

CLEARWATER

ANALYTICS



Investor Presentation
August 3, 2022



Safe Harbor

This presentation contains "forward-looking statements" within the meaning of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. These forward-looking statements are based on our management's beliefs and assumptions and on information currently available to our management. Forward-looking statements include information concerning our possible or assumed future results of operations, business strategies, technology developments, financing and investment plans, dividend policy, competitive position, industry, economic and regulatory environment, potential growth opportunities and the effects of competition. Forward-looking statements include statements that are not historical facts and can be identified by terms such as "anticipate," "believe," "could," "estimate," "expect," "intend," "may," "plan," "potential," "predict," "project," "seek," "should," "will," "would" or similar expressions and the negatives of those terms, but are not the exclusive means of identifying such statements.

Forward-looking statements involve known and unknown risks, uncertainties, and other factors, many of which are beyond Clearwater Analytics' control, that may cause our actual results, performance, or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. These risks and uncertainties may cause actual results to differ materially from Clearwater Analytics' current expectations and include, but are not limited to, our ability to keep pace with rapid technological change and competitors in our industry, the possibility that market volatility, a downturn in economic conditions or other factors may cause negative trends or fluctuations in the value of the assets on our platform, our ability to manage growth, our ability to attract and retain skilled employees, the possibility that our solutions fail to perform properly, disruptions and failures in our and third parties' computer equipment, cloud-based services, electronic delivery systems, networks and telecommunications systems and infrastructure, the failure to protect our, our customers' and/or our vendors' confidential information and/or intellectual property, claims of infringement of others' intellectual property, factors related to our ownership structure and status as a "controlled company" as well as other risks and uncertainties detailed in Clearwater Analytics' periodic public filings with the SEC, including but not limited to those discussed under "Risk Factors" in Clearwater Analytics' Annual Report on Form 10-K for the year ended December 31, 2021 filed on March 16, 2022, and in other periodic reports filed by Clearwater Analytics with the Securities and Exchange Commission. These filings are available at www.sec.gov and on our website. Given these uncertainties, you should not place undue reliance on forward-looking statements. Also, forward-looking statements represent our management's beliefs and assumptions only as of the date of this press release, and should not be relied upon as representing Clearwater Analytics' expectations or beliefs as of any date subsequent to the time they are made. Clearwater Analytics does not undertake to and specifically declines any obligation to update any forward-looking statements that may be made from time to time by or on behalf of Clearwater Analytics.

This presentation also contains estimates and other statistical data made by independent parties and by the Company relating to market size and growth and other data about the Company's industry. This data involves a number of assumptions and limitations, and you are cautioned not to give undue weight to such estimates. Neither the Company nor any other person makes any representation as to the accuracy or completeness of such data or undertakes any obligation to update such data after the date of this presentation. In addition, projections, assumptions and estimates of our future performance and the future performance of the markets in which the Company operates are necessarily subject to a high degree of uncertainty and risk.

In light of the foregoing, you are urged not to rely on any forward-looking statement or third-party data in reaching any conclusion or making any investment decision about any securities of the Company.

Financial Information and NPS

Net Promoter Score ("NPS") refers to our net promoter score, which can range from a low of negative 100 to a high of positive 100, that we use to gauge customer satisfaction. NPS benchmarks can vary significantly by industry, but a score greater than zero represents a company having more promoters than detractors. Our methodology of calculating NPS reflects responses from customers who purchase investment accounting and reporting, performance measurement, compliance monitoring and risk analytics solutions from us and choose to respond to the survey question. In particular, it reflects responses given in the second quarter of 2021 and reflects a sample size of 134 responses over that period. NPS gives no weight to customers who decline to answer the survey question.

This presentation contains certain non-GAAP measures, including non-GAAP gross profit, non-GAAP gross margin, non-GAAP income from operations, adjusted EBITDA, adjusted EBITDA margin, non-GAAP net income, non-GAAP diluted earnings per share and free cash flow.

The non-GAAP measures are not based on any standardized methodology prescribed by GAAP and are not necessarily comparable to similar measures presented by other companies. However, we believe that this non-GAAP information is useful as an additional means for investors to evaluate our operating performance, when reviewed in conjunction with our GAAP financial statements. These measures should not be considered in isolation or as a substitute for measures prepared in accordance with GAAP, and because these amounts are not determined in accordance with GAAP, they should not be used exclusively in evaluating our business and operations. In addition, undue reliance should not be placed upon non-GAAP or operating information because this information is neither standardized across companies nor subjected to the same control activities and audit procedures that produce our GAAP financial results.

Our non-GAAP statement of operations measures, including non-GAAP gross profit, non-GAAP gross margin, non-GAAP income from operations, adjusted EBITDA, adjusted EBITDA margin, non-GAAP net income, non-GAAP diluted earnings per share and free cash flow, are adjusted to exclude the impact of certain costs, expenses, gains and losses and other specified items that management believes are not indicative of our ongoing operations. These adjusted measures exclude the impact of share-based compensation and eliminate potential differences in results of operations between periods caused by factors such as financing and capital structures, taxation positions or regimes, restructuring, impairment and other charges.

A reconciliation of certain of the non-GAAP measures is presented in the Appendix to this presentation and in the Current Report on Form 8-K filed in reference to our earnings for the second quarter of 2022.

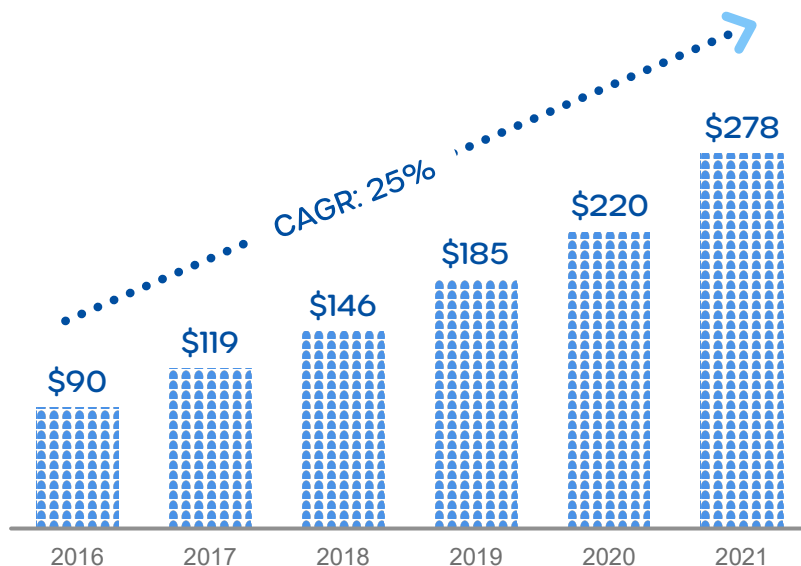
Our Mission

Be the world's most **trusted** and
comprehensive technology
platform for **investment**
accounting and analytics...

...and eventually revolutionize the
world of investing

Clearwater at a Glance

ARR



Scale & Organic Growth

Powerful business model



100% SaaS

Revenue model



26%

Q2 2022 EBITDA margin

Clients love us



60+

NPS



98%-104%

Gross / Net
revenue retention



~1,170

Clients

Note: All metrics as of June 30, 2022, unless otherwise indicated.

Company Overview



Our Clients Face Increasing Challenges...

Changing Environment



Low yield



Growing importance of alternative assets



Increasing global investment portfolios



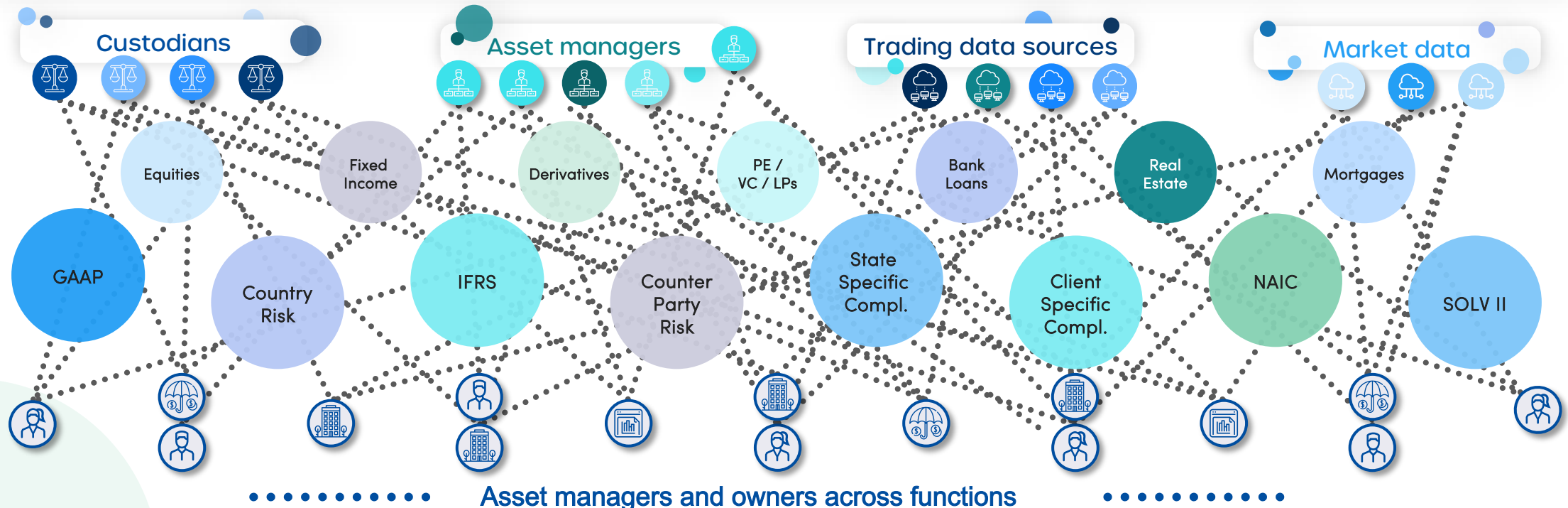
Crash of 2008/09



Rising demand for risk management and transparency

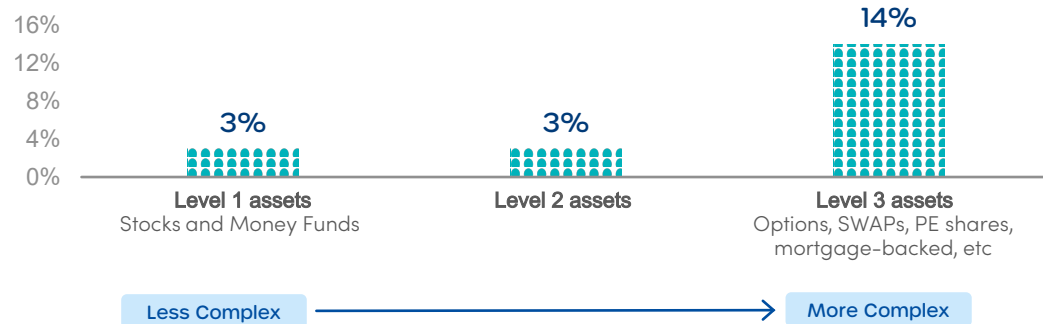


High regulatory complexity



...And the Challenges are Dramatic

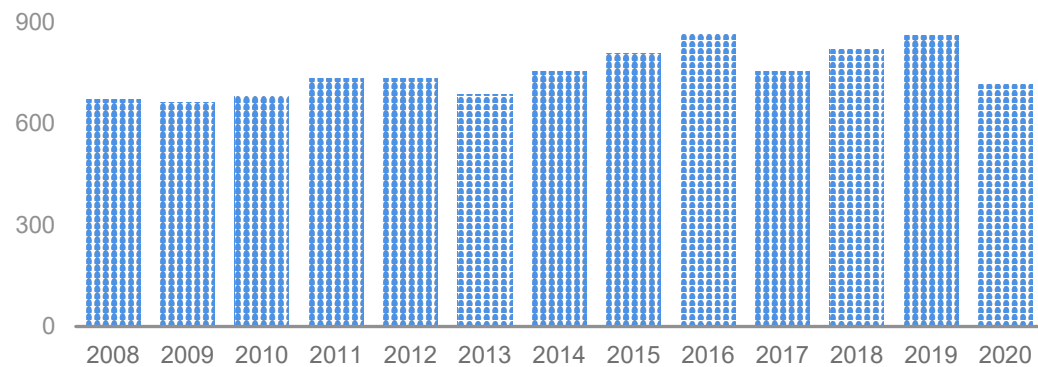
Corporate, Insurance, IAM asset complexity growth



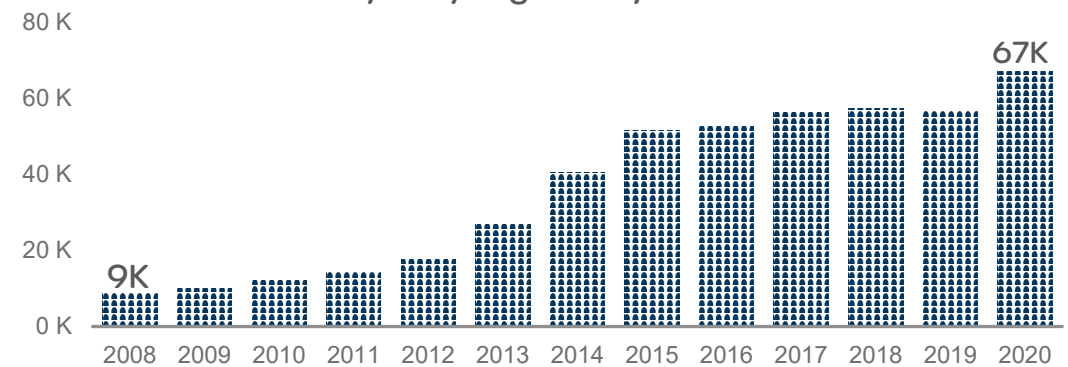
Key regulations in the asset management industry (2009-present)



SEC enforcement actions



Global total yearly regulatory alerts 2008-2020



And Many Critical Business Functions Need to Be Addressed...



...Which Requires:

1.

A comprehensive view of the portfolio that is **multi-asset, multi-basis, and multi-currency**

2.

100% visibility: Analysis on 95% of the portfolio is inadequate – **the opaque final 5%** can have disproportionate risk

3.

Daily and on-demand availability: once a quarter, month, or week is inadequate

Why Is It So Hard to Get a Comprehensive View?

60+

Different asset classes



40+

Different currencies



10+

Accounting regimes & bases

GAAP LLOYDS IFRS
DAP GASB SOLV2 PRCG
STAT PERF TAX

1,000s

of individual tax lots

How Have Companies Addressed These Challenges:



Clients bought
asset-specific and
region-specific
solutions



...built massive
function-specific
data warehouses



...hired
armies of
people



...but manual
processes are
slow, error
prone, rigid, and
expensive

Patchwork
of legacy
technologies
is an
increasingly
untenable
solution

We Radically Simplify Investment Accounting and Analytics

Our Single Platform Replaces Many Legacy Systems, Processes and Warehouses

Instead of...

Each client ingesting and aggregating their own feeds

Each client reconciling their own data

Separate accounting engines for each asset class and each country

Different systems for different business needs



...we deliver

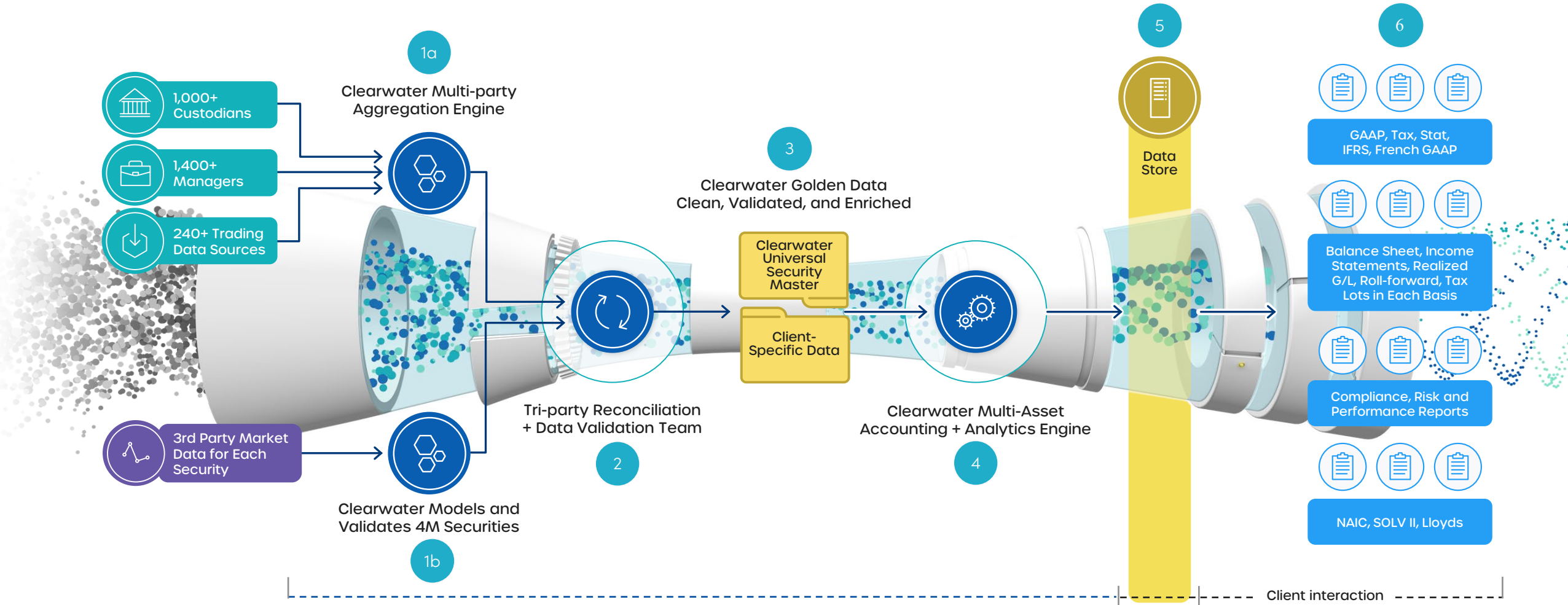
We ingest and aggregate all data feeds **once** for all clients

We reconcile all the data **once** and then use it for all clients

One accounting engine for all asset classes and countries

One platform for risk, regulatory, performance and all business functions

How Our Platform Works



We Benefit From Powerful Network Effects



Delighting Our Clients

Clearwater's differentiated client success

~80%

Competitive
win rate¹

60+

NPS

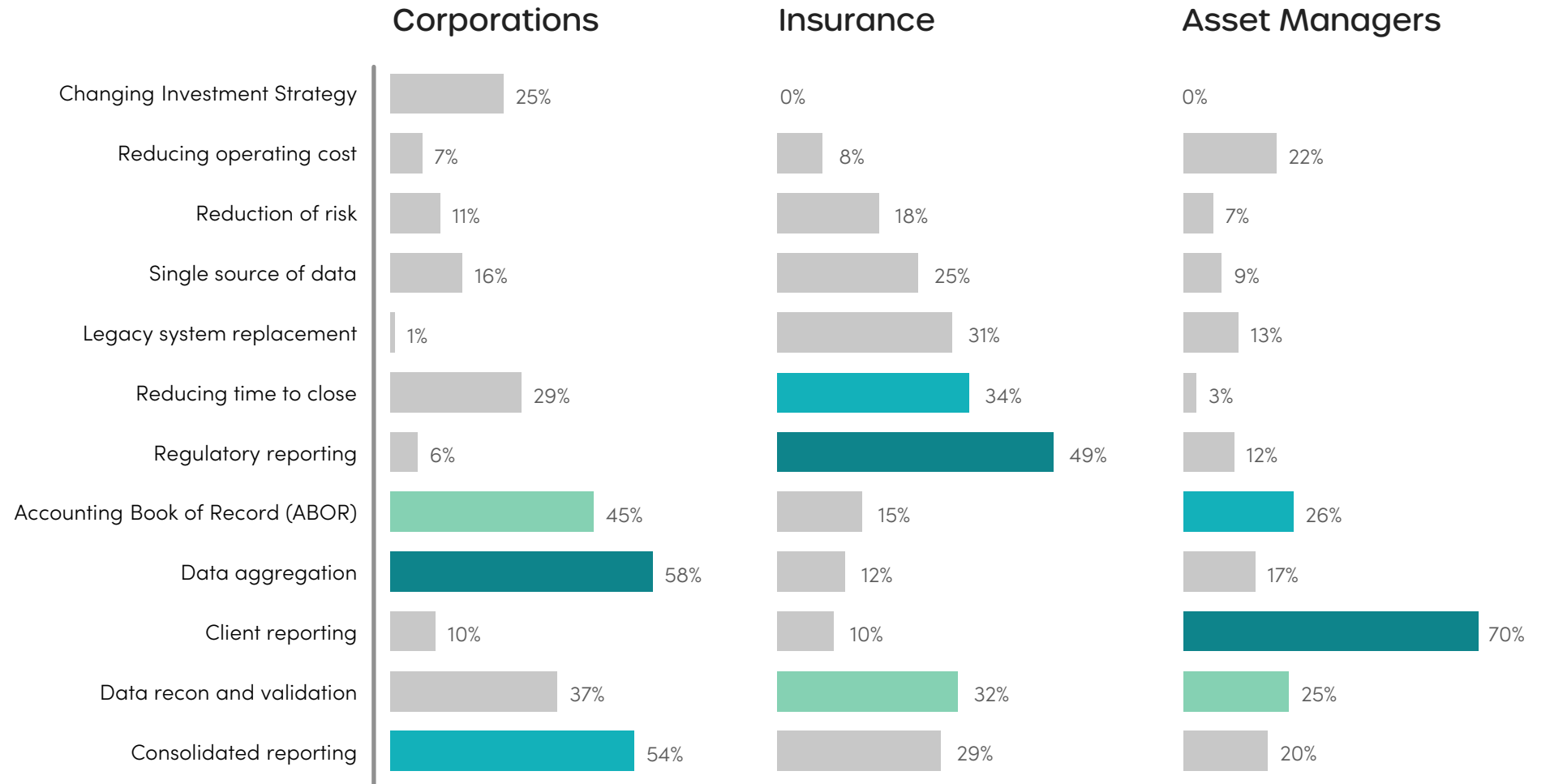
Legacy competitors

Providers that rely largely on outdated technology architectures and significant manual effort



¹Based on deals over the past four years that reached the proposal stage.

Problems We Solve



Represents the % of opportunities that list the problem as a reason to come to Clearwater Analytics

A History of Delivering Scale and Growth

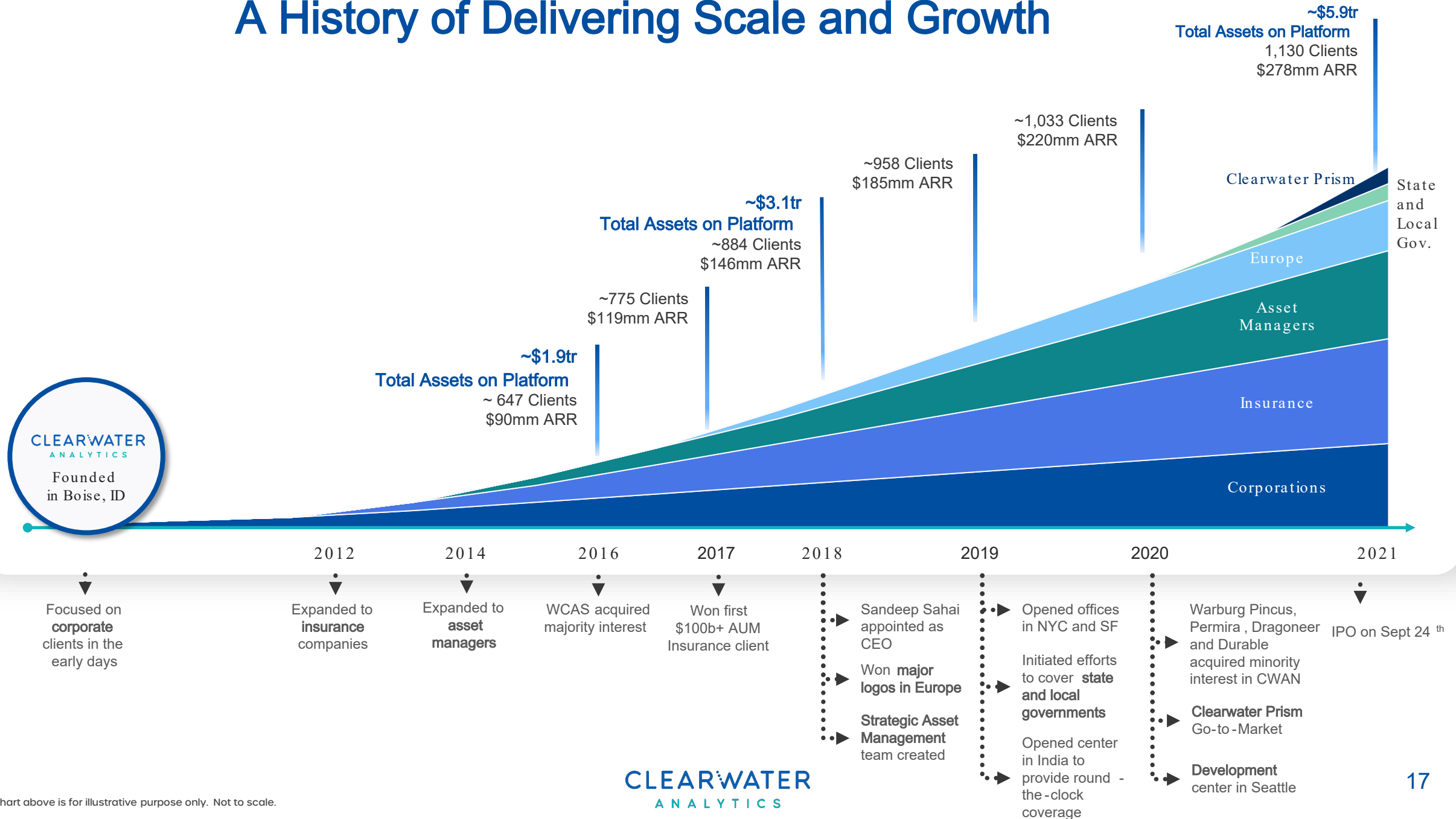


Chart above is for illustrative purpose only. Not to scale.

Clearwater's Solutions



Accounting and reporting



Performance



Compliance monitoring



Risk analytics

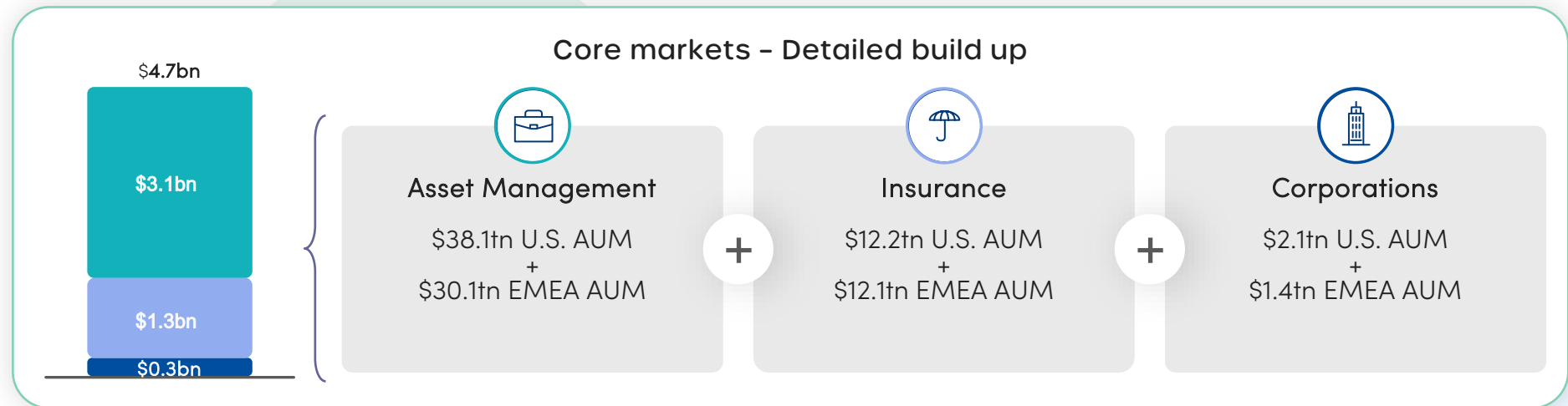
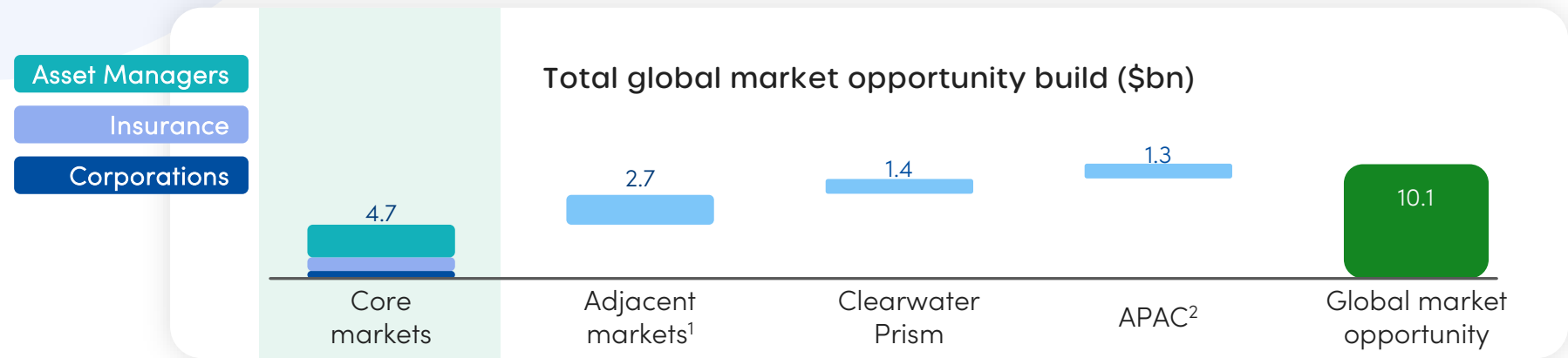


Clearwater Prism

Our Market



\$10bn+ Global TAM Ripe for Disruption



Source: Company commissioned study

¹ Adjacent markets represent opportunities from hedge funds, government, wealth management, family office and pension funds.

² APAC market represents combination of corporations, insurance and asset managers market opportunity in APAC and does not include Clearwater Prism or other adjacent markets.

Multiple Levers of Growth Makes This an Exciting Opportunity...

Current initiatives to maintain/enhance our growth trajectory



Deepen Relationships with Existing Clients

104% Net Revenue Retention as of June 30, 2022

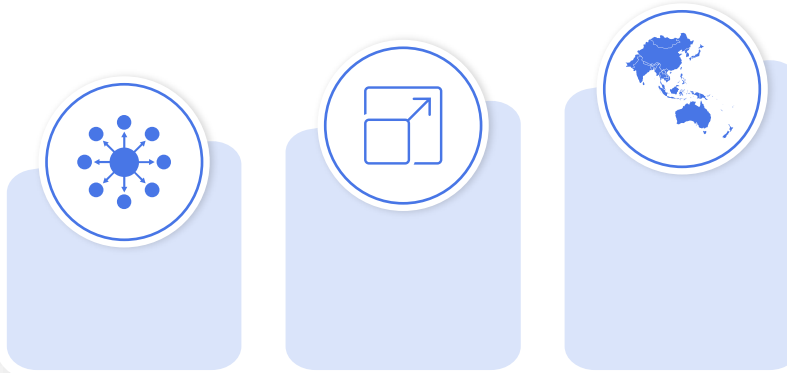
Gain Market Share Within Core Client End Markets

Right to win in North America Insurance and Asset Management ~80% Win Rate

Continue European Growth

Europe represents 41% of core TAM

Medium-term opportunities for incremental growth



Enter Adjacent Client End Markets

Governments, pension funds, sovereign wealth funds

Deliver Adjacent Solutions

Gain traction with Prism and extend our technology lead

Accelerate APAC Growth

\$1.3bn opportunity in APAC

Areas to explore



Insights from Assets on the Platform

Insight from more than \$5.9tr of assets on the platform

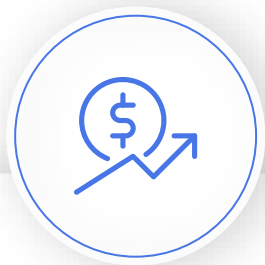
Best Practice Solutions

Creating impact from best practices benchmarking

Financial & Growth



Our Financial Snapshot



24%

ARR CAGR 2016 – Q2'22
(entirely organic)



~30%

EBITDA Margins



~Rule of 50
Company



AUM-Influenced
Pricing Model with
~\$5.9 Trillion

AUM on Platform at end-2021
(~78% Fixed-Income and Structured Products)



98%

Gross
Revenue
Retention
Rate

104%

Net
Revenue
Retention
Rate



100%

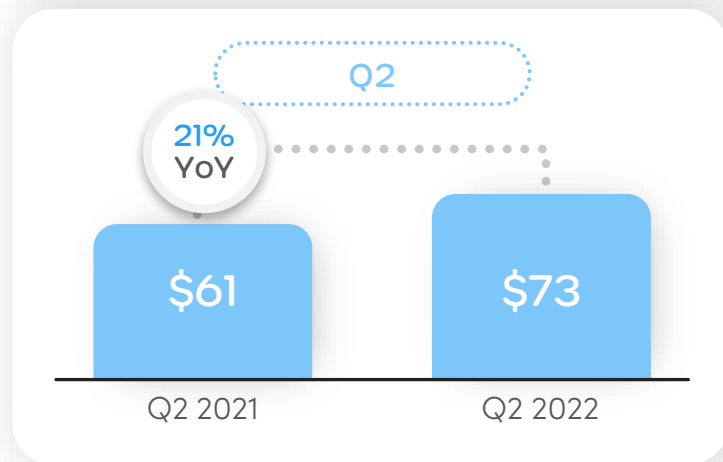
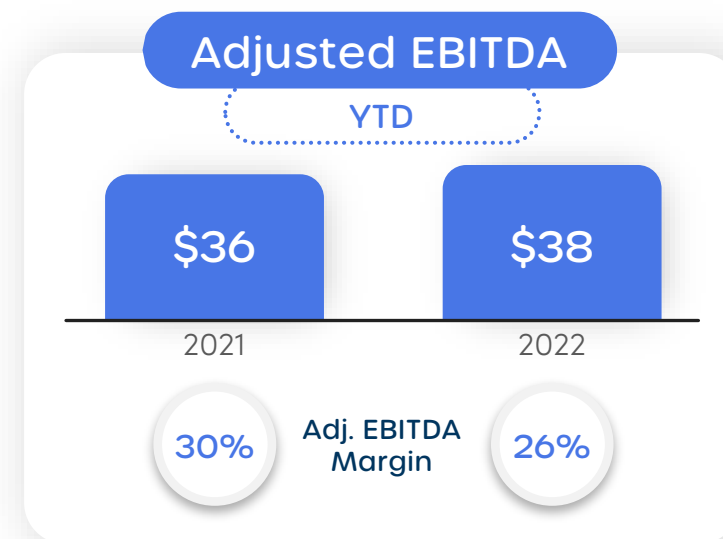
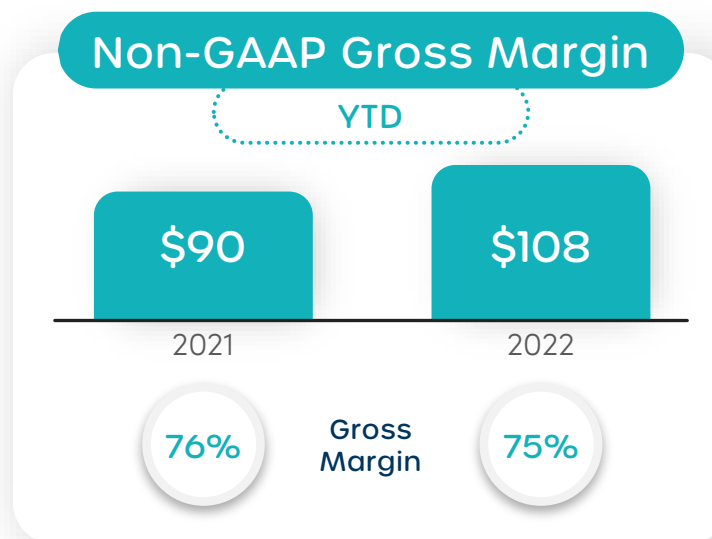
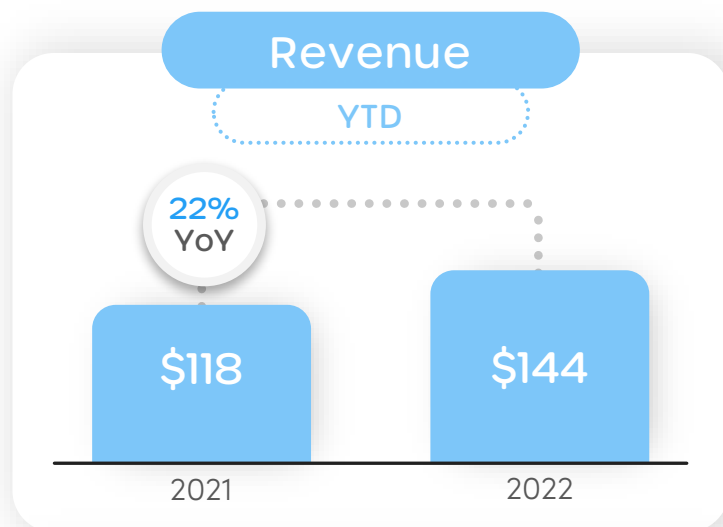
Subscription Revenue
Billed Monthly

Note:

- All financial metrics are as of June 30, 2022, unless noted otherwise.
- Rule of 50 calculated using LTM revenue growth % plus EBITDA margin % from most recent quarter, which is 49% for Q2 2022.
- EBITDA margin for the year ended December 31, 2021, 2020, and 2019 were 29%, 28%, 30%, respectively. EBITDA margin for quarter ended June 30, 2022 was 26%.

Strong Revenue Growth at Scale, with Significant Profitability

Continuing in Q2 of 2022 | (\$ in million)

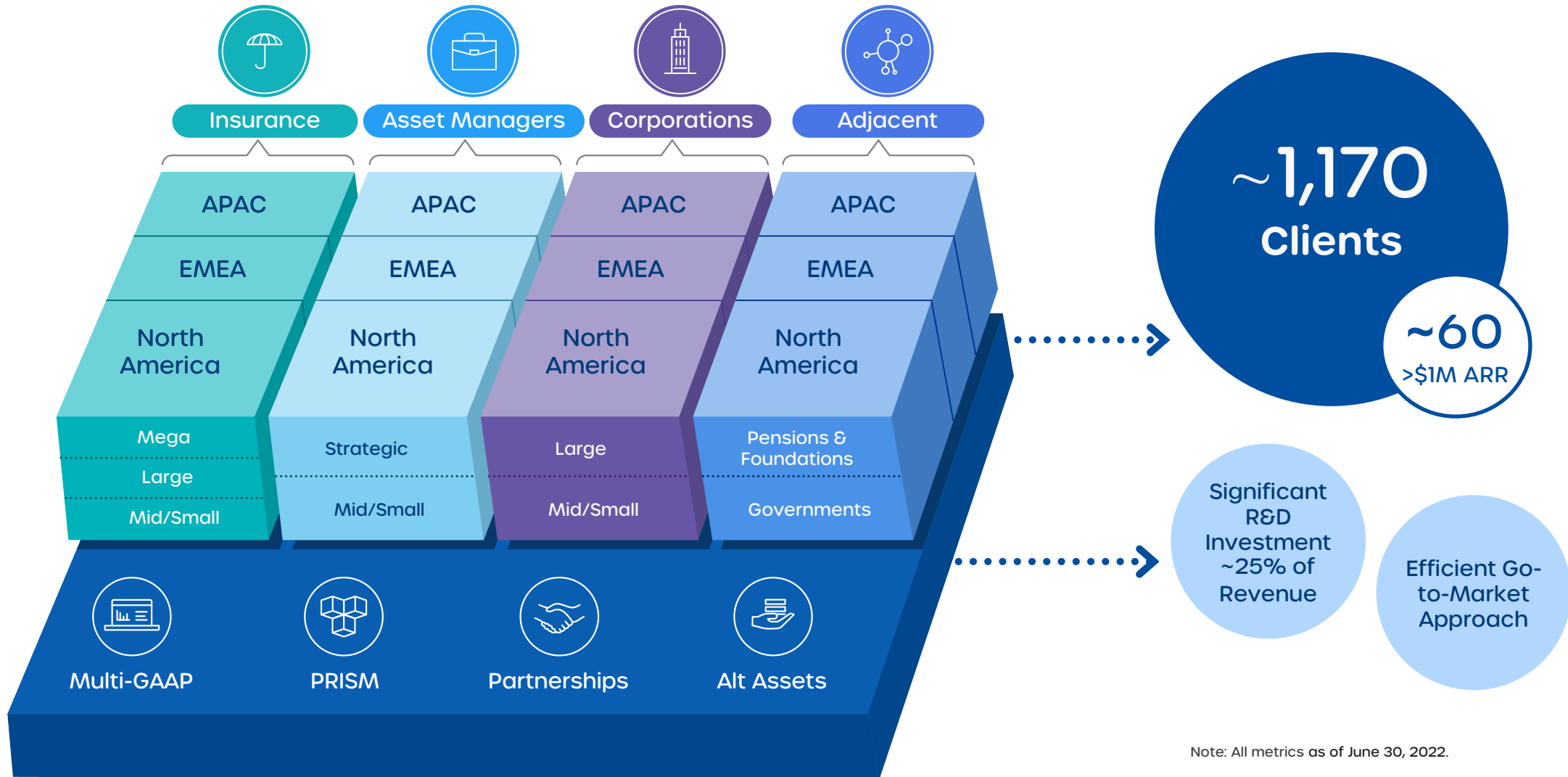


Sustained, Consistent Increases in Contracted Revenues

Quarterly ARR Detail

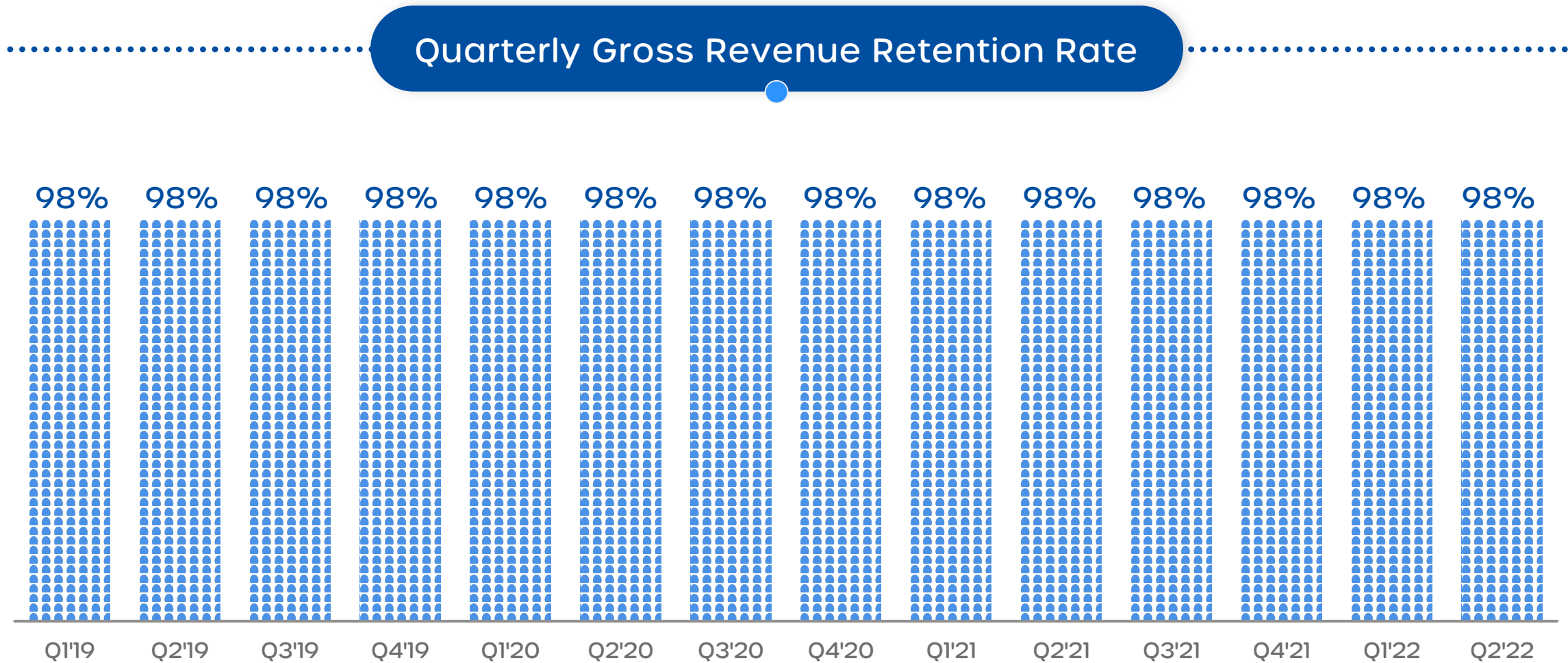


Efficiently Investing for Growth and Increasing Traction in Large Enterprises



Extremely High and Consistent Gross Revenue Retention Rate

14 Consecutive Quarters of 98% Gross Revenue Retention



Long-Term Operating Model

% of Revenue	FY-19	FY-20	FY-21	FY-22 Guidance	Long Term Targets ²
Revenue Growth	25%	21%	24%	\$298 mm to \$300 mm	20%+
Non-GAAP Gross Margin	73%	75%	76%		~80%+
Non-GAAP R&D	22%	25%	24%		~20%
Non-GAAP S&M	11%	9%	13%		~14%
Non-GAAP G&A	10%	13% (9% w/o sales tax adj.) ¹	10%		~6%
Non-GAAP EBITDA Margin	30%	28% (33% w/o sales tax adj.) ¹	29%	\$79 mm to \$81 mm	~40%+

¹Relates to the expenses associated with accrued sales tax liability due to a change in estimates of liability following the completion of a comprehensive review of sales tax reporting obligations across jurisdictions during 2020. For the year ended December 31, 2020, this was \$9.10m related to G&A.

² These are not projections; they are goals/targets and are forward-looking, subject to significant business, economic, and competitive uncertainties and contingencies, many of which are beyond the control of the Company and its management, and are based upon assumptions with respect to future decisions, which are subject to change. Actual results will vary and those variations may be material. Nothing in this presentation should be regarded as a representation by any person that these goals/targets will be achieved and the Company undertakes no duty to update its goals.

Our People & Values



World Class Management Team



Sandeep Sahai
Chief Executive
Officer



Cindy Blendu
CHRO / Chief
Transformation Officer



Souvik Das
Chief Technology
Officer



Jim Cox
Chief Financial
Officer



Scott Erickson
President,
Americas and New Markets



Susan Ganeshan
Chief Marketing
Officer



Jody Kochansky
President,
Product & Technology



James Price
Chief Quality
Officer



Gayatri Raman
President,
Europe and Asia



Subi Sethi
Chief Client
Officer

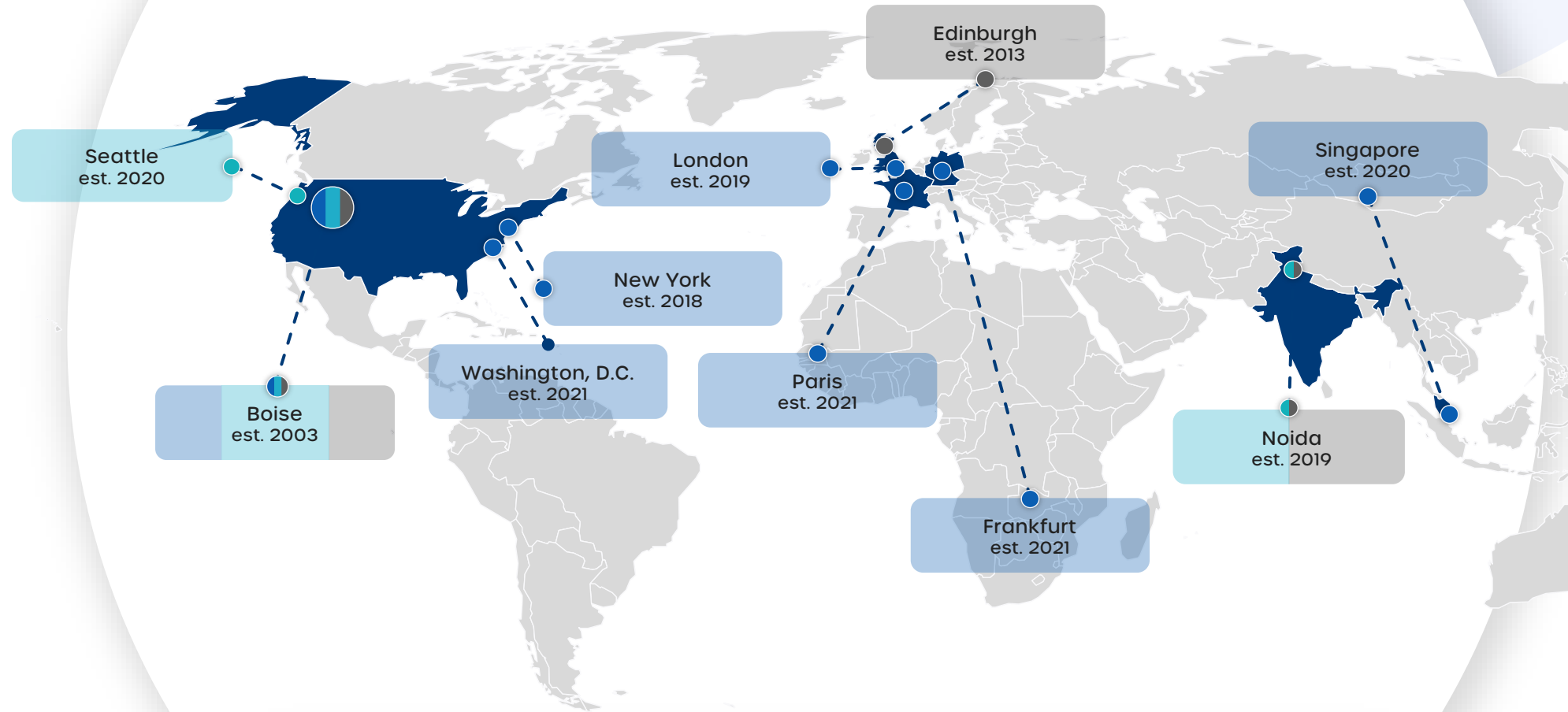


Josh Sullivan
Chief Strategy
Officer



Alphonse Valbrune
Chief Legal Officer

Global Team and Footprint to Address All Client Needs



Total
employees at
end 2021:
1,371

Sales & client
engagement

Development

Operations

Clearwater Highlights



Cloud native technology leader

Single instance multi-tenant platform disrupting an industry dominated by legacy technologies. Win rates of ~80% proves the disruptive power



Secular tailwinds

Explosion of regulations and search for yield driving demands that legacy technology cannot deliver



Powerful network effects

The network effect creates a competitive advantage that has been years in the making



Clearwater Way: Clients love us

Satisfaction is much higher compared to competitors. Trusted by top tier institutions globally



Large TAM

\$10B market opportunity. Company has a proven capability of entering new markets successfully



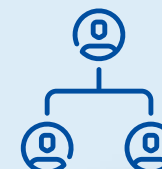
Strong financial profile

Proven 20%+¹ revenue growth and ~30%² EBITDA margins makes it a rule of 50 company



Multiple growth levers

Numerous means to sustain growth rates and drive EBITDA margins



Experienced team

A leadership team with a proven track record of building and scaling successful companies

¹For the year ended December 31, 2021 and 2020, and the quarter ended June 30, 2022 and 2021, revenue increased 24% and 21%, respectively.

²EBITDA margin for the year ended December 31, 2021, 2020, and 2019 were 29%, 28%, and 30%, respectively. EBITDA margin for quarter ended June 30, 2022 was 26%.

Appendix



Definitions of Non-GAAP Terms and Key Operating Measures

Adjusted EBITDA

We define Adjusted EBITDA as net income plus (i) interest expense, net, (ii) depreciation and amortization expense, (iii) equity-based compensation, (iv) Recapitalization compensation expenses and (v) other expenses, which include professional service fees related to settlement of a legal matter, management fees to our investors, income taxes related to foreign subsidiaries, foreign exchange gains and losses and other expenses that are not reflective of our core operating performance.

Annualized Recurring Revenue

Annualized recurring revenue is calculated at the end of a period by dividing the recurring revenue in the last month of such period by the number of days in the month and multiplying by 365.

Gross Revenue Retention Rate

Gross revenue retention rate represents annual contract value ("ACV") at the beginning of the 12-month period ended on the reporting date less client attrition over the prior 12-month period, divided by ACV at the beginning of the 12-month period, expressed as a percentage. ACV is comprised of annualized recurring revenue plus booked not billed revenue, which represents the estimated annual contracted revenue for new and existing client opportunities prior to revenue recognition. Client attrition occurs when a client provides a contract termination notice. The amount of client attrition is calculated as the reduction in annualized revenue of the client at the time of the notice and is recorded in the month the final billing occurs.

Net Revenue Retention Rate

Net revenue retention rate is the percentage of recurring revenue retained from clients on the platform for 12 months and includes changes from the addition, removal or value of assets on our platform, contractual changes that have an impact to annualized recurring revenues and lost revenue from client attrition. We calculate net revenue retention rate as of a period end by starting with the annualized recurring revenue from clients as of the 12 months prior to such period end. We then calculate the annualized recurring revenue from these clients as of the current period end. We then divide the total current period end annualized recurring revenue by the 12-month prior period end annualized recurring revenue to arrive at the net revenue retention rate.

Reconciliation of Net Income/(Loss) to Adjusted EBITDA

	Six Months Ended June 30		Three Months Ended June 30	
(\$ in millions)	2022	2021	2022	2021
Net Income/(Loss)	\$(2)	\$3	\$(2)	\$0
Interest Expense, Net	1	17	0	9
Depreciation and Amortization	2	1	1	1
Equity-based Compensation	32	12	16	7
Tax Receivable Agreement Expense	3	-	3	-
Other Expenses ¹	2	2	0	2
Adjusted EBITDA	\$38	\$36	\$19	\$17
Revenue	\$144	\$118	\$73	\$61
Adjusted EBITDA Margin	26%	30%	26%	29%
Net Income/(Loss) Margin	(1)%	3%	(3)%	0%

¹Other expenses includes management fees to our investors, income taxes, foreign exchange gains and losses and other expenses that are not reflective of our core operating performance including the costs to set up our Up -C structure and Tax Receivable Agreement.

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