Q2 Holdings, Inc.

Investor Overview

November 6, 2024

Safe Harbor Statement

This presentation and the accompanying oral presentation contain forward-looking statements and information that are based on our management's beliefs and assumptions and on information currently available to our management. The statements and information contained in this presentation that are not purely historical are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Forward-looking statements, including statements about: the breadth, scalability and versatility of our platform and our ability to service financial institutions at various sates of their digital transformation; anticipated benefits to our customers of implementing our solutions; the strength of our products and our ability to win in digital banking with larger financial institutions; future mergers and acquisitions among financial institutions and the potential benefits to Q2; the strength and attractiveness of our platform; the sales pipeline for our relationship pricing solutions and their benefits to our customers; momentum in the enterprise space, including for our relationship pricing solutions; the strength and sophistication of our relationship pricing solution and the viability of our technology for financial institutions; our position to continue capitalizing on significant expansion opportunities with existing customers; the importance of Q2 Innovation Studio and its ability to drive customer acquisition, expansion activity and deeper engagement with our customers; the growing value of our product breadth to our customers; our land and expand strategy; our expansion opportunity and longer-term revenue potential with existing customers; the benefits and versatility of Q2 Fabric; our ability to capture the market opportunity in front of us; strong demand for our solutions; our CFO transition and the qualifications and abilities of our new CFO; the strength of our business model and solid execution; the success of our strategic shift to higher margin recurring revenue streams; the benefits from our progress on free cash flow generation, revenue growth and expanding margins; our three-year target financial framework and ability to attain them; the pace of revenue realization from expansion sales compared to net new deals; pressures on our professional services revenues; future backlog growth; our continued focus on operational efficiency and our ability to scale while maintaining our commitment to delivering best-in-class innovation; strength of our expansion-based bookings and successful new customer go-lives; anticipated full-year subscription revenue growth for 2025; the durability of our business model; our ability to deliver growth, profitability expansion and improved capital efficiency and to drive shareholder value; our competitive differentiation and our ability to capitalize on our opportunities; our ability to drive shareholder value with our strong product portfolio, solid sales execution, and profitable growth strategy; and, Q2's quarterly and annual financial guidance.

Forward-looking statements include all statements that are not historical facts and can be identified by terms such as "anticipates," "believes," "could," "seeks," "estimates," "expects," "intends," "may," "plans," "potential," "predicts," "projects," "should," "will," "would, " "strategy," "future," "likely" or similar expressions and the negatives of those terms. Forward-looking statements involve known and unknown risks, uncertainties and other factors 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. Forward-looking statements represent our management's beliefs and assumptions only as of the date of this presentation. These statements are not guarantees of future performance or development and involve known and unknown risks, uncertainties and other factors that are in some cases beyond our control. Factors that may cause such differences include, but are not limited to, the risks described in our earnings press release for the quarter ending September 30, 2024 and under "Risk Factors" in our Annual Report on Form 10-K and those discussed in other documents we file and furnish with the SEC. Except as required by law, we assume no obligation to update these forward-looking statements publicly, or to update the reasons actual results could differ materially from those anticipated in the forward-looking statements, even if new information becomes available in the future.

This presentation includes references to adjusted EBITDA, which is a non-GAAP financial measure under SEC rules. We define adjusted EBITDA as net loss before, as applicable for the period discussed, interest, taxes, depreciation and amortization, stock-based compensation, transaction-related costs, lease and other restructuring charges, gain on extinguishment of debt, deferred revenue reduction from purchase accounting. This presentation also references non-GAAP revenue, which excludes the impact of purchase accounting. This presentation also references non-GAAP gross profit, which adjusts GAAP gross margin to exclude the effects of stock-based compensation, amortization of acquired technology, transaction-related costs, lease and other restructuring charges, and deferred revenue reduction from purchase accounting. This presentation also references non-GAAP gross margin, which adjusts GAAP gross margin to exclude the effects of stock-based compensation, amortization of acquired technology, transaction-related costs, lease and other restructuring charges, and deferred revenue reduction from purchase accounting. This presentation also references free cash flow, which adjusts net cash provided by (used in) operating activities for purchases of property and equipment and capitalized software development costs. This presentation also references adjusted EBITDA margin, which is determined by dividing adjusted EBITDA by non-GAAP revenue. Management believes that these non-GAAP measures are useful measures of operating performance because they exclude items that we do not consider indicative of our core performance. However, these non-GAAP financial measures should be considered in addition to, not as a substitute for or superior to, the most directly comparable GAAP measure, or other financial measures prepared in accordance with GAAP. Our management uses these non-GAAP financial measures as a measure of operating performance; to prepare our annual operating budget; to allocate resources to enhance the financial performance of our business; to evaluate the effectiveness of our business strategies; to provide consistency and comparability with past financial performance; to facilitate a comparison of our results with those of other companies, many of which use similar non-GAAP financial measures to supplement their GAAP results; and in communication with our board of directors concerning our financial performance. A reconciliation to the closest GAAP measures of these non-GAAP measures is contained in tabular form at the end of this presentation. A reconciliation of forward-looking adjusted EBITDA guidance used in this presentation to GAAP net loss is not available without unreasonable effort due to the uncertainty regarding, and the potential variability of, certain of the adjustments required to calculate adjusted EBITDA that may be incurred in the future.

Unless otherwise indicated, all financial measures discussed in this presentation are presented on a non-GAAP basis.

Our Mission Statement

TO BUILD STRONG AND DIVERSE COMMUNITIES BY

STRENGTHENING THEIR FINANCIAL INSTITUTIONS

Q2 Investment Highlights



Highly attractive business model positioned for strong subscription revenue growth and margin expansion



Large and expanding TAM benefiting from secular megatrends



Mission-critical technology powering the digital transformation of financial services



Long-standing, strategic customer relationships creating a significant cross-sell opportunity

Highly Attractive Business Model

+1,400
Total Customers[1]

~8 Years
Avg Customer Tenure[2]

FY 2024 Guidance (Mid-point)

$693.0M
Non-GAAP Revenue[5]

$123M
Adjusted EBITDA[5]

20%
Y/Y Growth in Subscription ARR[3]

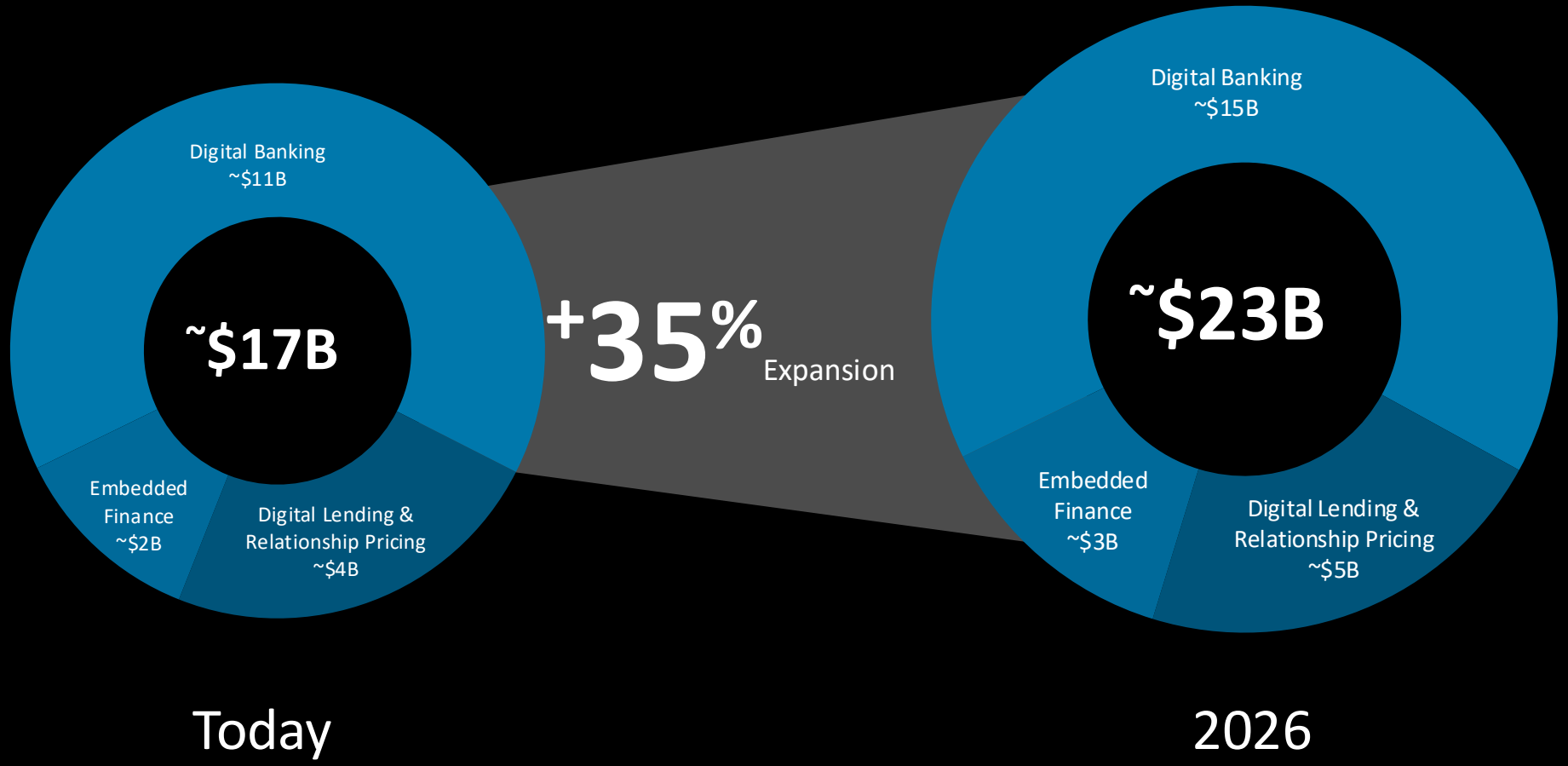
+110%
ASP Increase Over Last 5 Years[4]

FY 2024
>70%
Free Cash Flow Conversion[6]

Rule of
~30%
Target Set in Early 2023, Achieved for Q3 2024[7]

[1]Total numbers of customers signed as of December 31, 2023. [2]For Digital Banking Platform customers as of December 31, 2023. [3]Subscription Annualized Recurring Revenue (ARR) growth as measured from the total balance of Subscription ARR on September 30, 2024 compared to the total balance of Subscription ARR on September 30, 2023.[4]Average Selling Price (ASP) is derived from Digital Banking Platform deals sold in full year 2023 compared to the prior five years. [5]Midpoint of guidance issued on November 6, 2024. [6]Represents Q2's targets for Full Year Free Cash flow for 2024 as a percentage of Adjusted EBITDA for full year 2024.[7]Represents Q2's targets for total non-GAAP revenue growth and Adjusted EBITDA Margin by late 2024. These forward-looking figures represent Q2's financial targets, may prove to be inaccurate, and do not constitute guidance.

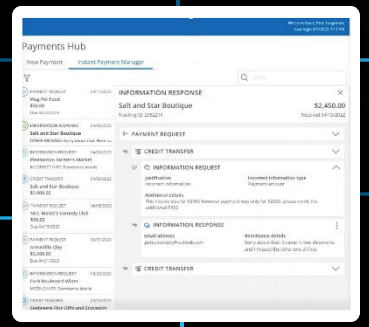
Large and Rapidly Growing TAM

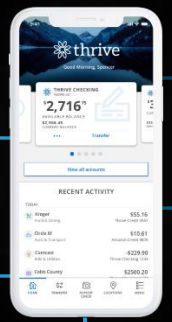


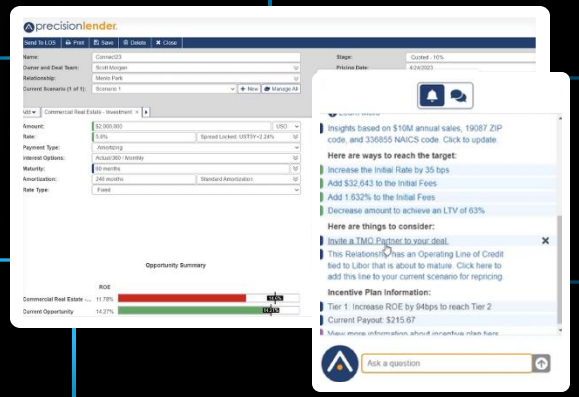
Total addressable market is based on internal estimates and discussed in our Annual Report on Form 10-K filed with the SEC on February 21, 2024.

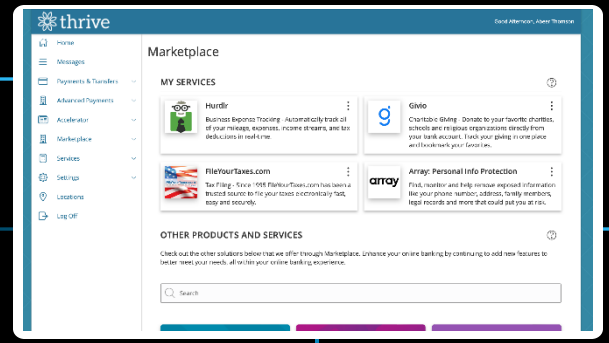
Comprehensive Solution Set Driving Innovation in Financial Services











DATA & INSIGHTS ENHANCED BY AI SOLUTIONS

Banking (Single Platform for Retail, SMB & Commercial)	Security & Fraud	Treasury & Cash Management	Loan Origination & Pricing	Account Opening & Primacy	Helix Q2 Innovation Studio	Andi Co-Pilot Platform
2005	2011	2018		2021	2023	

Commercial Solutions Deepening our Market Presence

- ✓ **Commercial solutions are increasingly being demanded from both banks and credit unions**
- ✓ **Elevated rate environment driving greater focus on deposit growth & loan relationship pricing**
- ✓ **Expands Q2's long-term growth opportunity**
- ✓ **Bolsters Q2's best-in-class single platform serving Retail, SMB & Commercial**



Aite

Best-in-Class – Leader in Cash Management [3]

JAVELIN

Best-in-Class – Small Business Digital Banking[4]

IDC

Named a Leader in IDC MarketScape Report; Q2's Digital Banking Customer Experience Platforms[5]

[1] From 2018-2023 the average contractual annualized recurring revenue for all digital banking contracts that included our commercial digital banking solutions was more than 1 million dollars. [2]Digital banking opportunities for the full year of 2023. [3]Q2 named the "Best-in-class" leader in the cash management technology providers vendor assessment by Aite-Novarica (now Datos Insights) in June 2023. [4]Q2 Awarded Best-In-Class vendor in the Small Business Digital Banking Vendor Scorecard by Javelin Strategy & Research in December 2022. [5]Q2 named a Leader in the IDC MarketScape: North America Digital Banking Customer Experience Platforms 2022 Vendor Assessment in March 2022.

Facilitating the Convergence of Financial Services

Q2 Innovation Studio

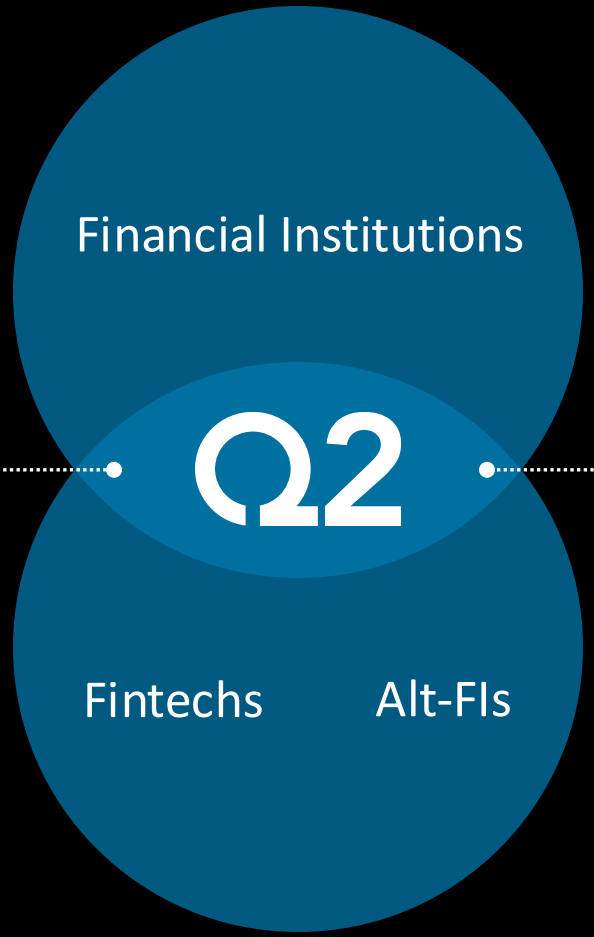
- Fintech embedded into Q2's Digital Banking experience
- Strengthens Q2 customer relationships
- Drives differentiation and innovation for customers

+170 Technology partners[1]

+1,800 External developers[2]

>3/4 Of Digital Banking customers[3]





helix

- Cloud-native core, purpose-built for BaaS & embedded finance use cases
- Expanding use cases with Financial Institutions
- User-level personalization
- Granular risk management

+15M Users[4]

+1B Monthly API calls[5]

+$33B Money movement[6]



[1]Over 160 technology partners have integrated applications within Q2 Innovation Studio as of September 30, 2023. [2]Includes all active and registered developers outside of the Q2 organization with access to the SDK sandbox environments as of September 30, 2024. [3]More than three-quarters of Digital Banking customers are utilizing Q2 Innovation Studio in some capacity as of December 31, 2023. [4]Users on our Helix platform as of December 31, 2023. [5]Based on monthly averages of submitted API requests to our Helix platform for the full year of 2023. [6]Based on the amount of money moved on our Helix platform for the full year of 2023.

Differentiated Market Positioning

Q2	General Ledger / Core Providers	Niche Solution Providers
Single Digital Banking Platform for Retail + SMB + Commercial	Several, disparate platforms	General focus on either retail or commercial
Complementary Lending, Fraud & Risk Management Solutions	Siloed products	Limited scope, if any
1,000+ Unique Digital Banking Integrations	Prioritize integrations with internal systems	Limited breadth of integrations
Embedded Fintech Ecosystem (Q2 Innovation Studio)	Lack marketplace functionality	Narrow partner universe
Embedded Finance Solutions (Helix)	Limited offering	BaaS competitors only
Data Insights Enhanced by Our AI Solutions	Fragmented data across product base	Constrained by limited data sets

Strategic Customer Base

1,400+ Total customers[1]

Broad market coverage

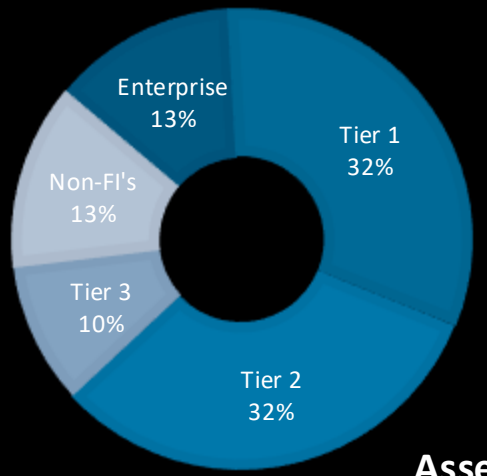
220+ Enterprise & Tier 1 customers[2,3]

Growing with our customers

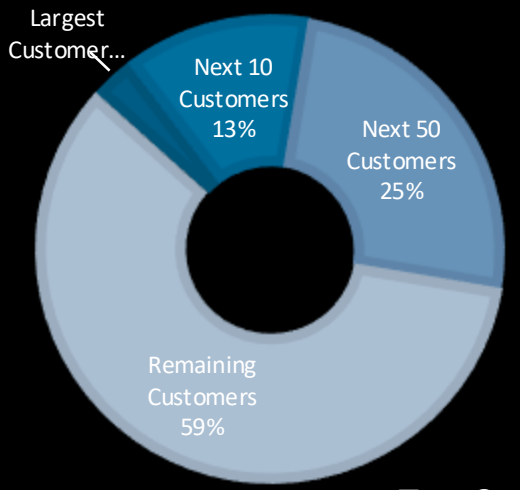
+40% of the top 100 US Banks and Credit Unions are Q2 customers[3]

Proven enterprise partner

Revenue Breakout[4]



Asset Size



Top Customers

[1]Based on the total number of customers signed as of December 31, 2023. [2]Based on the total number of financial institution customers with total assets greater than $50 billion (Enterprise) and $5 billion (Tier 1) collectively, as of December 31, 2023. [3]Total assets reported by FDIC and NCUA, respectively, for all financial institutions as of December 31, 2023. [4] Based on non-GAAP revenue for full-year 2023. See Appendix for Tiering Definitions.

Strong Business Fundamentals



Highly visible recurring revenue model



Proven “land and expand” track record with a strategic and loyal customer base



Increasing scope and size of new opportunities enhancing overall economics

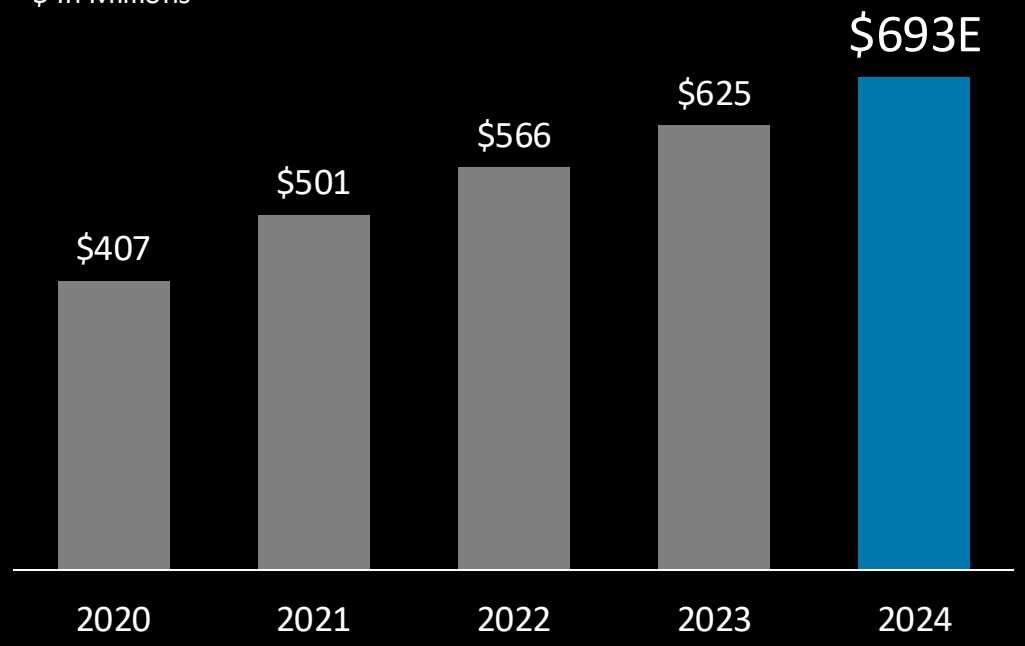


Positioned to drive further growth, improve profitability and cash flow

Summary Financial Highlights

Non-GAAP Revenue[1]

$ In Millions



+5 Years
Avg Contract Length[2]

~8 Years
Avg Customer Tenure[2]

6%
Recurring Revenue Churn Rate[3]

20%
Y/Y Growth in Subscription ARR[4]

64%
Avg Customer Contracted Revenue Growth at 48 Months[5]

+110%
ASP Increase Over Last 5 Years[6]

[1] Based on midpoint of guidance issued on November 6, 2024. [2]For Digital Banking Platform customers as of December 31, 2023. [3] Recurring revenue churn for the full year 2023 as discussed in our 10-K filed on February 21, 2024. [4]Subscription Annualized Recurring Revenue (ARR) growth as measured from the total balance of Subscription ARR on September 30, 2024 compared to the total balance of Subscription ARR on September 30, 2023. [5]Based on Digital Banking Platform customers that went live from 2013-2023. Growth of contracted recurring revenue by Q2 Digital Banking Platform customers 48 months after implementation. [6]Average Selling Price (ASP) is derived from Digital Banking Platform deals sold in full year 2023 compared to the prior five years.

Substantial $3B Cross Sell Opportunity

CROSS SELL OPPORTUNITY



Digital Lending & Relationship Pricing

240+
CUSTOMERS

$500M



Digital Banking Platform

450+
CUSTOMERS

$1B



Off Platform Solution

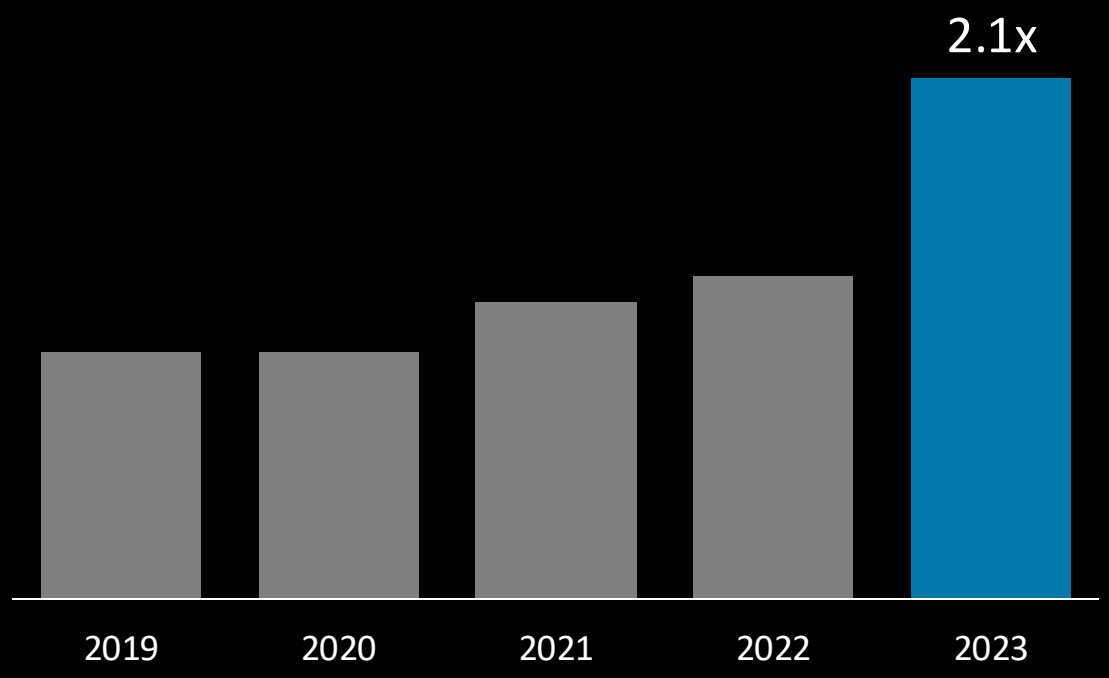
700+
CUSTOMERS

$1.5B

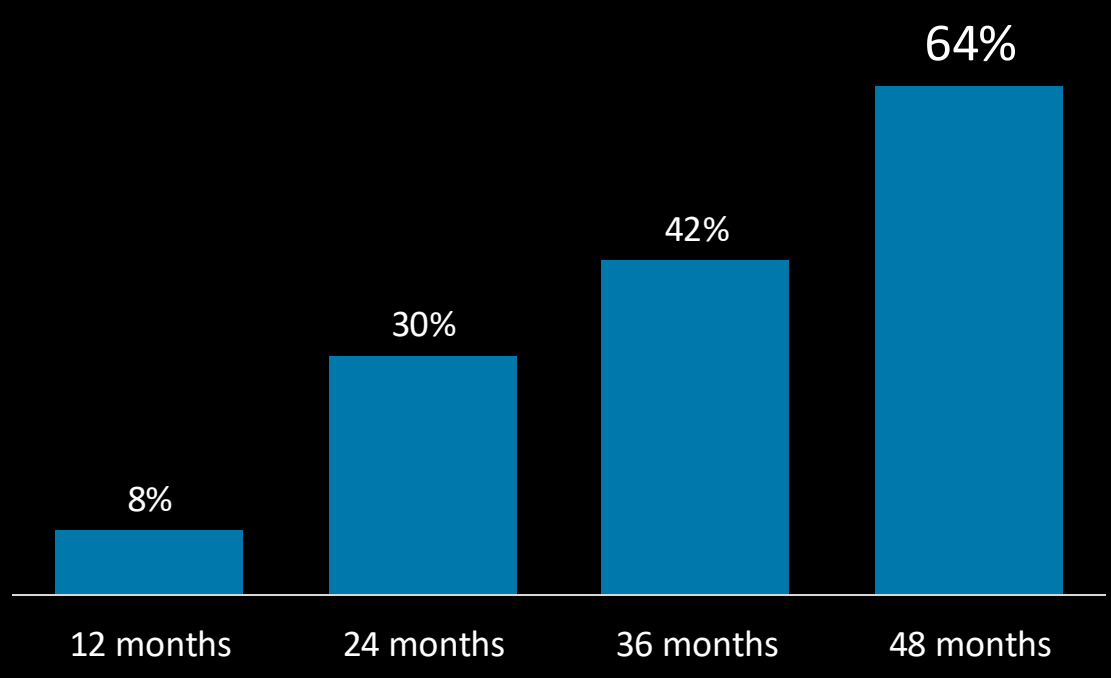
Customer counts represent the number of unique customers with signed contracts utilizing each respective set of solutions. Cross sell opportunity is the estimated amount of annual recurring revenue we believe we can generate from our existing customers through the adoption of additional solutions. We believe these estimates to be achievable based upon the existing customers and solutions that we currently have today.

Winning Larger Deals and Driving Consistent Expansion

Average Selling Price Increase[1]



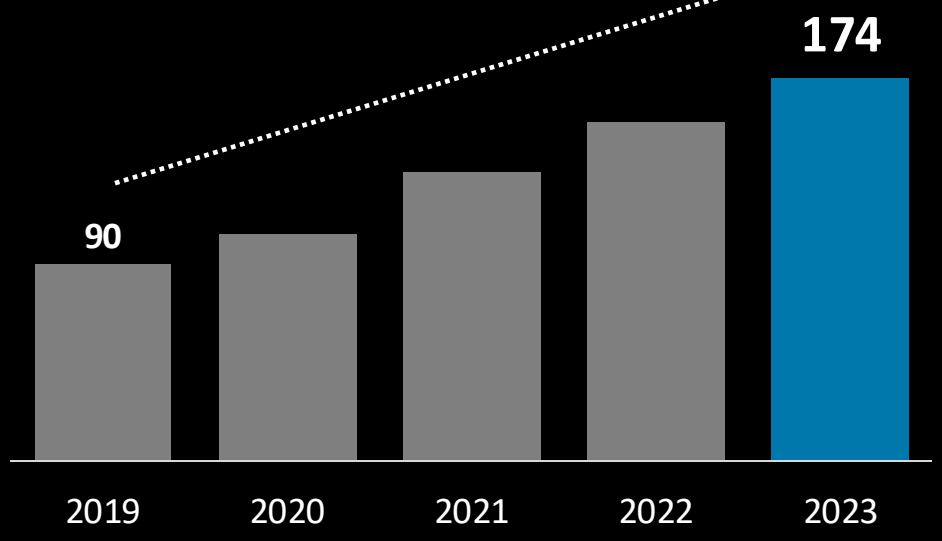
Contracted Recurring Revenue Increase[2]



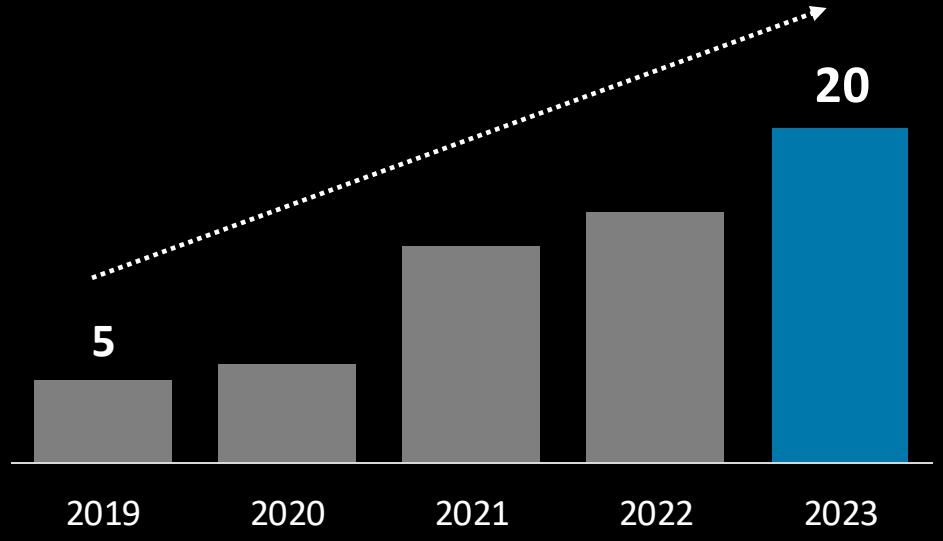
[1] Average Selling Price (ASP) is derived from Digital Banking Platform deals sold within each respective time period. [2] Represents the average customer increase in contracted recurring revenue from all Digital Banking Platform customers that went live from 2013 through 2023, for 12 months, 24 months, 36 months, and 48 months, respectively.

Creating Deeper Relationships with Customers

~2x # of Customers Generating Over $1M Total ARR



4x # of Customers Generating Over $5M Total ARR



Differentiated Solution Portfolio → **Growth-oriented Customer Base** → **Winning Larger Deals**

Total Annualized Recurring Revenue (ARR) is defined in the appendix of this presentation.

Financial Targets 2024 - 2026

Average Annual Subscription Revenue Growth	Average Annual Adjusted EBITDA Margin Expansion	Free Cash Flow Conversion in Full Year 2026
~14%	~300-400bps	>70%
Strong demand driving an increasing mix of subscription revenue	Driven by revenue mix and scaling both cost of sales & operating expenses	Flexibility to service debt and have ample cash to run the business

The forward-looking figures in this presentation represent Q2's long-term financial targets, may prove to be inaccurate, and do not constitute guidance. We define Free Cash Flow Conversion as Free Cash Flow as a percentage of adjusted EBITDA in a defined time period.

Appendix



Definitions

Adjusted EBITDA: We define adjusted EBITDA as net loss before depreciation, amortization, stock-based compensation, transaction-related costs, provision for income taxes, interest and other (income) expense, net, deferred revenue reduction from purchase accounting, gain on extinguishment of debt, and lease and other restructuring charges. We believe that adjusted EBITDA provides useful information to investors and others in understanding and evaluating our operating results for the following reasons:

- adjusted EBITDA is widely used by investors and securities analysts to measure a company's operating performance with and without regard to items that can vary substantially from company to company depending upon their financing, capital structures and the method by which assets were acquired;
- our management uses adjusted EBITDA in conjunction with GAAP financial measures for planning purposes, in the preparation of our annual operating budget, as a measure of our operating performance, to assess the effectiveness of our business strategies and to communicate with our board of directors concerning our financial performance;
- adjusted EBITDA provides more consistency and comparability with our past financial performance, facilitates period-to-period comparisons of our operations and also facilitates comparisons with other companies, many of which use similar non-GAAP financial measures to supplement their GAAP results; and
- our investor and analyst presentations include adjusted EBITDA as a supplemental measure of our overall operating performance.

Contracted Revenue: We refer to contracted recurring revenue as being inclusive of all revenue recognized relating to contracted minimums in addition to variable revenue in excess of contracted amounts. Contracted revenue does not include revenue from professional services or other sources of revenue that are not deemed to be recurring in nature.

Customers: We define customers as individuals or entities that have purchased one or more of our products under a unique customer identification number since our inception and individuals or entities that are contracted for at least one of our products. Each unique customer identification number constitutes a separate customer regardless of the amount purchased.

Customer Tiering: For our financial institution customers, we may refer to their designated tiering, which we use to group customers based upon the total assets they report. We define "Enterprise" customers as having total assets equal to or greater than $50 billion. We define "Tier 1" customers as having total assets equal to or greater than $5 billion but less than $50 billion. We define "Tier 2" customers as having total assets equal to or greater than $1 billion but less than $5 billion. We define "Tier 3" customers as having total assets less than $1 billion. Total assets are reported by financial institutions to the FDIC or NCUA, as applicable, and are disclosed on a quarterly basis.

Definitions

Digital Banking Platform: Our digital banking platform allows financial institutions to offer a comprehensive and unified suite of digital banking services to their End Users. Our open platform architecture, deep integration with other systems and the multi-tenant aspects of our infrastructure, enable us to develop digital banking solutions that allow our customers to harness the power of the information within their other systems to gain greater insights and to improve the overall security of their End Users and themselves.

Digital Lending and Relationship Pricing Platforms: Refers to both our PrecisionLender and Symphonix platforms.

Free Cash Flow: In the case of free cash flow, we adjust net cash provided by (used in) operating activities for purchases of property and equipment and capitalized software development costs.

Installed Customers: We define Installed Customers as the number of customers on live implementations (or installations) of our digital banking platforms.

Net Revenue Retention Rate: the total revenues in a calendar year, excluding any revenues from acquired customers during such year, from customers who were implemented on any of our solutions as of December 31 of the prior year, expressed as a percentage of the total revenues during the prior year from the same group of customers.

Non-GAAP Revenue: We define non-GAAP revenue as total revenue excluding the impact of purchase accounting. We monitor these measures to assess our performance because we believe our revenue growth rates would be understated without these adjustments. We believe presenting non-GAAP revenue aids in the comparability between periods and in assessing our overall operating performance.

Prior to the fourth quarter of 2019, there was no impact of purchase accounting on revenue, so our non-GAAP total revenue was equivalent to our GAAP total revenue prior to that point. We do not anticipate any impact from purchase accounting in 2024 and beyond, so unless otherwise noted our non-GAAP total revenue will be equivalent to GAAP total revenue during throughout those periods.

PrecisionLender Platform: Our PrecisionLender platform is a cloud-based, data-driven sales enablement, pricing and portfolio management solution that allows financial institutions globally to structure and negotiate commercial lending, deposits and fee-based business transactions more effectively.

Registered Users: We define a registered user as an individual related to an account holder of an Installed Customer on our consumer Digital Banking Platform who has registered to use one or more of our digital banking solutions and has current access to use those solutions as of the last day of the reporting period presented.

Definitions

Subscription Annualized Recurring Revenue: We calculate Subscription ARR as the annualized value of all recurring subscription revenue recognized in the last month of the reporting period, with the exception of variable revenue in excess of contracted amounts for which we instead take the average monthly run rate of the trailing three months within that reporting period. Our Subscription ARR also includes the contracted minimum subscription amounts associated with all contracts in place at the end of the quarter for which revenue recognition has not yet commenced. Subscription revenues are defined within "Critical Accounting Policies and Significant Judgements and Estimates" in our Form 10-K. Subscription ARR is not a forecast of future revenue, which can be impacted by contract start and end dates and renewal rates. Subscription ARR should be viewed independently of revenue and deferred revenue as Subscription ARR is an operating metric and are not intended to be combined with or replace these items. Our use of Subscription ARR has limitations as an analytical tool, and investors should not consider it in isolation. Other companies in our industry may calculate Subscription ARR differently, which reduces their usefulness as comparative measures.

Symphonix: Previously referred to as Q2 Cloud Lending, CL, or Q2 Alt-Fi, this modular, end-to-end platform allows non-bank lenders to automate and digitize their lending activities, supporting cloud-based loan origination, loan servicing, collections and investor management applications globally, serving a wide range of industries.

Total Annualized Recurring Revenue: We calculate Total ARR as the annualized value of all recurring revenue recognized in the last month of the reporting period, with the exception of variable revenue in excess of contracted amounts for which we instead take the average monthly run rate of the trailing three months within that reporting period. Our Total ARR also includes the contracted minimums associated with all contracts in place at the end of the quarter for which revenue recognition has not yet commenced, and revenue generated from Integrated Services, which we previously referred to as Premier Services. Integrated Services revenue is generated from select established customer relationships where we have engaged with the customer for more tailored, premium professional services resulting in a deeper and ongoing level of engagement with them, which we deem to be recurring in nature. Total ARR does not include revenue from professional services or other sources of revenue that are not deemed to be recurring in nature. Total ARR is not a forecast of future revenue, which can be impacted by contract start and end dates and renewal rates. Total ARR should be viewed independently of revenue and deferred revenue as Total ARR is an operating metric and is not intended to be combined with or replace these items. Our use of Total ARR has limitations as an analytical tool, and investors should not consider it in isolation. Other companies in our industry may calculate Total ARR differently, which reduces their usefulness as comparative measures.