the leases for up to 5 years.

As part of the Company's continuing assessment of its facilities requirements, during the first half of fiscal year 2023, the Company exited a portion of the leased office space in its headquarters in Palo Alto, California and amended the underlying lease agreement to relieve the Company of certain lease payments. As a result, the Company assessed the right-of-use (“ROU”) asset associated with the leased office space and deemed it to be impaired. The Company also assessed the lease liability in view of the amended lease agreement. The Company recorded a net charge of $1.6 million in connection with the impairment of the related ROU asset and the reassessment of the lease liability, which was included in its unaudited condensed consolidated statements of operations during the six months ended December 31, 2022.

The components of lease costs were as follows (in thousands):

	Three Months Ended December 31,		Six Months Ended December 31,	
Operating Leases:	2023	2022	2023	2022
Operating lease cost [(1)]	$ 1,486	$ 1,508	$ 2,986	$ 3,190
Short-term lease cost	406	188	677	398

(1) Amount excluded a benefit on lease modification of $0.3 million and a net charge of $1.6 million related to lease modification and impairment for the three and six months ended December 31, 2022, respectively, as described above.

The weighted-average remaining lease term of the Company's operating leases and the weighted-average discount rate used to measure the present value of the operating lease liabilities are as follows:

Lease Term and Discount Rate:	December 31, 2023	December 31, 2022
Weighted-average remaining lease term (in years)	5.8	6.5
Weighted-average discount rate	7.1 %	7.1 %

The following table presents supplemental cash flow information related to the Company's operating leases (in thousands):

	Six Months Ended December 31,	
	2023	2022
Cash payments included in the measurement of operating lease liabilities	$ 3,102	$ 3,852
ROU assets obtained in exchange for new operating lease liabilities	501	713

Current operating lease liabilities of $4.4 million and $4.7 million were included in other current liabilities on the Company's unaudited condensed consolidated balance sheets as of December 31, 2023 and June 30, 2023, respectively.

As of December 31, 2023, remaining maturities of operating lease liabilities are as follows (in thousands):

Fiscal Year Ending June 30,		Amount
2024 (remaining 6 months)	$	3,208
2025		4,031
2026		3,431
2027		2,873
2028		3,166
2029 and thereafter		6,486
Total lease payments		23,195
Less: imputed interest		(4,164)
Present value of operating lease liabilities	$	19,031

In February 2024, the Company entered into a lease agreement to lease an office space in New York City for a six-year term ending in February 2030. The total undiscounted base rent under this lease is approximately $7.3 million, and the Company will be responsible for the payment of additional rent for its proportionate share of certain operating expenses.

Note 8. Commitments and Contingencies

Other Purchase Commitments

The Company's other purchase commitments primarily consist of third-party cloud services, support fees and software subscriptions to support operations in the ordinary course of business. There were no material purchase commitments that were entered into during the six months ended December 31, 2023.

In December 2021, the Company entered into an agreement with Microsoft, pursuant to which the Company is committed to spend a minimum of $110.0 million on cloud services. The committed spend period concludes at the end of December 2028, with the Company having the option to extend any remaining commitment into a further 12-month period to the end of December 2029. As of December 31, 2023, the Company had $101.0 million remaining on this commitment.

Litigation

From time to time, the Company is a party to claims, lawsuits, and proceedings which arise in the ordinary course of business. The Company warrants to its clients that it has all necessary rights and licenses to the intellectual property comprised in its products and services and indemnifies those clients against intellectual property claims with respect to such products and services, so such claims, lawsuits and proceedings might in the future include claims of alleged infringement of intellectual property rights. The Company records a liability when it believes that it is probable that a loss will be incurred, and the amount of loss or range of loss can be reasonably estimated. Given the unpredictable nature of legal proceedings, the Company bases its estimate on the information available at the time of the assessment. As additional information becomes available, the Company reassesses the potential liability and may revise the estimate. The Company is not presently a party to any litigation the outcome of which, it believes, if determined adversely to the Company, would individually or in the aggregate have a material adverse effect on the business, operating results, or financial condition.

Note 9. Debt

On October 5, 2021, the Company entered into a Credit Agreement, as amended on June 6, 2022 and further amended on November 17, 2022 (the "Credit Agreement") among the Company, the guarantors party thereto, the lenders party thereto and JPMorgan Chase Bank, N.A., as Administrative Agent ("JPMorgan"). The Credit Agreement provides for a five-year, senior secured revolving credit facility of $100.0 million with a sub-facility for letters of credit in the aggregate amount of up to $10.0 million (the "JPMorgan Credit Facility"). The Credit Agreement also provides that the Company may seek additional revolving credit commitments in an aggregate amount not to exceed $50.0 million, subject to certain administrative procedures, including approval by the Administrative Agent. Future borrowings under the JPMorgan Credit Facility will bear interest, at the Company's election, at an annual rate based on either (a) an adjusted secured overnight financing rate (SOFR, as described in the Credit Agreement) plus a percentage spread (ranging from 1.75% to 2.50%) or (b) an alternate base rate (as described in the Credit Agreement) plus a percentage spread (ranging from 0.75% to 1.50%), in each case based on the Company's total net leverage ratio. In addition, a commitment fee accrues with respect to the unused amount of the JPMorgan Credit Facility at an annual rate ranging from 0.25% to 0.40%, based on the Company's total net leverage ratio.

In connection with the execution of the Credit Agreement, the Company also entered into a pledge and security agreement (the "Security Agreement") dated as of October 5, 2021 among the Company, the subsidiary grantors thereto and JPMorgan, as administrative agent for the secured parties. Under the Security Agreement, borrowings under the JPMorgan Credit Facility are secured by a first priority pledge of all of the capital stock and substantially all of the assets (excluding real estate interests) of each subsidiary of the Company and the subsidiary guarantors.

The Credit Agreement provides that the Company must maintain compliance with a maximum consolidated total net leverage ratio covenant, as determined in accordance with the Credit Agreement. It also contains affirmative, negative and financial covenants, including limitations on certain other indebtedness, loans and investments, liens, mergers, asset sales, and transactions with affiliates, as well as customary events of default. The Company was in compliance with all covenants as of December 31, 2023.

As of December 31, 2023 and June 30, 2023, there were no outstanding borrowings under the JPMorgan Credit Facility.

Note 10. Stockholders' Equity and Stock-Based Compensation

Equity Incentive Plans

In June 2021, the Company's Board of Directors adopted, and its stockholders approved, the 2021 Omnibus Incentive Plan (the "2021 Plan") and the 2021 Employee Stock Purchase Plan ("ESPP"). The 2021 Plan provides for the grant of restricted shares, restricted share units ("RSUs"), performance shares, performance share units ("PSUs"), deferred share units, share options and share appreciation rights. All employees, non-employee directors and selected third-party service providers of the Company and its subsidiaries and affiliates are eligible to receive grants under the 2021 Plan. Eligible employees may purchase the Company's common stock under the ESPP.

Both the 2021 Plan and ESPP include a provision to increase the share reserves on July 1 of each year through 2031. On July 1, 2023, 4,226,691 and 845,338 shares were added to the 2021 Plan and ESPP, respectively.

As of December 31, 2023, shares of common stock reserved for future issuance were as follows (in thousands):

	December 31, 2023
Stock plans:	
Outstanding stock options	8,345
Unvested PSUs and RSUs	6,168
Reserved for ESPP	2,820
Reserved for future stock award grants	5,567
Total shares of common stock reserved for issuance	22,900

Stock Awards

The Company has granted time-based and performance-based stock options, RSUs and PSUs, collectively referred to as "Stock Awards." The Company accounts for stock-based compensation using the fair value method which requires the Company to measure stock-based compensation based on the grant-date fair value of the awards and recognize compensation expense over the requisite service or performance period. Awards that contain only service conditions, are generally earned over four years and expensed on a straight-line basis over that term. Compensation expense for awards that contain performance conditions is calculated using the graded vesting method and the portion of expense recognized in any period may fluctuate depending on changing estimates of the achievement of the performance conditions.

Stock Options

Stock options granted generally become exercisable ratably over a four-year period following the date of grant and expire ten years from the date of grant.

Stock option activity under the Company's equity incentive plans during the six months ended December 31, 2023 was as follows (in thousands, except per share data):

	Number of Options	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Term (in years)	Aggregate Intrinsic Value (1)
Balance as of June 30, 2023	10,137	$ 10.42	5.5	$ 319,250
Exercised	(1,641)	10.93		
Forfeited	(151)	20.78		
Balance as of December 31, 2023	8,345	$ 10.13	4.8	$ 232,768
Vested and exercisable as of December 31, 2023	7,919	$ 9.61	4.7	$ 225,017
Vested and expected to vest as of December 31, 2023	8,345	$ 10.13	4.8	$ 232,768

(1) Aggregate intrinsic value for stock options represents the difference between the exercise price and the per share fair value of the Company's common stock as of the end of the period, multiplied by the number of stock options outstanding.

There were no stock options granted during the three and six months ended December 31, 2023. The total intrinsic value of stock options exercised and the proceeds from option exercises during the six months ended December 31, 2023 were $43.9 million and $17.9 million, respectively.

PSUs and RSUs

During the three and six months ended December 31, 2023, the Company granted PSUs to certain of its employees with vesting terms based on meeting certain operating performance targets, including annual recurring revenue and profitability targets, and continued service conditions. The Company also granted RSUs to certain employees that vest based on continued service.

PSU activity during the six months ended December 31, 2023 was as follows (in thousands, except per share data):

	Number of Shares	Weighted-Average Grant Date Fair Value
Balance as of June 30, 2023	3,645	$ 23.43
Granted	1,143	39.14
Vested	(1,187)	24.28
Forfeited	(173)	25.94
Balance as of December 31, 2023	3,428	$ 28.24

RSU activity during the six months ended December 31, 2023 was as follows (in thousands, except per share data):

	Number of Shares	Weighted-Average Grant Date Fair Value
Balance as of June 30, 2023	2,154	$ 24.46
Granted	1,228	37.17
Vested	(458)	23.92
Forfeited	(184)	27.97
Balance as of December 31, 2023	2,740	$ 30.01

Stock-Based Compensation Expense

The Company recorded stock-based compensation expense in the unaudited condensed consolidated statements of operations as follows (in thousands):

	Three Months Ended December 31,		Six Months Ended December 31,	
	2023	2022	2023	2022
Cost of revenues				
Cost of SaaS and support	$ 586	$ 546	$ 1,127	$ 831
Cost of professional services	1,432	1,145	2,765	1,893
Research and development	4,468	4,646	9,114	6,780
Sales and marketing	4,888	6,352	10,227	12,105
General and administrative	5,134	7,579	12,032	14,427
Total stock-based compensation	$ 16,508	$ 20,268	$ 35,265	$ 36,036

As of December 31, 2023, there was approximately $129.4 million of unrecognized compensation cost related to unvested stock-based awards granted, which is expected to be recognized over the weighted-average period of approximately 2.6 years.

2021 Employee Stock Purchase Plan

Under the ESPP, eligible employees may purchase the Company's common stock at a price equal to 85% of the lower of the fair market value of the Company's common stock on the offering date or the applicable purchase date. The ESPP provides an offering period that begins on June 1 and December 1 of each year and each offering period consists of one six-month purchase period.

As of December 31, 2023, total unrecognized compensation cost related to the ESPP was $0.6 million, which will be amortized over a weighted-average vesting term of 0.4 years.

Note 11. Income Taxes

The Company determines its income tax provision for interim periods using an estimate of its annual effective tax rate adjusted for discrete items occurring during the periods presented. The primary difference between its effective tax rate and the federal statutory rate is the full valuation allowance the Company has established on its federal and state net operating losses and credits. Income taxes from international operations were not material for the three and six months ended December 31, 2023 and 2022.

The Company files income tax returns in the U.S. federal jurisdiction, various state jurisdictions and various foreign jurisdictions. In the normal course of business, the Company is subject to examination by taxing authorities. The Company is not currently under audit by the Internal Revenue Service or other similar tax authorities. The Company's tax returns remain open to examination as follows: U.S. federal and states, all tax years; and significant foreign jurisdictions, generally 2019 through 2023.

Note 12. Net Loss Per Share

Basic net loss per share is computed by dividing the net loss by the weighted-average number of common shares outstanding for the period. Diluted net loss per share is calculated by giving effect to all potentially dilutive securities outstanding for the period using the treasury stock method.

Basic net loss per share is the same as diluted net loss per share because the Company reported net losses for all periods presented. The following table sets forth the computation of basic and diluted net loss per share for the periods presented (in thousands, except per share data):

	Three Months Ended December 31,		Six Months Ended December 31,	
	2023	2022	2023	2022
Numerator:				
Net loss	$ (9,213)	$ (19,754)	$ (24,534)	$ (39,808)
Denominator:				
Weighted-average shares used to compute net loss per share, basic and diluted	70,521	63,287	69,729	63,076
Net loss per share, basic and diluted	$ (0.13)	$ (0.31)	$ (0.35)	$ (0.63)

The Company excluded the following potential shares of common stock from the calculation of diluted net loss per share because their effect would be anti-dilutive (in thousands):

	As of December 31,	
	2023	2022
Outstanding stock options to purchase common stock	8,345	12,153
Unvested PSUs and RSUs	6,168	6,655
Shares issuable under ESPP	10	14
Shares issuable related to acquisition	68	—
Total	14,591	18,822

Note 13. Related Party Transactions

Secondary Offering

In November 2023, the Company completed a secondary offering where certain existing stockholders sold 5,000,000 shares of common stock at a price of $39.01 per share. The Company did not receive any of the proceeds from the sale of the shares by the existing stockholders. In connection with the offering, the Company incurred costs of $0.3 million and $0.6 million in the three and six months ended December 31, 2023, respectively.

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

Cautionary Notes Regarding Forward-Looking Statements

The following discussion and analysis of our financial condition and results of operations should be read together with our unaudited condensed consolidated financial statements and related notes and other financial information included in this Quarterly Report on Form 10-Q and our audited consolidated financial statements and related notes thereto included in our Annual Report on Form 10-K for the fiscal year ended June 30, 2023 filed with the SEC on September 7, 2023. The following discussion contains forward-looking statements that reflect our plans, estimates, and beliefs. Our actual results could differ materially from those discussed in the forward-looking statements. Factors that could cause or contribute to these differences include those discussed below and elsewhere in this Quarterly Report on Form 10-Q and in our Annual Report on Form 10-K, particularly in the section titled "Risk Factors." Our historical results are not necessarily indicative of the results that may be expected for any period in the future. Unless otherwise noted, any reference to a year preceded by the word "fiscal" refers to the fiscal year ended June 30 of that year.

Overview

Intapp is a leading provider of industry-specific, cloud-based software solutions for the global professional and financial services industry. We empower the world's premier private capital, investment banking, legal, accounting, and consulting firms with the technology they need to operate more competitively, deliver timely insights to their professionals, and meet rapidly changing client, investor, and regulatory requirements.

Our Intapp platform is purpose-built to modernize these firms. The platform facilitates greater team collaboration, digitizes complex workflows to optimize deal and engagement execution, and leverages proprietary AI to help nurture relationships and originate new business. By better connecting their most important assets—people, processes, and data—our platform helps firms increase client fees and investment returns, operate more efficiently, and better manage risk and compliance.

How We Generate Revenue

We generate revenues primarily from software subscriptions, typically with one-year or multi-year contract terms. We sell our software through a direct enterprise sales model, which targets clients based on end market, geography, firm size, and business need. We invested in developing a multi-tenant cloud version of our platform and launched our initial SaaS solutions in 2017. We recognize revenues from SaaS subscriptions ratably over the term of the contract, while we recognize revenues from the license component of on-premise subscriptions upfront and the support component of such subscriptions ratably over the support term. We generally price our subscriptions based on the modules deployed as well as the number of users adopting our solution.

We expect the vast majority of our new ARR (as defined below) growth in the future to be from the sale of SaaS subscriptions.

We generate a majority of our non-recurring revenues from professional services. Our clients utilize these services to configure and implement one or more modules of the Intapp platform, integrate those modules with the existing platform and with other core systems in their IT environment, upgrade their existing deployment, and provide training for their employees. Other professional services include strategic consulting and advisory work, which are generally provided on a standalone basis.

Key Factors Affecting Our Performance

Market Adoption of our Cloud Platform. Our future growth depends on our ability to win new professional and financial services clients and expand within our existing client base, primarily through the continued acceptance of our cloud business. Our cloud business has historically grown faster than our overall business, and represents an increasing proportion of our ARR. We must demonstrate to new and existing clients the benefits of selecting our cloud platform, and support those deployments once live with reliable and secure service. From a sales perspective, our ability to add new clients and expand within existing accounts depends upon a number of factors, including the quality and effectiveness of our sales personnel and marketing efforts, and our ability to convince key decision makers within professional and financial services firms to embrace the Intapp platform over point solutions, internally developed solutions, and horizontal solutions. If our clients do not continue to see the ability of our platform to generate return on investment relative to other software alternatives, net revenue retention could suffer and our operating results may be adversely affected.

Continued Investment in Innovation and Growth. We have made substantial investments in research and development and sales and marketing to achieve a leadership position in our market and grow our revenues and client base. We intend to continue to invest in research and development to build new capabilities and maintain the core technology underpinning our differentiated platform. In addition, we expect to invest in sales and marketing to broaden our reach with new clients in the United States and abroad and deepen our penetration with existing clients. With our revenue growth objectives, we expect to continue to make such investments for the foreseeable future. We are continuing to gradually increase our general and administrative spending to support our growing operational needs.

We have a track record of successfully identifying and integrating complementary businesses within the professional and financial services industry. To complement our organic investment in innovation and accelerate our growth, we will continue to evaluate acquisition opportunities that help us extend our platform, broaden and deepen our market leadership, and add new clients.

Key Business Metrics

We review a number of operating and financial metrics, including the following key metrics to evaluate our business, measure our performance, identify trends affecting our business, formulate business plans, and make strategic decisions.

Annual Recurring Revenues ("ARR")

ARR represents the annualized recurring value of all active SaaS and on-premise subscription license contracts at the end of a reporting period. Contracts with a term other than one year are annualized by taking the committed contract value for the current period divided by number of days in that period then multiplying by 365. As a metric, ARR mitigates fluctuations in revenue recognition due to certain factors, including contract term and the sales mix of SaaS contracts and subscription licenses. ARR does not have any standardized meaning and may not be comparable to similarly titled measures presented by other companies. ARR should be viewed independently of revenues and deferred revenues and is not intended to be combined with or to replace either of those elements of our financial statements. ARR is not a forecast and the active contracts at the end of a reporting period used in calculating ARR may or may not be extended or renewed by our clients.

ARR was $365.0 million and $301.3 million as of December 31, 2023 and 2022, respectively, an increase of 21%.

Cloud ARR

Cloud ARR is the portion of our ARR which represents the annualized recurring value of our active SaaS contracts. We believe Cloud ARR provides important information about our ability to sell new SaaS subscriptions to existing clients and to acquire new SaaS clients.

Cloud ARR was $256.1 million and $191.8 million as of December 31, 2023 and 2022, respectively, an increase of 34%, and represented 70% and 64% of ARR as of December 31, 2023 and 2022, respectively.

Net Revenue Retention

We measure our ability to grow and retain ARR from existing clients using a metric we refer to as net revenue retention. We calculate this by starting with the ARR from the cohort of all clients as of the twelve months prior to the applicable fiscal period, or prior period ARR. We then calculate the ARR from these same clients as of the current fiscal period, or current period ARR. We then divide the current period ARR by the prior period ARR to calculate the net revenue retention.

This metric accounts for changes in our recurring revenue base from cross-sell (additional solution capabilities sold), upsell (additional seats sold), price changes, and client attrition (including contraction of solution capabilities, contraction of seats and client churn). We upsold additional seats and cross-sold new solutions to our existing clients such that our trailing twelve months' net revenue retention rate as of December 31, 2023 was 115%, which is within our expected range of 113% to 117%.

Number of Clients

We believe our ability to increase the number of clients on our platform is a key indicator of the growth of our business and our future business opportunities. We define a client at the end of any reporting period as an entity with at least one active subscription as of the measurement date. As of December 31, 2023, we had over 2,400 clients. No single client represented more than 10% of total revenues for either of the three and six months ended December 31, 2023 and 2022.

Our client base includes some of the largest and most reputable professional and financial services firms globally. These clients have the financial and operating resources needed to purchase, deploy, and successfully use the full capabilities of our software platform, and as such, we believe the number of our clients with contracts greater than $100,000 of ARR is an important metric for highlighting our progress on the path to full adoption of our platform by our professional and financial services clients. As of December 31, 2023 and 2022, we had 649 and 561 clients, respectively, with contracts greater than $100,000 of ARR.

Components of Our Results of Operations

Revenues

We generate recurring revenues from the sale of our SaaS solutions, subscriptions to our term software applications, and from providing support for those applications. We generate non-recurring revenues primarily by delivering professional services for the configuration, implementation and upgrade of our solutions. Our recurring revenues accounted for 87% and 86% of our total revenues during the six months ended December 31, 2023 and 2022, respectively.

SaaS and Support

We recognize revenues from our SaaS solutions ratably over the term of the contract beginning once the SaaS environment is provisioned and made available to clients. The initial term of our SaaS contracts is generally one to three years in duration.

Support revenues consist of non-cancelable support which is included with our subscription licenses and entitles clients to receive technical support and software updates, on a when and if available basis. We recognize revenues for support ratably over the term of the support contract which corresponds to the underlying subscription license agreement. We expect to continue to generate a relatively consistent stream of revenues from support services we provide to our existing subscription license clients. However, over time as we focus on new sales of our SaaS solutions and encourage existing subscription license clients to migrate to SaaS solutions, we expect revenues from support to decrease as a percentage of total revenues.

Subscription License

Our subscription licenses provide the client with the right to functional intellectual property and are distinct performance obligations as the client can benefit from the subscription licenses on their own. The transaction price allocated to subscription license arrangements is recognized as revenues at a point in time when control is transferred to the client, which generally occurs at the time of delivery for a new contract or commencement of the renewal term for renewals. Subscription license fees are generally payable in advance on an annual basis over the term of the license arrangement, which is typically noncancelable.

Professional Services

Our professional services primarily consist of implementation, configuration and upgrade services provided to clients. These engagements are billed to clients either on a time and materials or milestone basis; revenues are recognized as invoiced or in proportion to the work performed, respectively. We expect the demand for our professional services to increase due to client growth and the need for implementation, upgrade, and migration services for new and existing clients. This demand will be affected by the mix of professional services that are provided by us versus provided by our third-party implementation partners. Our professional services are currently loss making (after allocated overhead costs for facilities and IT) and accounted for 13% and 14% of our total revenues during the six months ended December 31, 2023 and 2022, respectively.

Cost of Revenues

Our cost of revenues consists primarily of expenses related to providing SaaS subscription, support and professional services to our clients, including personnel costs (salaries, bonuses, benefits and stock-based compensation) and related expenses for client support and services personnel, as well as cloud infrastructure costs, third-party expenses, amortization of capitalized internal-use software costs and acquired intangible assets, and allocated overhead costs. We do not have any cost of revenues related to our subscription licenses. We expect our cost of revenues to increase in absolute dollars as we expand our SaaS client base over time as this will result in increased cloud infrastructure costs and increased costs for additional personnel to provide technical support services to our growing client base.

Cost of SaaS and Support

Our cost of SaaS and support revenues comprises the direct costs to deliver and support our products, including personnel costs, allocated overhead costs for facilities and IT, third-party hosting fees related to cloud services, amortization of capitalized internal-use software costs and amortization of acquired intangible assets.

Cost of Professional Services

Our cost of professional services revenues comprises the personnel-related costs for our professional services employees and contractors responsible for delivering implementation, upgrade and migration services to our clients. This includes personnel costs and allocated overhead costs for facilities and IT. We expect the cost of professional services revenues to increase in absolute dollars as we continue to hire personnel and engage contractors to provide implementation, upgrade and migration services to our growing client base.

Operating Expenses

Research and Development

Our research and development expenses consist primarily of personnel-related costs for engineering and product development employees, costs of third-party services, and allocations of various overhead, cloud hosting costs and facilities costs. We expect our research and development expenses to continue to increase in absolute dollars for the foreseeable future as we continue to dedicate substantial internal resources to develop, improve and expand the functionality of our solutions.

Sales and Marketing

Our sales and marketing expenses consist primarily of costs incurred for personnel-related costs for our sales and marketing employees as well as commission payments to our sales employees, costs of marketing events and online advertising, allocations of various overhead and facilities costs and travel and entertainment expenses. We capitalize client acquisition costs (principally commissions paid to sales personnel) and subsequently amortize these costs over the expected period of benefit. In the medium-term, we expect to see an increase in sales and marketing expense as we continue to expand our direct sales force to take advantage of opportunities for growth and increase in in-person meetings, conferences, and attendance at trade shows.

General and Administrative

Our general and administrative expenses consist primarily of personnel-related costs as well as professional services and facilities costs related to our executive, finance, human resources, information technology and legal functions. As a public company, we expect to continue to incur significant accounting and legal costs related to compliance with rules and regulations enacted by the SEC, including the costs of maintaining compliance with the Sarbanes-Oxley Act, as well as insurance, investor relations and other costs associated with being a public company.

Lease Modification and Impairment

Lease modification and impairment consists of charges related to the early exit of certain leased office space and amendments to the underlying lease agreement.

Interest and Other Income (Expense), Net

Interest and other income (expense), net consists primarily of interest income from our cash and cash equivalents, non-cash interest expense related to the amortization of deferred financing costs, realized and unrealized foreign exchange gains and losses resulting from fluctuations in foreign currency exchange rates on monetary assets and liabilities denominated in currencies other than the U.S. dollar.

Income Tax Expense

Our income tax expense consists of an estimate of federal, state, and foreign income taxes based on enacted federal, state, and foreign tax rates, as adjusted for allowable credits, deductions, uncertain tax positions, changes in the valuation of our deferred tax assets and liabilities, and changes in tax laws. We maintain a full valuation allowance on our federal and state deferred tax assets as we have concluded that it is more likely than not that the deferred tax assets will not be realized.

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Results of Operations

The following tables set forth our results of operations for the periods presented, expressed in total U.S. dollar terms and as a percentage of our total revenues (percentages may not add up due to rounding):

	Three Months Ended December 31,				Six Months Ended December 31,			
	2023		2022		2023		2022	
	(in thousands, except for percentages)							
Revenues:								
SaaS and support	$ 77,109	74 %	$ 61,605	73 %	$ 150,170	73 %	$ 118,418	72 %
Subscription license	14,143	14	10,979	13	28,046	14	23,227	14
Total recurring revenues	91,252	88	72,584	86	178,216	87	141,645	86
Professional services	12,681	12	12,108	14	27,292	13	22,585	14
Total revenues	103,933	100	84,692	100	205,508	100	164,230	100
Cost of revenues (1):								
SaaS and support	14,416	14	12,456	15	28,829	14	24,854	15
Total cost of recurring revenues	14,416	14	12,456	15	28,829	14	24,854	15
Professional services	16,353	16	14,329	17	33,513	16	27,265	17
Total cost of revenues	30,769	30	26,785	32	62,342	30	52,119	32
Gross profit	73,164	70	57,907	68	143,166	70	112,111	68
Operating expenses (1):								
Research and development	27,981	27	23,392	28	56,477	27	43,071	26
Sales and marketing	35,269	34	33,538	40	69,688	34	64,850	39
General and administrative	20,996	20	20,753	25	42,048	20	41,163	25
Lease modification and impairment	—	—	(348)	—	—	—	1,601	1
Total operating expenses	84,246	81	77,335	91	168,213	82	150,685	92
Operating loss	(11,082)	(11)	(19,428)	(23)	(25,047)	(12)	(38,574)	(23)
Interest and other income (expense), net	2,057	2	140	—	1,114	1	(583)	—
Net loss before income taxes	(9,025)	(9)	(19,288)	(23)	(23,933)	(12)	(39,157)	(24)
Income tax expense	(188)	—	(466)	(1)	(601)	—	(651)	—
Net loss	$ (9,213)	(9) %	$ (19,754)	(23) %	$ (24,534)	(12) %	$ (39,808)	(24) %

(1) Amounts include stock-based compensation expense as follows:

	Three Months Ended December 31,				Six Months Ended December 31,			
	2023		2022		2023		2022	
Cost of SaaS and support	$ 586	1 %	$ 546	1 %	$ 1,127	1 %	$ 831	1 %
Cost of professional services	1,432	1	1,145	1	2,765	1	1,893	1
Research and development	4,468	4	4,646	5	9,114	4	6,780	4
Sales and marketing	4,888	5	6,352	8	10,227	5	12,105	7
General and administrative	5,134	5	7,579	9	12,032	6	14,427	9
Total stock-based compensation expense	$ 16,508	16 %	$ 20,268	24 %	$ 35,265	17 %	$ 36,036	22 %

Comparison of the Three and Six Months Ended December 31, 2023 and 2022

Revenues

	Three Months Ended December 31, 2023	Three Months Ended December 31, 2022	Change Amount	Change %	Six Months Ended December 31, 2023	Six Months Ended December 31, 2022	Change Amount	Change %
	(in thousands, except for percentages)							
Revenues:								
SaaS and support	$ 77,109	$ 61,605	$ 15,504	25 %	$ 150,170	$ 118,418	$ 31,752	27 %
Subscription license	14,143	10,979	3,164	29 %	28,046	23,227	4,819	21 %
Total recurring revenues	91,252	72,584	18,668	26 %	178,216	141,645	36,571	26 %
Professional services	12,681	12,108	573	5 %	27,292	22,585	4,707	21 %
Total revenues	$ 103,933	$ 84,692	$ 19,241	23 %	$ 205,508	$ 164,230	$ 41,278	25 %

Recurring Revenues

Recurring revenues from the sale of our SaaS solutions, from subscriptions to our term software solutions, and from providing support for these solutions increased by $18.7 million, or 26%, and $36.6 million, or 26%, respectively, in the three and six months ended December 31, 2023 compared to the same periods in the prior year.

Our SaaS and support revenues grew $15.5 million, or 25%, and $31.8 million, or 27%, respectively, in the three and six months ended December 31, 2023 compared to the same periods in the prior year, due to sales to new clients and expansion of existing clients from both cross-selling and upselling sales motions. The continuation of clients migrating from using our on-premise solutions to our cloud solutions also contributed to the growth.

Subscription license revenues increased by $3.2 million, or 29%, and $4.8 million, or 21%, respectively, in the three and six months ended December 31, 2023 compared to the same periods in the prior year, reflecting larger multi-year renewals, as well as annual renewals on multi-year contracts upon expiration of their initial term and CPI-based price increases on annual renewals.

Professional Services

Professional services revenues increased by $0.6 million, or 5%, and $4.7 million, or 21%, respectively, for the three and six months ended December 31, 2023 compared to the same periods in the prior year. This reflects a continuation in demand for implementation, upgrade and migration services consistent with our revenue growth.

Cost of Revenues and Gross Profit

	Three Months Ended December 31, 2023	Three Months Ended December 31, 2022	Change Amount	Change %	Six Months Ended December 31, 2023	Six Months Ended December 31, 2022	Change Amount	Change %
	(in thousands, except for percentages)							
Cost of revenues:								
SaaS and support	$ 14,416	$ 12,456	$ 1,960	16 %	$ 28,829	$ 24,854	$ 3,975	16 %
Total cost of recurring revenues	14,416	12,456	1,960	16 %	28,829	24,854	3,975	16 %
Professional services	16,353	14,329	2,024	14 %	33,513	27,265	6,248	23 %
Total cost of revenues	30,769	26,785	3,984	15 %	62,342	52,119	10,223	20 %
Gross profit:								
SaaS and support	62,693	49,149	13,544	28 %	121,341	93,564	27,777	30 %
Subscription license	14,143	10,979	3,164	29 %	28,046	23,227	4,819	21 %
Total gross profit - recurring revenues	76,836	60,128	16,708	28 %	149,387	116,791	32,596	28 %
Professional services	(3,672)	(2,221)	(1,451)	65 %	(6,221)	(4,680)	(1,541)	33 %
Gross profit	$ 73,164	$ 57,907	$ 15,257	26 %	$ 143,166	$ 112,111	$ 31,055	28 %

Cost of SaaS and Support

Cost of SaaS and support revenues increased by $2.0 million, or 16%, for the three months ended December 31, 2023 compared to the three months ended December 31, 2022. The increase can be attributed primarily to an increase in cloud hosting costs of $1.1 million.

Cost of SaaS and support revenues increased by $4.0 million or 16%, for the six months ended December 31, 2023 compared to the six months ended December 31, 2022. The increase can be attributed primarily to an increase in personnel-related costs of $1.3 million (which reflects a benefit of $2.7 million in the six months ended December 31, 2023 resulting from an operational and organizational realignment that reclassified expenses from cost of SaaS and support to research and development), and an increase in cloud hosting costs of $2.5 million.

Cost of Professional Services

Cost of professional services revenues increased by $2.0 million, or 14%, for the three months ended December 31, 2023 compared to the three months ended December 31, 2022, primarily due to an increase in personnel-related costs of $1.7 million resulting from annual salary increases and increased headcount.

Cost of professional services revenues increased by $6.2 million, or 23%, for the six months ended December 31, 2023 compared to the six months ended December 31, 2022, primarily due to an increase in personnel-related costs of $4.6 million resulting from annual salary increases and increased headcount, and sub-contractor costs of $1.5 million as we expanded our teams to provide implementation and migration services to our growing client base.

Gross Profit

Gross profit increased by $15.3 million, or 26%, for the three months ended December 31, 2023 compared to the three months ended December 31, 2022. Of this increase, $13.5 million was attributable to growth in SaaS and support revenues and the reduction in SaaS and support costs resulting from the operational and organizational realignment of part of the development operations team to research and development. The improvement in gross profit was also attributable to the increase in subscription license revenue which contributed $3.2 million, offset by an increase of $1.4 million in losses on professional services.

Gross profit increased by $31.1 million, or 28%, for the six months ended December 31, 2023 compared to the six months ended December 31, 2022. Of this increase, $27.8 million was attributable to growth in SaaS and support revenues and the reduction in SaaS and support costs resulting from the operational and organizational realignment of part of the development operations team to research and development. The improvement in gross profit was also attributable to the increase in subscription license revenue which contributed $4.8 million, offset by an increase of $1.5 million in losses on professional services.

Operating Expenses

	Three Months Ended December 31,		Change		Six Months Ended December 31,		Change	
	2023	**2022**	**Amount**	**%**	**2023**	**2022**	**Amount**	**%**
	(in thousands, except for percentages)							
Operating expenses:								
Research and development	$ 27,981	$ 23,392	$ 4,589	20 %	$ 56,477	$ 43,071	$ 13,406	31 %
Sales and marketing	35,269	33,538	1,731	5 %	69,688	64,850	4,838	7 %
General and administrative	20,996	20,753	243	1 %	42,048	41,163	885	2 %
Lease modification and impairment	—	(348)	348	*	—	1,601	(1,601)	*
Total operating expenses	$ 84,246	$ 77,335	$ 6,911	9 %	$ 168,213	$ 150,685	$ 17,528	12 %

**Not meaningful*

Research and Development

Research and development expenses increased by $4.6 million, or 20%, for the three months ended December 31, 2023 compared to the three months ended December 31, 2022. Personnel-related costs increased by $2.9 million due to annual salary increases and increased headcount ($1.4 million of which was due to the operational and organizational realignment of part of the development operations team to research and development). Contractor costs increased by $1.1 million as we increased contract resources to support on-going development of our cloud offerings. Cloud hosting costs and allocated overhead costs increased by $0.7 million.

Research and development expenses increased by $13.4 million, or 31%, for the six months ended December 31, 2023 compared to the six months ended December 31, 2022. Personnel-related costs increased by $6.7 million due to annual salary increases and increased headcount ($2.7 million of which was due to the operational and organizational realignment of part of the development operations team to research and development). Contractor costs increased by $2.6 million as we increased contract resources to support on-going development of our cloud offerings. Stock-based compensation expense increased by $2.3 million, primarily due to an increase in stock awards granted combined with an increase in the grant date fair value of such awards and reversal of stock-based compensation expense on forfeitures of unvested performance stock awards in the same period in the prior year. Cloud hosting costs and allocated overhead costs increased by $1.6 million.

Sales and Marketing

Sales and marketing expenses increased by $1.7 million, or 5%, for the three months ended December 31, 2023 compared to the three months ended December 31, 2022. Personnel-related costs increased by $2.2 million primarily due to annual salary increases and increased headcount. Marketing expenses increased by $0.8 million largely due to increases in marketing events and travel related expenses. These increases were partially offset by a decrease of $1.5 million in stock-based compensation expense primarily due to a change in estimates on the timing of achieving performance milestones for performance stock awards.

Sales and marketing expenses increased by $4.8 million, or 7%, for the six months ended December 31, 2023 compared to the six months ended December 31, 2022. Personnel-related costs increased by $4.3 million due to annual salary increases and increased headcount. Marketing expenses increased by $1.7 million largely due to increases in marketing events and travel related expenses. These increases were partially offset by a decrease of $1.9 million in stock-based compensation expense primarily due to a change in estimates on the timing of achieving performance milestones for performance stock awards.

General and Administrative

General and administrative expenses increased by $0.2 million, or 1%, for the three months ended December 31, 2023 compared to the three months ended December 31, 2022. This was primarily driven by an increase of $1.8 million in third-party professional fees and an increase of $1.2 million in personnel-related costs primarily due to annual salary increases and increased headcount. These increases were partially offset by a decrease of $2.4 million in stock-based compensation expense primarily due to the reversal on forfeitures of unvested performance stock awards and a decrease of $0.6 million from change in fair value of contingent consideration related to prior acquisitions.

General and administrative expenses increased by $0.9 million, or 2%, for the six months ended December 31, 2023 compared to the six months ended December 31, 2022. This was primarily driven by an increase of $3.2 million in personnel-related costs primarily due to annual salary increases and increased headcount, an increase of $2.6 million in third-party professional fees and an increase of $0.6 million in bad debt expense. These increases were partially offset by a decrease of $2.4 million in stock-based compensation expense primarily due to the reversal on forfeitures of unvested performance stock awards, a decrease of $2.0 million from change in fair value of contingent consideration related to prior acquisitions and an increase of $1.3 million in costs allocated to other functions due to increased headcount in other departments.

Lease modification and impairment

Lease modification and impairment net benefit of $0.3 million during the three months ended December 31, 2022 was related to a benefit arising from an amendment to an underlying lease agreement regarding the early exit of leased office space which resulted in a reduction in the related lease payment obligation.

Lease modification and impairment net charge of $1.6 million during the six months ended December 31, 2022 related to accelerated amortization expense associated with a right-of-use leased asset on the early exit of a leased office space, offset by a benefit arising from an amendment to an underlying lease agreement which resulted in a reduction in the related lease payment obligation.

Interest and Other Income (Expense), Net

	Three Months Ended December 31,		Change		Six Months Ended December 31,		Change	
	2023	2022	Amount	%	2023	2022	Amount	%
	(in thousands, except for percentages)							
Interest and other income (expense), net	$ 2,057	$ 140	$ 1,917	1,369 %	$ 1,114	$ (583)	$ 1,697	(291)%

The change in interest and other income (expense), net, was primarily due to interest income on our cash held in money market funds, offset by the impact of fluctuations in foreign currency rates on our monetary asset and liability balances denominated in currencies other than the U.S. dollar, primarily British pounds.

Income Tax Expense

	Three Months Ended December 31,		Change		Six Months Ended December 31,		Change	
	2023	2022	Amount	%	2023	2022	Amount	%
	(in thousands, except for percentages)							
Income tax expense	$ (188)	$ (466)	$ 278	(60)%	$ (601)	$ (651)	$ 50	(8)%

Income tax expense was $0.2 million and $0.6 million for the three and six months ended December 31, 2023, respectively, compared to an income tax expense of $0.5 million and $0.7 million recorded during the three and six months ended December 31, 2022, respectively. Our income tax expense during the three and six months ended December 31, 2023 and 2022 was primarily attributable to income tax expense in a number of U.S. state jurisdictions and foreign jurisdictions.

Liquidity and Capital Resources

Sources of Liquidity

As of December 31, 2023, we had cash, cash equivalents and restricted cash of $166.6 million. We finance our liquidity needs primarily through collections from clients and the issuance of equity securities. We generally bill and collect from our clients annually in advance. Our billings are subject to seasonality with billings in the fourth quarter higher than in the other quarters.

Operating losses could continue in the future as we continue to invest in the growth of our business. We believe our existing cash, cash equivalents and restricted cash as of December 31, 2023, along with our JPMorgan Credit Facility described below, will be sufficient to meet our working capital and capital expenditure needs for at least the next twelve months.

On October 5, 2021, we entered into a Credit Agreement, as amended on June 6, 2022 and further amended on November 17, 2022, with a group of lenders led by JPMorgan. The Credit Agreement provides for a five-year, senior secured revolving credit facility of $100.0 million with a sub-facility for letters of credit in the aggregate amount of up to $10.0 million. As of December 31, 2023, no amounts have been borrowed under the JPMorgan Credit Facility. See Note 9 to our unaudited condensed consolidated financial statements for additional information.

Our future capital requirements will depend on many factors, including, but not limited to, our ability to grow our revenues and the timing and extent of investment across our organization necessary to support growth in our business. In addition, we may in the future enter into arrangements to acquire or invest in complementary businesses or technologies. We may need to seek additional equity or debt financing in order to meet these future capital requirements. If we are unable to raise additional capital when desired, or on terms that are acceptable to us, our business, financial condition and results of operations could be adversely affected.

Cash Flows

The following table summarizes our cash flows from operating, investing, and financing activities for the periods presented (in thousands):

	Six Months Ended December 31,	
	2023	2022
Net cash provided by operating activities	$ 23,647	$ 13,347
Net cash used in investing activities	(4,807)	(4,395)
Net cash provided by (used in) financing activities	16,329	(10,342)
Effect of foreign currency exchange rate changes on cash and cash equivalents	203	(351)
Net increase (decrease) in cash, cash equivalents and restricted cash	$ 35,372	$ (1,741)

Operating Activities

During the six months ended December 31, 2023, net cash provided by operating activities was $23.6 million, as our operating loss of $24.5 million was reduced by $48.1 million of adjustments. These adjustments consisted of $44.4 million of non-cash charges (principally comprising stock-based compensation and depreciation and amortization expense), and net cash inflow of $3.7 million from net changes in operating assets and liabilities. The net cash inflow from changes in operating assets and liabilities was primarily driven by a decrease in accounts receivable of $12.6 million due to the timing of billing and collections on our outstanding receivables and an increase in deferred revenue of $4.8 million due to the timing of invoicing to our clients, offset by an increase in unbilled receivables of $5.8 million, a decrease in operating lease liabilities of $2.3 million due to lease payments, an increase in prepaid expenses and other assets of $1.8 million, a decrease in accounts payable and accrued liabilities of $1.5 million primarily due to payments for annual bonuses and timing of payments, a decrease in other liabilities of $1.2 million and an increase in deferred commissions of $1.1 million due to increased sales.

During the six months ended December 31, 2022, net cash provided by operating activities was $13.3 million, as our operating loss of $39.8 million was reduced by $53.1 million of adjustments. These adjustments consisted of $48.0 million of non-cash charges (principally comprising stock-based compensation expense, depreciation and amortization, amortization of operating lease right-of-use assets and lease modification and impairment), and net cash inflow of $5.1 million from net changes in operating assets and liabilities. The net cash inflow from changes in operating assets and liabilities was primarily driven by an increase in deferred revenue of $18.8 million due to our revenue growth, an increase of $2.0 million in other liabilities and a decrease of $1.0 million in prepaid expenses and other assets due to the timing of payments. These changes were partially offset by a decrease in accounts payable and accrued liabilities of $8.1 million primarily due to payments for annual bonuses, a decrease in operating lease liabilities of $3.1 million due to lease payments, an increase in unbilled receivables of $2.4 million due to the timing of invoicing to our clients, an increase in deferred commissions of $1.6 million due to increased sales and an increase in accounts receivable of $1.5 million due to the timing of billing and collections on our outstanding receivables.

Investing Activities

Net cash used in investing activities primarily consists of purchases of property and equipment and capitalized internal-use software costs.

During the six months ended December 31, 2023, net cash used in investing activities was $4.8 million, consisting of capitalized internal-use software costs of $3.5 million and capital expenditures of $1.3 million on property and equipment largely of computer software and development costs.

During the six months ended December 31, 2022, net cash used in investing activities was $4.4 million, consisting of capital expenditures of $1.7 million on property and equipment largely of computer equipment and leasehold improvements to our London office in the U.K., and capitalized internal-use software costs of $2.7 million.

Financing Activities

During the six months ended December 31, 2023, net cash provided by financing activities was $16.3 million, primarily comprised of $17.9 million of proceeds from stock option exercises and $1.7 million of proceeds from employee stock purchase plan, offset by $2.6 million of payments for the final contingent consideration and cash holdback related to prior acquisitions and $0.7 million of payments related to deferred offering costs in connection with our follow-on public offering.

During the six months ended December 31, 2022, net cash used in financing activities was $10.3 million, primarily comprised of payments of $11.1 million which represented the final contingent consideration and cash holdback related to the acquisition of Repstor and $4.9 million of payments related to employee payroll tax withholding on vested equity awards, partially offset by $4.5 million of proceeds from stock option exercises and $1.2 million of proceeds from employee stock purchase plan.

Material Cash Requirements

Except as described below, there have been no significant changes in our material cash requirements from those disclosed in Part II, Item 7 “Management’s Discussion and Analysis of Financial Condition and Results of Operations” contained in our Annual Report on Form 10-K for the fiscal year ended June 30, 2023, filed with the SEC on September 7, 2023.

In February 2024, we entered into a lease agreement to lease an office space in New York City for a six-year term ending in February 2030. The total undiscounted base rent under this lease is approximately $7.3 million, and we will be responsible for the payment of additional rent for our proportionate share of certain operating expenses.

Non-GAAP Financial Measures

We report our financial results in accordance with GAAP, however, management believes evaluating our ongoing operating results may be enhanced if investors have additional non-GAAP financial measures. Specifically, management reviews non-GAAP gross profit, non-GAAP recurring gross profit, and non-GAAP operating profit, each of which is a non-GAAP financial measure, to manage our business, make planning decisions, evaluate our performance and allocate resources and, for the reasons described below, considers them to be useful indicators, for both management and investors, of our financial performance over time. These non-GAAP financial measures, which may be different than similarly-titled measures used by other companies, should not be considered a substitute for, or superior to, the financial information prepared and presented in accordance with GAAP.

Non-GAAP Gross Profit

We define non-GAAP gross profit as GAAP gross profit less the portion related to cost of revenues of stock-based compensation expense and amortization of intangible assets. We believe non-GAAP gross profit provides investors and other users of our financial information consistency and comparability with our past financial performance and facilitates period-to-period comparisons of gross profit.

The following table provides a reconciliation of gross profit to non-GAAP gross profit (in thousands):

	Three Months Ended December 31,		Six Months Ended December 31,	
	2023	2022	2023	2022
GAAP gross profit	$ 73,164	$ 57,907	$ 143,166	$ 112,111
Adjusted to exclude the following:				
Stock-based compensation	2,018	1,691	3,892	2,724
Amortization of intangible assets	1,055	917	2,110	2,413
Non-GAAP gross profit	$ 76,237	$ 60,515	$ 149,168	$ 117,248

Non-GAAP Recurring Gross Profit

We define non-GAAP recurring gross profit as GAAP total recurring revenues less GAAP total cost of recurring revenues adjusted for the portion of cost related to stock-based compensation expense and amortization of intangible assets. We believe non-GAAP recurring gross profit provides investors and other users of our financial information consistency and comparability with our past financial performance and facilitates period-to-period comparisons of recurring gross profit as management is focused on increasing sales associated with our recurring revenue stream.

The following table provides a reconciliation of recurring gross profit to non-GAAP recurring gross profit (in thousands):

	Three Months Ended December 31,		Six Months Ended December 31,	
	2023	2022	2023	2022
Total recurring revenues	$ 91,252	$ 72,584	$ 178,216	$ 141,645
Total cost of recurring revenues	14,416	12,456	28,829	24,854
Recurring gross profit	76,836	60,128	149,387	116,791
Adjusted to exclude the following:				
Stock-based compensation	586	546	1,127	831
Amortization of intangible assets	1,055	917	2,110	2,413
Non-GAAP recurring gross profit	$ 78,477	$ 61,591	$ 152,624	$ 120,035

Non-GAAP Operating Profit

We define non-GAAP operating profit as GAAP operating loss excluding stock-based compensation expense, amortization of intangible assets, lease modification and impairment, change in fair value of contingent consideration and transaction costs related to acquisitions and certain non-capitalized offering-related expenses. We believe non-GAAP operating profit provides investors and other users of our financial information consistency and comparability with our past financial performance and facilitates period-to-period comparisons of GAAP operating loss.

The following table provides a reconciliation of GAAP operating loss to non-GAAP operating profit (in thousands):

	Three Months Ended December 31,		Six Months Ended December 31,	
	2023	2022	2023	2022
GAAP operating loss	$ (11,082)	$ (19,428)	$ (25,047)	$ (38,574)
Adjusted to exclude the following:				
Stock-based compensation	16,508	20,268	35,265	36,036
Amortization of intangible assets	2,614	2,506	5,319	5,587
Lease modification and impairment	—	(348)	—	1,601
Change in fair value of contingent consideration	(784)	(232)	(2,215)	(232)
Transaction costs [(1)]	350	42	678	201
Non-GAAP operating profit	$ 7,606	$ 2,808	$ 14,000	$ 4,619

(1) Consists of acquisition-related transaction costs and costs related to certain non-capitalized offering-related expenses.

Indebtedness

On October 5, 2021, we entered into a Credit Agreement, as amended on June 6, 2022 and further amended on November 17, 2022, with a group of lenders led by JPMorgan. The Credit Agreement provides for a five-year, senior secured revolving credit facility of $100.0 million with a sub-facility for letters of credit in the aggregate amount of up to $10.0 million. Future borrowings under the JPMorgan Credit Facility will bear interest, at our election, at an annual rate based on either (a) an adjusted secured overnight financing rate (SOFR, as described in the Credit Agreement) plus a percentage spread (ranging from 1.75% to 2.50%) or (b) an alternate base rate (as described in the Credit Agreement) plus a percentage spread (ranging from 0.75% to 1.50%), in each case based on our total net leverage ratio. In addition, a commitment fee accrues with respect to the unused amount of the JPMorgan Credit Facility at an annual rate ranging from 0.25% to 0.40%, based on our total net leverage ratio. Subject to certain exceptions, our total net leverage ratio as of the end of each fiscal quarter may not exceed 3.50 to 1.00. We were in compliance with all of the covenants as of December 31, 2023.

As of December 31, 2023, no amounts have been borrowed under the JPMorgan Credit Facility.

Critical Accounting Policies and Estimates

The process of preparing our unaudited condensed consolidated financial statements in conformity with U.S. GAAP requires the use of estimates and judgments that affect the reported amounts of assets, liabilities, revenues, and expenses. These estimates and judgments are based on historical experience, future expectations and other factors and assumptions we believe to be reasonable under the circumstances. The most significant estimates and judgments are reviewed on an ongoing basis and are revised when necessary. Actual amounts may differ from these estimates and judgments.

There have been no significant changes to our critical accounting policies or estimates from those disclosed in our Annual Report on Form 10-K for the fiscal year ended June 30, 2023, filed with the SEC on September 7, 2023.

Recent Accounting Pronouncements

See Note 2 to our unaudited condensed consolidated financial statements included elsewhere in this Quarterly Report on Form 10-Q for more information regarding recent accounting pronouncements and our assessment of their impact.

Emerging Growth Company Status

In April 2012, the JOBS Act was enacted. Section 107 of the JOBS Act provides that an “emerging growth company” can take advantage of the extended transition period provided in Section 7(a)(2)(B) of the Securities Act for complying with new or revised accounting standards. We have elected to use this extended transition period to enable us to comply with certain new or revised accounting standards that have different effective dates for public and private companies until the earlier of the date we (i) are no longer an emerging growth company or (ii) affirmatively and irrevocably opt out of the extended transition period provided in the JOBS Act. As a result, our unaudited condensed consolidated financial statements may not be comparable to companies that comply with new or revised accounting pronouncements as of public company effective dates.

We also intend to rely on certain other exemptions and reduced reporting requirements under the JOBS Act, including: not having to (1) provide an auditor’s attestation report on our system of internal controls over financial reporting pursuant to Section 404(b) of the Sarbanes-Oxley Act or (2) comply with any requirement that may be adopted by Public Company Accounting Oversight Board (“PCAOB”) regarding mandatory audit firm rotation or a supplement to the auditor’s report providing additional information about the audit and the financial statements, known as the auditor discussion and analysis.

We will remain an emerging growth company until the earlier of (1) the last day of fiscal year in which we have more than $1.235 billion in annual revenues; (2) the date we qualify as a “large accelerated filer,” which would occur if the market value of our common stock that is held by non-affiliates exceeds $700 million as of the last business day of the most recently completed second fiscal quarter, and we have been required to file annual, quarterly and current reports under the Exchange Act for at least twelve months, and we have filed at least one annual report pursuant to the Exchange Act; (3) the date on which we have, during the previous three-year period, issued more than $1.0 billion in non-convertible debt securities; and (4) the last day of fiscal year ending after the fifth anniversary of our initial public offering.

On December 31, 2023, the last day of the second fiscal quarter in 2024, the market value of common stock held by non-affiliates exceeded $700 million. Accordingly, the Company will be deemed a large accelerated filer as of June 30, 2024. As such, the Company will no longer (i) qualify as an emerging growth company, (ii) be able to take advantage of the extended timeline to comply with new or revised accounting standards applicable to public companies beginning with the Annual Report on Form 10-K for the year ending June 30, 2024 and (iii) be exempt from providing an auditor's attestation report on internal control over financial reporting pursuant to Section 404(b) of the Sarbanes-Oxley Act.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

We are exposed to market risks in the ordinary course of our business, including foreign currency exchange, credit, inflation, and interest rate risks.

Foreign Currency Exchange Risk

Our reporting currency is the U.S. dollar and the functional currency for all of our foreign subsidiaries is the U.S. dollar, except Rekoop Ltd., which uses the British pound.

The majority of our revenue and expenses are denominated in U.S. dollars. However, we have foreign currency risks as we have contracts with clients and payroll obligations and a limited number of supply contracts with vendors which have payments denominated in foreign currencies.

The volatility of exchange rates depends on many factors that we cannot forecast with reliable accuracy. We have experienced and will continue to experience fluctuations in foreign exchange gains and losses related to changes in foreign currency exchange rates. We have not engaged in the hedging of foreign currency transactions to date, although we may choose to do so in the future. Our exposure to foreign currency exchange risk relates primarily to our accounts receivable, cash balances, other employee compensation related obligations and lease liabilities denominated in currencies other than the U.S. dollar. If a hypothetical 10% change in foreign currency exchange rates were to occur in the future, the resulting gain or loss would be immaterial on our operating results over the next twelve months.

Credit Risk

We routinely assess the creditworthiness of our clients. We have not experienced any material losses related to non-payment of receivables from individual or groups of clients due to loss of creditworthiness during the three and six months ended December 31, 2023 and 2022. Clients representing in excess of 10% of our accounts receivable balance at December 31, 2023 and June 30, 2023 were zero and one, respectively. Due to these factors, management believes that we do not have additional credit risk beyond the amounts already provided for collection losses in our accounts receivable.

Inflation Risk

We do not believe that inflation has had a material effect on our business, results of operations, or financial condition. Nonetheless, if our costs were to become subject to significant inflationary pressures, we may not be able to fully offset such higher costs, particularly if inflationary pressures occur during an economic downturn. Further, our clients may not buy new products or may refrain from expanding current product usage as a result of the impact of increasing costs on their spend. These matters could harm our business, results of operations, or financial condition.

Interest Rate Risk

Our exposure to market risk for changes in interest rates relates primarily to our cash held in cash deposits and cash equivalents invested in money market funds and our senior secured revolving credit facility of up to $100.0 million.

As of December 31, 2023, we had cash and cash equivalents of $166.4 million held with multiple high credit quality financial institutions, including investments in money market funds. Our investments are subject to market risk due to changes in interest rates, which may affect our interest income. A hypothetical 100 basis points increase or decrease in interest rates would not have a material impact on our operating results or the fair value of our cash and cash equivalents over the next twelve months.

As of December 31, 2023, we had no outstanding loan balance under our senior secured revolving credit facility. Future borrowings under this facility will accrue interest at a variable rate based on, at our election, either (a) an adjusted secured overnight financing rate (SOFR, as described in the Credit Agreement) plus a percentage spread (ranging from 1.75% to 2.50%) or (b) an alternate base rate (as described in the Credit Agreement) plus a percentage spread (ranging from 0.75% to 1.50%), in each case based on the Company's total net leverage ratio. As a result, we will be exposed to increased interest rate risk if we draw down on the facility.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Our management, under the supervision and with the participation of our Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of our disclosure controls and procedures as of the end of the period covered by this Quarterly Report on Form 10-Q. The term "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"), means controls and other procedures of a company that are designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is accumulated and communicated to the company's management, including its principal executive and principal financial officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure. Based on such evaluation, our Chief Executive Officer and Chief Financial Officer concluded that, as of the end of the period covered by this Quarterly Report on Form 10-Q, our disclosure controls and procedures were effective at the reasonable assurance level.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting identified in connection with the evaluation required by Rules 13a-15(d) and 15d-15(d) of the Exchange Act that occurred during the quarter ended December 31, 2023 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Inherent Limitations on Effectiveness of Controls

Our management, including our Chief Executive Officer and Chief Financial Officer, believes that our disclosure controls and procedures and internal control over financial reporting are designed to provide reasonable assurance of achieving their objectives and are effective at the reasonable assurance level. However, management does not expect that our disclosure controls and procedures or our internal control over financial reporting will prevent or detect 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 the company have been detected. The design of any system of controls also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Over time, controls may become inadequate because of changes in conditions, or the degree of compliance with the policies or procedures may deteriorate. Because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

PART II—OTHER INFORMATION

Item 1. Legal Proceedings

The information contained in Note 8. "Commitments and Contingencies—Litigation" in our unaudited condensed consolidated financial statements included elsewhere in this Quarterly Report on Form 10-Q is incorporated herein by reference. From time to time, we may be subject to legal proceedings and claims in the ordinary course of business. We cannot predict the results of any such disputes, and regardless of the potential outcomes, the existence thereof may have an adverse material impact on us due to diversion of management time and attention as well as the financial costs related to resolving such disputes.

Item 1A. Risk Factors

There have been no material changes to the risk factors disclosed under Part I, Item 1A "Risk Factors" in our Annual Report on Form 10-K for the fiscal year ended June 30, 2023, the current effects of which are discussed in more detail in Part I, Item 2 "Management's Discussion and Analysis of Financial Condition and Results of Operations" of this Quarterly Report on Form 10-Q. If any of these risks or uncertainties actually occur, our business, financial condition, prospects, results of operations and cash flow could be materially and adversely affected. In that case, the market price of our common stock could decline. These risks are not the only risks we face. Additional risks or uncertainties not currently known to us, or that we currently deem immaterial, may also have a material adverse effect on our business, financial condition, prospects, results of operations or cash flows, as well as the market price of our securities. We cannot assure you that any of the events discussed in the risk factors will not occur.

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

None.

Item 3. Defaults Upon Senior Securities

Not applicable.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

Rule 10b5-1 Trading Plans

Ralph Baxter, a member of the Company's Board of Directors, entered into a stock trading plan intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) (a "Rule 10b5-1 Plan") on November 27, 2023, which has an end date of February 26, 2025. Mr. Baxter's Rule 10b5-1 Plan provides for the potential exercise of stock options and the associated sale of up to 160,000 shares of Intapp common stock. Michele Murgel, the Company's Chief People and Places Officer, entered into a Rule 10b5-1 Plan on December 13, 2023. Ms. Murgel's Rule 10b5-1 Plan provides for the potential exercise of stock options and the associated sale of up to 28,133 shares of Intapp common stock and the potential sale of the net shares that Ms. Murgel will receive from the vesting of outstanding awards of performance stock units granted prior to the adoption of her current Rule 10b5-1 Plan until the plan's end date on August 15, 2024. Thad Jampol, the Company's Co-founder and Chief Product Officer, entered into a Rule 10b5-1 Plan on December 13, 2023, which has an end date of April 1, 2025. Mr. Jampol's Rule 10b5-1 Plan provides for the potential exercise of stock options and the associated sale of up to 440,000 shares of Intapp common stock.

Kalyani Tandon, the Company's Chief Accounting Officer until December 8, 2023, terminated a Rule 10b5-1 Plan on November 13, 2023. Ms. Tandon's Rule 10b5-1 Plan, entered into on June 15, 2023, provided for the potential exercise of stock options and the associated sale of up to 105,000 shares of Intapp common stock and the potential sale of 50% of the net shares that Ms. Tandon would receive from the vesting of outstanding awards of performance stock units granted prior to the adoption of her Rule 10b5-1 Plan until the plan's end date on August 31, 2024.

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Item 6. Exhibits

The information required by this Item is set forth on the exhibit index that precedes the signature page of this Quarterly Report on Form 10-Q.

Exhibit Number	Description	Incorporated by Reference				Filed Herewith
		Form	File Number	Date	Number	
10.1+	Strategic Advisor Agreement between the Company and Stephen Robertson, dated December 29, 2023.					X
31.1	Certification of Principal Executive Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.					X
31.2	Certification of Principal Financial Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.					X
32.1*	Certification of Principal Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.					X
32.2*	Certification of Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.					X
101.INS	Inline XBRL Instance Document – the instance document does not appear in the Interactive Data File because XBRL tags are embedded within the Inline XBRL document					X
101.SCH	Inline XBRL Taxonomy Extension Schema with Embedded Linkbase Documents					X
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)					X

+ Indicates a management contract or compensatory plan.

* The certifications furnished in Exhibits 32.1 and 32.2 hereto are deemed to accompany this Quarterly Report on Form 10-Q and are not deemed “filed” for purposes of Section 18 of the Exchange Act, or otherwise subject to the liability of that section, nor shall they be deemed incorporated by reference into any filing under the Securities Act or the Exchange Act, irrespective of any general incorporation language contained in such filing.

SIGNATURES

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.

	Intapp, Inc.
Date: February 8, 2024	By: /s/ John Hall John Hall Chief Executive Officer *(Principal Executive Officer)*
Date: February 8, 2024	By: /s/ David Morton David Morton Chief Financial Officer *(Principal Financial Officer)*

STRATEGIC ADVISOR AGREEMENT

This STRATEGIC ADVISOR AGREEMENT (the "Advisor Agreement") is entered into effective January 1, 2024, between Intapp, Inc., a Delaware corporation (the "Company") and Stephen Robertson ("Consultant," and collectively with the Company, the "Parties").

WHEREAS, the Company and Consultant have previously entered into that certain Transition and Advisory Agreement by and between Consultant and the Company on August 7, 2023 (the "Transition Agreement"), which superseded that certain employment agreement between Consultant and the Company, effective as of June 18, 2021 (the "Prior Agreement");

WHEREAS, Consultant's employment with the Company, and the term of the Agreement, terminated on December 31, 2023 (the "Separation Date");

WHEREAS, the Company desires to engage Consultant to provide consulting services through September 30, 2024 (or such earlier date as this Advisor Agreement may be terminated by either Party as provided herein) (the "Advisory Period"), upon the terms and subject to the conditions hereinafter set forth; and

WHEREAS, Consultant has agreed to provide such consulting services, upon the terms and subject to the conditions hereinafter set forth.

NOW, THEREFORE, in consideration of the above premises and for other good and valuable consideration, the receipt and sufficiency of which hereby are acknowledged, the Parties hereto agree as follows:

1. Services; Term. Consultant shall perform strategic advisory services and provide related deliverables for the Company (the "Services") on a non-exclusive basis, as set forth in Schedule A attached hereto. In the event of any conflict between Schedule A and the Advisor Agreement, the terms of the Advisor Agreement shall control except as expressly provided in Schedule A. Consultant shall be solely responsible for obtaining all licenses, permits, or certificates required to carry out the Services.

2. Consulting Fees. In consideration of Consultant (i) signing, and not revoking this Advisor Agreement (including the general release of claims in Section 10 (the "Advisor Release)), (ii) timely signing and not revoking the general waiver and release of claims substantially in the form of the Final Separation and Release Agreement attached hereto as Schedule B (the "Final Release"), (iii) continuing to comply with all post-employment covenants set forth in the Transition Agreement and the Prior Agreement, and (iv) continuing to comply with all of the covenants set forth in this Advisory Agreement, the Company shall provide to Consultant the compensation and other consideration detailed in Schedule A, attached hereto and made a part hereof, as may be amended in writing from time to time upon mutual agreement of the Parties. The Company shall not be required to make the payments provided for under this Section 2 and Schedule A, unless Consultant executes and delivers to the Company this Advisor Agreement (including the Advisor Release), and the Advisor Release and the Final Release have become effective and irrevocable in their entirety. If Consultant decides not to sign the Advisor Release or the Final Release, or if Consultant revokes the Advisor Release or the Final Release, Consultant will not be eligible to receive the consideration described in Schedule A and the Company reserves any right to recoup any payments made pursuant to this Advisor Agreement, should Consultant not sign and/or revoke the Advisor Release or Final Release.

3. Expenses. During the Advisory Period, Consultant shall bill the Company monthly, and the Company shall reimburse Consultant monthly, for all reasonable and approved out-of-pocket expenses which are incurred in connection with the performance of the duties hereunder in accordance with the Company's travel and expense policy.

4. Confidentiality. Consultant has previously entered into that certain Employee Invention Assignment and Confidentiality Agreement between the Company and Consultant (the "Confidentiality Agreement"). Employee agrees that (i) the terms of the Confidentiality Agreement shall continue to apply in full force and effect and inure to the benefit of the Company through the Advisory Period and for all times thereafter, as applicable, and (ii) Employee shall continue to comply in all respects with the Confidentiality Agreement.

5. Conflicts of Interest. Consultant represents that Consultant is free to enter into the Advisor Agreement and that this engagement does not violate the terms of any agreement between Consultant and any third party. Further, Consultant, in rendering duties shall not utilize any invention, discovery, development, improvement, innovation, or trade secret in which Consultant does not have a proprietary interest. During the Advisory Period, Consultant shall devote as much of Consultant's productive time, energy, and abilities to the performance of Consultant's duties hereunder as is necessary to perform the required duties in a timely and productive manner.

6. IN NO EVENT SHALL EITHER PARTY BE LIABLE, FOR CONSEQUENTIAL, INCIDENTAL, EXEMPLARY, PUNITIVE, SPECIAL, MULTIPLE, OR INDIRECT DAMAGES OF ANY KIND EVEN IF SUCH PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH LOSS OR DAMAGES.

7. Notice to Company. Consultant agrees to provide the Company with advance written notice prior to commencing to directly or indirectly participating in, consulting with, rendering services for or in any manner engaging in any business competing with the businesses of the Company or its subsidiaries as such businesses exist or are in process or being planned during the Advisory Period, within any county in which the Company or its subsidiaries have operating locations, leases, options to lease or acquire property, or definitive plans known to Consultant during the Advisory Period, or otherwise accepting any other roles or consulting engagements.

8. Non-Disparagement. During the Advisory Period and thereafter, without limitation of time, Consultant shall not at any time make, publish or communicate to any person or entity any Disparaging (as defined below) remarks, comments or statements concerning Company, any other equity holders of the Company, or any affiliates of any of the foregoing. "Disparaging" remarks, comments or statements are those that impugn the character, honesty, integrity, morality, business acumen or abilities of the individual or entity being disparaged. Notwithstanding anything to the contrary, nothing in the Advisor Agreement prohibits Consultant from providing truthful information or testimony in connection with any litigation or any investigation or proceeding conducted by any governmental authority, or from disclosing information to a governmental authority that Consultant believes in good faith reflects a violation of applicable law.

9. Independent Consultant. The Advisor Agreement shall not render Consultant an employee, partner, agent of, or joint venturer with the Company for any purpose. Consultant is and will remain an independent Consultant in Consultant's relationship to the Company. The Company shall not be responsible for withholding taxes with respect to Consultant's compensation hereunder. Consultant shall have no claim against the Company hereunder or otherwise for vacation pay, sick leave, retirement benefits, social security, worker's compensation, health or disability benefits, unemployment insurance benefits, or employee benefits of any kind.

10. General Release and Waiver of Claims.

(a) In consideration of the benefits detailed in the Advisor Agreement, Consultant and each of his respective heirs, executors, administrators, representatives, agents, successors and assigns (collectively, the “Releasors”) hereby irrevocably and unconditionally waive, release, acquit, relieve and forever discharge the Company, its subsidiaries, its parent company and their respective current and former officers, directors, agents, employees, insurers, stockholders, successors and assigns (collectively “Releasees”) from any and all claims, liabilities, rights, demands, complaints, judgments, obligations, damages, actions and causes of action of any and every kind and nature, in law, equity or otherwise, whether known and unknown, suspected or unsuspected (“Claims”), which Consultant ever had or may have in the future, arising out of or in any way related to any agreements, events, acts, omissions or conduct existing or occurring prior to and including August 7, 2023 (the “Transition Date”), concerning any matter, cause or thing, including, without limiting the generality of the foregoing, any Claims for, related to or arising out of: (i) Consultant’s employment with the Company or the cessation of that employment; (ii) Consultant’s compensation or equity interests in the Company, fringe benefits or other severance pay; (iii) common law or statutory claims, including but not limited to, for breach of any oral or written promise or contract or any implied covenant of good faith and fair dealing, wrongful discharge, fraud, defamation or loss of reputation and emotional distress; (iv) any claim for attorneys’ fees or indemnification; (v) any claim for discrimination, harassment or retaliation of any kind; (vi) any violation of any federal, state or local constitution, statute, law, regulation or ordinance, including, without limitation, Title VII of the Civil Rights Act of 1964, the Civil Rights Act of 1866, 42 U.S.C. Section 1981, the Americans with Disabilities Act of 1990, the Family and Medical Leave Act, the Age Discrimination in Employment Act of 1967 (“ADEA”), the Employment Retirement Income Security Act of 1974 (except as to vested benefits), the Equal Pay Act, the Workers Adjustment and Retraining Notification Act, the Older Workers Benefit Protection Act, California Fair Employment and Housing Act, the California Labor Code, the California Family Rights Act and the California Constitution and any amendment to any such laws, and all other federal, state, local or foreign law, rule or regulation, in each case as may lawfully be waived and released; (vii) any impairment of Consultant’s ability to obtain subsequent employment based on events or conduct as of the Effective Date; and (viii) any claims on any other legal or equitable basis whatsoever (collectively, the “Release”).

(b) Consultant acknowledges and agrees the Releases given above exclude only claims that: (i) cannot be released solely by private agreement; (ii) are for unemployment or workers’ compensation benefits; (iii) are to enforce or challenge the Advisor Agreement; (iv) arise after the Transition Date; or (v) are for vested 401(k) or pension benefits.

(c) Consultant acknowledges and agrees that while nothing in the Advisor Agreement (including the Release, Confidentiality Agreement and Non-Disparagement sections) precludes Consultant (i) from filing a charge with the National Labor Relations Board, the Equal Employment Opportunity Commission, the Securities and Exchange Commission, the California Department of Fair Employment and Housing, or any other federal, state or local agency, (ii) from participating in any investigation or proceeding with such an agency, or (iii) from providing any documents or information to such an agency, Consultant shall not personally recover money or reinstatement from the Releasees, and Consultant expressly waives the right to recover any such money or reinstatement, for any complaint or charge, including any class or collective action, filed against the Releasees with any federal, state or local board, agency or court. This does not affect any right Consultant may have to recover any payment from a government agency for any information provided to that agency.

(d) Consultant acknowledges and agrees that he specifically waives all rights under California Civil Code Section 1542, which states, “A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party," that this Section 10(d) gives Consultant the right not to release existing claims of which he is not now aware, unless he voluntarily chooses to waive this right. By signing the Advisor Agreement, Consultant voluntarily waives the rights described in California Civil Code Section 1542 and all claims that now exist in his favor, known or unknown, and that he acknowledges that he may later discover claims or facts in addition to or different from those which he now knows or believes to exist with respect to the subject matter of the Advisor Agreement and which, if known or suspected at the time of executing the Advisor Agreement, may have materially affected its terms. Nevertheless, Consultant waives any right, claim or cause of action that might arise as a result of such different or additional claims or facts. Consultant understands the significance and consequence of the Release, this Section 10(d), the waiver of California Civil Code Section 1542 and the Advisor Agreement, and he acknowledges that he has had an opportunity to consult with, and to be fully advised by, his attorney of the contents of California Civil Code Section 1542 and the Advisor Agreement.

11. Representations and Warranties. Consultant represents, warrants, and acknowledges as follows:

(a) The Company only retains the right to direct the results achieved by Consultant. The Company does not retain the right to control the manner and means by which these results are to be accomplished, nor will the Company establish a quality standard for Consultant; provided, however, that Consultant shall perform the Services using Consultant's best efforts in a manner consistent with professional industry standards.

(b) Consultant shall determine how to perform Services under the Advisor Agreement.

(c) The Company will neither provide nor require training for Consultant.

(d) Consultant's Services shall not be integrated into the Company's general business operations.

(e) Consultant will remain directly responsible for the Services performed and will ensure that the work meets the specifications set forth by the Company.

(f) Consultant shall not be required to submit regular written reports, but the Company shall periodically review Consultant's progress in achieving the goals set forth by the Company.

(g) Consultant understands that Consultant must obtain and keep current, at Consultant's own expense, all permits, certificates, and licenses necessary for Consultant to perform the Services, if any.

(h) Consultant has full power, authority, and capacity to enter into the Advisor Agreement and to perform Consultant's obligations hereunder. The Advisor Agreement has been voluntarily executed by Consultant and constitutes a valid and binding agreement of Consultant.

(i) The Company will not dictate the time of performance; however, Consultant and the Company may agree upon a completion schedule and a range of mutually agreeable work hours.

(j) Consultant has read the Advisor Agreement and has had the opportunity to have the Advisor Agreement reviewed by Consultant's legal counsel.

12. Successors and Assigns. All of the provisions of the Advisor Agreement shall be binding upon and inure to the benefit of the Parties hereto and their respective heirs, if any, successors, and assigns.

13. Choice of Law. The laws of the state of California shall govern the validity of the Advisor Agreement, the construction of its terms and the interpretation of the rights and duties of the parties hereto.

14. Headings. Section headings are not to be considered a part of the Advisor Agreement and are not intended to be a full and accurate description of the contents hereof.

15. Waiver. Waiver by one Party hereto of breach of any provision of the Advisor Agreement by the other shall not operate or be construed as a continuing waiver.

16. Assignment. Consultant shall not assign any of her rights under the Advisor Agreement or delegate the performance of any of her duties hereunder, without the prior written consent of the Company.

17. Notices. Any and all notices, demands, or other communications required or desired to be given hereunder by any Party shall be in writing and shall be validly given or made to another Party if personally served, or if deposited in the United States mail, certified or registered, postage prepaid, return receipt requested. If such notice or demand is served personally, notice shall be deemed constructively made at the time of such personal service. If such notice, demand or other communication is given by mail, such notice shall be conclusively deemed given five days after deposit thereof in the United States mail addressed to the party to whom such notice, demand or other communication is to be given as follows:

if to the Company, at:

Intapp, Inc.
3101 Park Blvd.
Palo Alto, CA 94306
Attention: Steven Todd, General Counsel
Email: steven.todd@intapp.com

With a copy to:
Proskauer Rose LLP
Eleven Times Square
New York, NY 10046
Attn: Kristina Trauger
Email: ktrauger@proskauer.com

if to Consultant, to Consultant’s address on file with the Company.

Any Party hereto may change its address for purposes of this paragraph by written notice given in the manner provided above.

18. Modification or Amendment. No amendment, change or modification of the Advisor Agreement shall be valid unless in writing signed by the Parties hereto.

19. Entire Understanding. This document and any exhibit attached constitute the entire understanding and agreement of the Parties, and any and all prior agreements, understandings, and representations are hereby terminated and canceled in their entirety and are of no further force and effect.

20. Unenforceability of Provisions. If any provision of the Advisor Agreement, or any portion thereof, is held to be invalid and unenforceable, then the remainder of the Advisor Agreement shall nevertheless remain in full force and effect.

21. Authority. Consultant represents that he has the authority necessary to enter into the Advisor Agreement and neither the execution nor the delivery of the Advisor Agreement will immediately or with the passage of time conflict with or result in a breach of any other arrangement to which Consultant is a party.

22. Compliance with Policies and Laws. Consultant agrees to abide by all the Company's policies and procedures. Consultant also agrees to abide by all laws applicable to the Company, in each jurisdiction that it does business, including without limitation securities and regulations governing publicly traded companies.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the Company has caused the Advisor Agreement to be signed by its officer pursuant to the authority of its Board of Directors, and Consultant has executed the Advisor Agreement, as of the day and year first written above.

INTAPP, INC.

By: _/s/ John Hall_____________
Name: John Hall
Title: CEO

CONSULTANT

By: _/s/ Stephen Robertson______
Name: Stephen Robertson

[Signature Page to Robertson Advisor Agreement]

SCHEDULE A

SERVICES, TERM, AND COMPENSATION

SERVICES: Consultant will perform the following services during the Advisory Period remotely or from such location as Consultant and the Chief Executive Officer of the Company (the "CEO") mutually agree from time to time:

- advise and counsel with respect to strategic and other matters from time to time as determined by the CEO, and
- such other services as the Consultant the CEO may agree upon from time to time

REPORTING: Consultant will report directly to the CEO.

TERM: The Advisor Agreement will commence on January 1, 2024, and will continue in full force and effect through September 30, 2024, or upon the earlier termination of the Advisor Agreement pursuant to the terms set forth in Section 3 of the Transition Agreement, the Advisor Agreement and this Schedule A (the "Advisory Period").

RETAINER: As compensation for services as a Consultant rendered pursuant to the Advisor Agreement, Company shall pay Consultant a monthly retainer of $37,708.33 ("Monthly Retainer"), payable in arrears.

VESTING OF PRIOR AWARDS: For the avoidance of doubt, notwithstanding anything to the contrary in the Transition Agreement or in the Company's 2021 Omnibus Equity Incentive Plan (the "Plan") or any award agreement thereunder, with respect to all awards granted to Consultant pursuant to the Plan that are outstanding and unvested as of the Separation Date (each, an "Equity Award"), Consultant's termination of employment with the Company on the Separation Date and transition from an employee of the Company to a consultant of the Company immediately following the Separation Date shall not be treated as a termination of employment and the Equity Awards shall continue to vest subject to Consultant's continued service with the Company pursuant to this Advisor Agreement.

TERMINATION: The Advisor Agreement and the Advisory Period, may be earlier terminated by Consultant upon 30 days' prior written notice to the Company, or by Company upon 30 days' prior written notice to Consultant.

In the event of a termination of the Advisor Agreement and the Advisory Period by the Company for any reason other than due to Consultant's breach of the Advisor Agreement or for "Cause" (as defined below), by the Company due to Consultant's "Disability" (as defined below), or due to Consultant's death, the Company will have no further obligation to Consultant except as set forth in this paragraph: (A) payment to Consultant of any earned and unpaid portion of the Monthly Retainer, such payment to be made on the date the applicable payment would have been made had such termination not occurred; (B) payment to Consultant of any unreimbursed reasonable business expenses incurred prior the termination of the Advisory Period in connection with Consultant's performance of services hereunder that are documented in accordance with the Company's expense reimbursement policy (the payments set forth in (A) and (B), the "Accrued Payments"); (C) continuation of the payment of Consultant's Monthly Retainer through the original term of the Advisory Period had such termination not taken place, such payment to be made on the date the applicable payment would have been made had such termination not occurred; (D) as to any then-outstanding Equity Award, such Equity Award shall vest immediately as of the termination of the Advisory Period as to a number of shares comprising the milestones set forth in the table below; provided that Consultant's right to receive the payments and benefits described in subclauses (C) through (D) above shall be subject to Consultant timely executing, returning to the Company and not revoking the Final Release.

If the termination occurs:	then the number of milestones vesting will be:
Before February 20, 2024	3
After February 20 but before May 20, 2024	2
After May 20 but before August 20, 2024	1
After August 20, 2024	0

In the event of a termination of the Advisor Agreement and the Advisory Period by the Company for Cause or due to Consultant's termination of the Advisor Agreement and the Advisory Period for any reason, the Company will have no further obligation to Consultant except for the payment of the Accrued Payments.

For purposes of this Schedule A, "Disability" means "disability" (as such term is defined under the Company's disability insurance policy maintained for executives of the Company, from time to time) suffered by Consultant for a continuous period of at least six months or any impairment of mind or body that is likely to result in a "disability" of Consultant for more than three months during any twelve-month period.

For purposes of this Schedule A, "Cause" means (i) Consultant's indictment for, or entry of a plea of guilty or no contest or nolo contendere to, any felony under any state, federal or foreign law or any other crime involving moral turpitude; (ii) Consultant's commission of an act of fraud, embezzlement, misappropriation of funds, misrepresentation, malfeasance, breach of fiduciary duty or other willful and material act of misconduct, in each case, against the Company or any of its affiliates; (iii) Consultant's willful, material damage to any property of the Company; (iv) Consultant's breach of any material Company policy that materially harms the Company; (v) Consultant's commission of an act that brings Consultant into widespread public disrepute, contempt or scandal and which justifiably shocks, insults or offends a significant portion of the community; or (vi) Consultant's breach of any material provision of the Advisor Agreement, the Confidentiality Agreement, or any other written agreement between Consultant and the Company.

For the avoidance of doubt, the Company reserves all rights to recoup any payments made pursuant to the Advisor Agreement, should the Advisor Agreement (including the Advisor Release) or the Final Release not be timely executed by Consultant and do not become effective and/or Consultant revokes the Advisor Agreement (including the Advisor Release) or the Final Release.

SCHEDULE B

FINAL SEPARATION AND RELEASE AGREEMENT

This Final Separation and Release Agreement (the "Final Release") is made between Stephen Robertson and Intapp, Inc. (the "Company"). Capitalized terms have the same meaning given to them in the Transition and Advisory Agreement by and between you and the Company on [●], 2023 (including, for the avoidance of doubt, the Advisor Agreement, the "Agreement").

WHEREAS, the Company and you wish to resolve any and all Claims that you have or may have against the Company and any of the Releasees, including any and all Claims that you may have prior to and through the termination of the Advisory Period (the "Separation Date").

NOW, THEREFORE, the Company and you agree as follows:

1. Prior Rights and Obligations: By executing the Final Release, you acknowledge and agree that you have received all wages, bonuses and other compensation accrued and owed to you, including all paid and unpaid leaves and entitlements under any incentive plans or bonus arrangements, including, for the avoidance of doubt, the termination payments described in Section 3 of the Agreement.

2. Consideration: The payments and benefits described on Schedule A of the Advisor Agreement are made in consideration of you (i) signing, and not revoking the Advisor Agreement (including the Advisor Release), (ii) timely signing and not revoking the Final Release, (iii) continuing to comply with all post-employment covenants set forth in the Transition Agreement and that certain employment agreement between you and the Company, effective as of June 18, 2021, and (iv) continuing to comply with all of the covenants set forth in the Advisor Agreement. If you do not timely sign and deliver the Final Release in accordance with the Agreement, or if you revoke the Final Release, you will not be eligible to receive any then-unpaid consideration described in Schedule A of the Agreement and the Company reserves any right to recoup any payments made pursuant to the Agreement.

3. General Release and Waiver of Claims:

(a) In consideration of the payments and benefits described in Section 2 of this Final Release, you and the Releasors hereby irrevocably and unconditionally waive, release, acquit, relieve and forever discharge the Company and the Releasees from any and all Claims that you ever had or may have in the future, arising out of or in any way related to any agreements, events, acts, omissions or conduct existing or occurring prior to and including the Separation Date, concerning any matter, cause or thing, including, without limiting the generality of the foregoing, any Claims for, related to or arising out of: (i) your employment with the Company or the cessation of that employment; (ii) your compensation or equity interests in the Company, fringe benefits or other severance pay; (iii) common law or statutory claims, including but not limited to, for breach of any oral or written promise or contract or any implied covenant of good faith and fair dealing, wrongful discharge, fraud, defamation or loss of reputation and emotional distress; (iv) any claim for attorneys' fees or indemnification; (v) any claim for discrimination, harassment or retaliation of any kind; (vi) any violation of any federal, state or local constitution, statute, law, regulation or ordinance, including, without limitation, Title VII of the Civil Rights Act of 1964, the Civil Rights Act of 1866, 42 U.S.C. Section 1981, the Americans with Disabilities Act of 1990, the Family and Medical Leave Act, the Age Discrimination in Employment Act of 1967 ("ADEA"), the Employment Retirement Income Security Act of 1974 (except as to vested benefits), the Equal Pay Act, the Workers Adjustment and Retraining Notification Act, the Older Workers Benefit Protection Act, the California Fair Employment and Housing Act, the California Labor Code, the California Family Rights Act and the California Constitution, and any amendment to any such laws, and all other federal, state, local or foreign law, rule or regulation, in each case as may lawfully be waived and released; (vii) any impairment of your ability to obtain subsequent employment based on events or conduct prior to the Separation Date; and (viii) any claims on any other legal or equitable basis whatsoever (collectively, the "Release").

(b) You acknowledge and agree the Releases given above exclude only claims that: (i) cannot be released solely by private agreement; (ii) are for unemployment or workers' compensation benefits; (iii) are to enforce or challenge the Final Release; (iv) arise after the Separation Date; (v) are for vested 401(k) or pension benefits; or (vi) are permitted by Section 3(c).

(c) You acknowledge and agree that while nothing in the Agreement and the Final Release (including the Release, Proprietary and Confidential Information and Non-Disparagement sections) precludes you (i) from filing a charge with the National Labor Relations Board, the Equal Employment Opportunity Commission, the Securities and Exchange Commission, the California Department of Fair Employment and Housing, or any other federal, state or local agency, (ii) from participating in any investigation or proceeding with such an agency, or (iii) from providing any documents or information to such an agency, you shall not personally recover money or reinstatement from the Releasees, and you expressly waive the right to recover any such money or reinstatement, for any complaint or charge, including any class or collective action, filed against the Releasees with any federal, state or local board, agency or court. This does not affect any right you may have to recover any payment from a government agency for any information provided to that agency.

(d) You acknowledge and agree that you specifically waive all rights under California Civil Code Section 1542, which states, "**A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, must have materially affected his or her settlement with the debtor or released party**," that this Section 3(d) gives you the right not to release existing claims of which you are not now aware, unless you voluntarily choose to waive this right. By signing the Final Release, you voluntarily waive the rights described in California Civil Code Section 1542 and all claims that now exist in your favor, known or unknown, and that you acknowledge you may later discover claims or facts in addition to or different from those which you now know or believe to exist with respect to the subject matter of the Final Release and which, if known or suspected at the time of executing the Final Release, may have materially affected its terms. Nevertheless, you waive any right, claim or cause of action that might arise as a result of such different or additional claims or facts. You understand the significance and consequence of the Release, this Section 3(d), the waiver of California Civil Code Section 1542 and the Final Release, and you acknowledge that you have had an opportunity to consult with, and to be fully advised by, your attorney of the contents of California Civil Code Section 1542 and the Final Release.

(e) In further consideration of the payments and benefits described in Section 2 of this Final Release, the Releasors hereby unconditionally release and forever discharge the Releasees from any and all Claims arising under ADEA that the Releasors may have as of the Separation Date. By signing the Final Release, you hereby acknowledge and confirm the following: (i) you were advised by the Company in connection with your departure to consult with an attorney of your choice prior to agreeing to the Final Release and to have such attorney explain to you the terms of the Final Release, including, without limitation, the terms relating to your release of claims arising under ADEA; (ii) you were given a period of not fewer than 45 days to consider the terms of the Final Release and to consult with an attorney of your choosing with respect thereto; (iii) you knowingly and voluntarily accept the terms of the Final Release; and (iv) you are providing this release and discharge only in exchange for consideration in addition to anything of value to which you are already entitled. You also understand that you have 7 days following the date on which you sign the Final Release within which to revoke the Release contained in this Section 3(e) by providing the Company with a written notice of your revocation in accordance with Section 6 of the Final Release. The Company has included with the Final Release a statement identifying employees who are also being terminated on or about the Separation Date, and a list in Appendix A providing the job titles and ages of those employees selected, and not selected, in the same position as you. You hereby acknowledge receipt of the information contained in Appendix A.

4. No Claims Filed: You hereby represent to the Company that you have not filed any complaint or charge against the Company with the Equal Employment Opportunity Commission or with any other federal, state or local agency or court.

5. Confidentiality: The contents, terms and conditions of the Final Release must be kept confidential by you and may not be disclosed except to your immediate family, accountant or attorneys or pursuant to subpoena or court order. You agree that if you are asked for information concerning the Final Release, you will state only that you and the Company reached an amicable resolution of any disputes concerning your separation from the Company. Any breach of this confidentiality provision shall be deemed a material breach of the Final Release.

6. Revocation: The Final Release may be revoked by you within the seven-day period commencing on the date you sign the Final Release (the "Revocation Period"). In the event of any such revocation by you, all obligations of the Company and you under the Final Release will terminate and be of no further force and effect as of the date of such revocation, and each party will be free to assert any claims or defenses it or he or she may have with respect to your employment with the Company and the termination thereof. In the event of timely revocation, the Final Release will not be admissible in any future proceedings between the parties and the positions taken by the parties in the Final Release will not be deemed to be an admission by a party that it agreed that the matter should have been resolved in the way it is in the Final Release. The Final Release, if revoked, will constitute nothing more than an offer in compromise that was not accepted and will not be evidence of anything. No such revocation by you will be effective unless it is in writing and signed by you and received by the Company prior to the expiration of the Revocation Period.

7. No Admission of Liability: The Final Release is not and shall not be construed or contended by you to be an admission or evidence of any wrongdoing or liability on the part of the Releasees, their representatives, heirs, executors, attorneys, agents, partners, officers, shareholders, directors, employees, subsidiaries, affiliates, divisions, successors or assigns. The Final Release shall be afforded the maximum protection allowable under California Evidence Code Section 1152 and any other state or federal provisions of similar effect.

8. Complete and Voluntary Agreement: The Final Release, together with Appendix A hereto, the Agreement and any applicable stock option agreements, constitute the entire agreement between you and the Releasees with respect to the subject matter hereof and supersedes all prior negotiations and agreements, whether written or oral, relating to such subject matter. You acknowledge that neither the Releasees nor their agents or attorneys have made any promise, representation or warranty whatsoever, either express or implied, written or oral, which is not contained in the Final Release or the Agreement for the purpose of inducing you to execute the Final Release, and you acknowledge that you have executed the Final Release in reliance only upon such promises, representations and warranties as are contained herein, and that you are executing the Final Release voluntarily, free of any duress or coercion.

9. Severability: The provisions of the Final Release are severable, and if any part of it is found to be invalid or unenforceable, the other parts shall remain fully valid and enforceable. Specifically, should a court, arbitrator or government agency conclude that a particular claim may not be released as a matter of law, it is the intention of the parties that the general release, the waiver of unknown claims and the covenant not to sue the above shall otherwise remain effective to release any and all other claims.

10. Separation Agreement. The Final Release shall be subject to the provisions of Sections 4, 5, 6, 8 and 11 of the Agreement, which provisions are hereby incorporated by reference as part of the Final Release.

INTAPP, INC.

By: ______________________

PLEASE READ THE FINAL RELEASE CAREFULLY. IT INCLUDES A RELEASE OF ALL KNOWN AND UNKNOWN CLAIMS THROUGH THE DATE BELOW.

By executing below, I hereby acknowledge and agree that: (1) I have carefully read the Final Release, (2) I have had sufficient time to consider the Final Release before the execution and delivery to the Company, (3) I have been advised, and hereby is advised in writing, to discuss the Final Release with an attorney of my choice and I have had adequate opportunity to do so prior to executing and delivering the Final Release, (4) I fully know, understand and considered the contents of the Final Release and the final and binding effect of the Final Release, (5) I am signing the Final Release knowingly, voluntarily and am signing it of my own free will, and (6) I have voluntarily agreed to be legally bound by all its terms and conditions.

STEPHEN ROBERTSON	Date

Exhibit 31.1

**CERTIFICATION PURSUANT TO
RULES 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934,
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, John Hall, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Intapp, Inc.;

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: February 8, 2024

By: /s/ John Hall
John Hall
Chief Executive Officer

Exhibit 31.2

CERTIFICATION PURSUANT TO
RULES 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934,
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, David Morton, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Intapp, Inc.;

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: February 8, 2024

By: /s/ David Morton
David Morton
Chief Financial Officer

Exhibit 32.1

CERTIFICATION 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 Intapp, Inc. (the "Company") on Form 10-Q for the period ending December 31, 2023 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company as of and for the period covered by the Report.

Date: February 8, 2024	By:	/s/ John Hall
		John Hall
		Chief Executive Officer

Exhibit 32.2

CERTIFICATION 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 Intapp, Inc. (the "Company") on Form 10-Q for the period ending December 31, 2023 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company as of and for the period covered by the Report.

Date: February 8, 2024

By: /s/ David Morton
David Morton
Chief Financial Officer