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Investor Presentation

Fourth Quarter 2017

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Safe Harbor and Other Information

This presentation contains “forward-looking” statements that are based on our management’s beliefs and assumptions and on information currently available to management. We intend for such forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in the U.S. Private Securities Litigation Reform Act of 1995. Forward-looking statements include information concerning our possible or assumed strategy, future operations, financing plans, operating model, financial position, future revenues, projected costs, competitive position, industry environment, potential growth opportunities, potential market opportunities, plans and objectives of management and the effects of competition on our business.

Forward-looking statements include all statements that are not historical facts and can be identified by terms such as “anticipates,” “believes,” “could,” “seeks,” “estimates” (including, without limitation, financial estimates denoted with an “E,” such as FY18E), “targets,” “guidance,” “expects,” “intends,” “may,” “plans,” “potential,” “predicts,” “prospects,” “projects,” “should,” “will,” “would” or similar expressions and the negatives of those terms, although not all forward-looking statements contain these identifying words.

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. We cannot guarantee that we will achieve the plans, intentions, or expectations disclosed in our forward-looking statements, and you should not place undue reliance on our forward-looking statements.

Forward-looking statements represent our management’s beliefs and assumptions only as of the date of this presentation. We undertake no obligation, and do not intend, to update these forward-looking statements, to review or confirm analysts’ expectations, or to provide interim reports or updates on the progress of the current financial quarter. Further information on these and other factors that could affect our financial results are included in the filings we make with the Securities and Exchange Commission (the “SEC”), including those discussed in our most recent Annual Report on Form 10-K and Quarterly Report on Form 10-Q.

This presentation includes certain non-GAAP financial measures and the corresponding growth rates as defined by SEC rules. For additional information, see the slide titled “Statement Regarding Use of Non-GAAP Financial Measures.” Terms such as “Annual Contract Value,” “Average Contract Term,” “Renewal Rate,” and “G2K Customer” shall have the meanings set forth in our filings with the SEC.

The information in this presentation on new products, features, or functionality is intended to outline our general product direction and should not be relied upon in making a purchasing decision. The information on new products, features, and functionality is for informational purposes only and shall not be incorporated into any contract. The information on new products, features, and functionality is not a commitment, promise, or legal obligation to deliver any material, code or functionality. The development, release, and timing of any features or functionality described for our products remains at our sole discretion.

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Statement Regarding Use of Non-GAAP Financial Measures

We report non-GAAP financial measures in addition to, and not as a substitute for, or superior to, financial measures calculated in accordance with GAAP.

We present revenues adjusted for constant currency and corresponding growth rates to provide a framework for assessing how our business performed excluding the effect of foreign currency rate fluctuations. To present this information, current period results for entities reporting in currencies other than U.S. Dollars are converted into U.S. Dollars at the exchange rates in effect during the prior period presented, rather than the actual exchange rates in effect during the current period. We believe the presentation of revenues adjusted for constant currency facilitates the comparison of revenues year-over-year.

We believe billings is a useful leading indicator regarding the performance of our business. Because billings is derived from our GAAP revenues, the definition of billings varies depending on whether our revenues have been calculated under Topic 605 or Topic 606. In our reported financial results, we present subscription billings, professional services and other billings, and total billings, and corresponding growth rates, as the applicable revenue plus the applicable change in deferred revenue as presented or derived from the statement of cash flows. In our restated financial results and guidance, due to the change in timing of revenue recognition under certain of our contracts, we define subscription billings, professional services and other billings, and total billings as the applicable revenue plus the applicable change in deferred revenue, unbilled receivables and customer deposits as presented or derived from the statement of cash flows. While we typically bill customers annually for our subscription services, customers sometimes request, and we accommodate, multiyear billings, which are billings with durations in excess of the typical 12 month term. Accordingly, to facilitate greater comparability in our billings information, in presenting billings under either definition, we adjust for constant currency, as described above, and adjust for constant duration by replacing the portion of multi-year billings in excess of twelve months during the current period with the portion of multi-year billings in excess of twelve months during the prior period presented.

Our non-GAAP presentation of gross profit, income from operations and net income measures exclude stock-based compensation expense, amortization of debt discount and issuance costs related to the convertible senior notes, loss on early note conversions, amortization of purchased intangibles, legal settlements, business combination and other related costs, and the related income tax effect of these adjustments. We believe the presentation of operating results that exclude these non-cash or non-recurring items provides useful supplemental information to investors and facilitates the analysis of our operating results and comparison of operating results across reporting periods.

Free cash flow, which is a non-GAAP financial measure, is calculated as net cash provided by (used in) operating activities plus cash paid for legal settlements and repayment of convertible senior notes attributable to debt discount, reduced by purchases of property and equipment. Free cash flow margin is calculated as free cash flow as a percentage of total revenues. We believe information regarding free cash flow and free cash flow margin provides useful information to investors because it is an indicator of the strength and performance of our business operations. However, our calculation of free cash flow and free cash flow margin may not be comparable to similar measures used by other companies.

We encourage investors to carefully consider our results under GAAP, as well as our supplemental non-GAAP information and the reconciliation between these presentations, to more fully understand our business. Please see the tables included at the end of this presentation for the reconciliation of GAAP and non-GAAP results.

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Reported Financial Results (Historical Accounting Standard 605)

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Work at Lightspeed

Enterprise Cloud

Cloud-based service that modernizes and transforms the enterprise

Highly secure and available enterprise cloud

SaaS business model



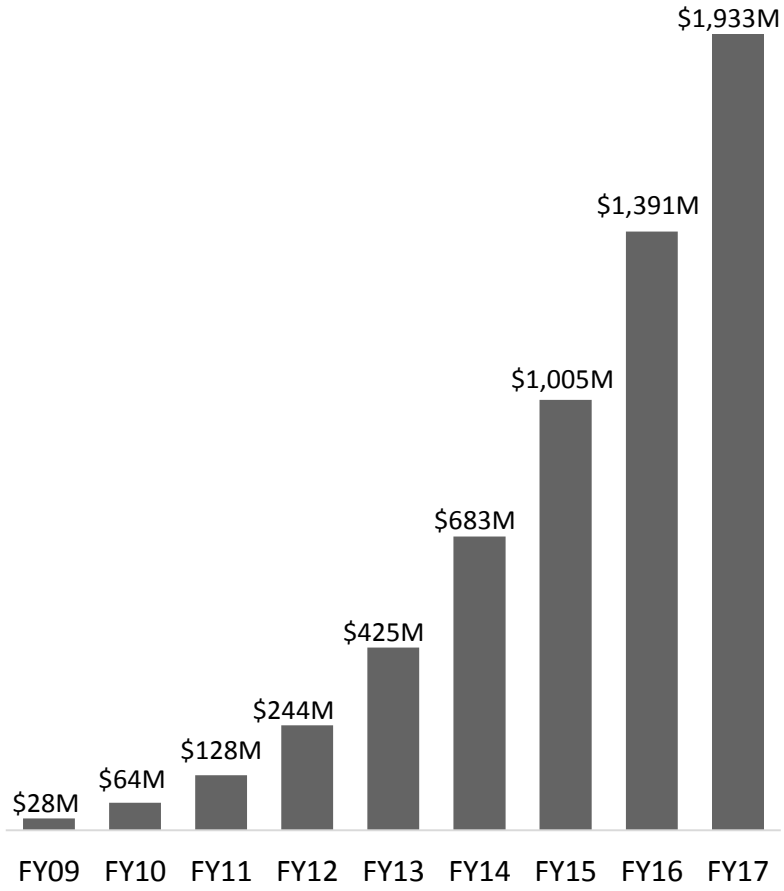
NYSE: NOW

~6,200
Global Employees

Major Sites
San Diego, Silicon Valley, Seattle, Amsterdam, London, Sydney, Israel, India



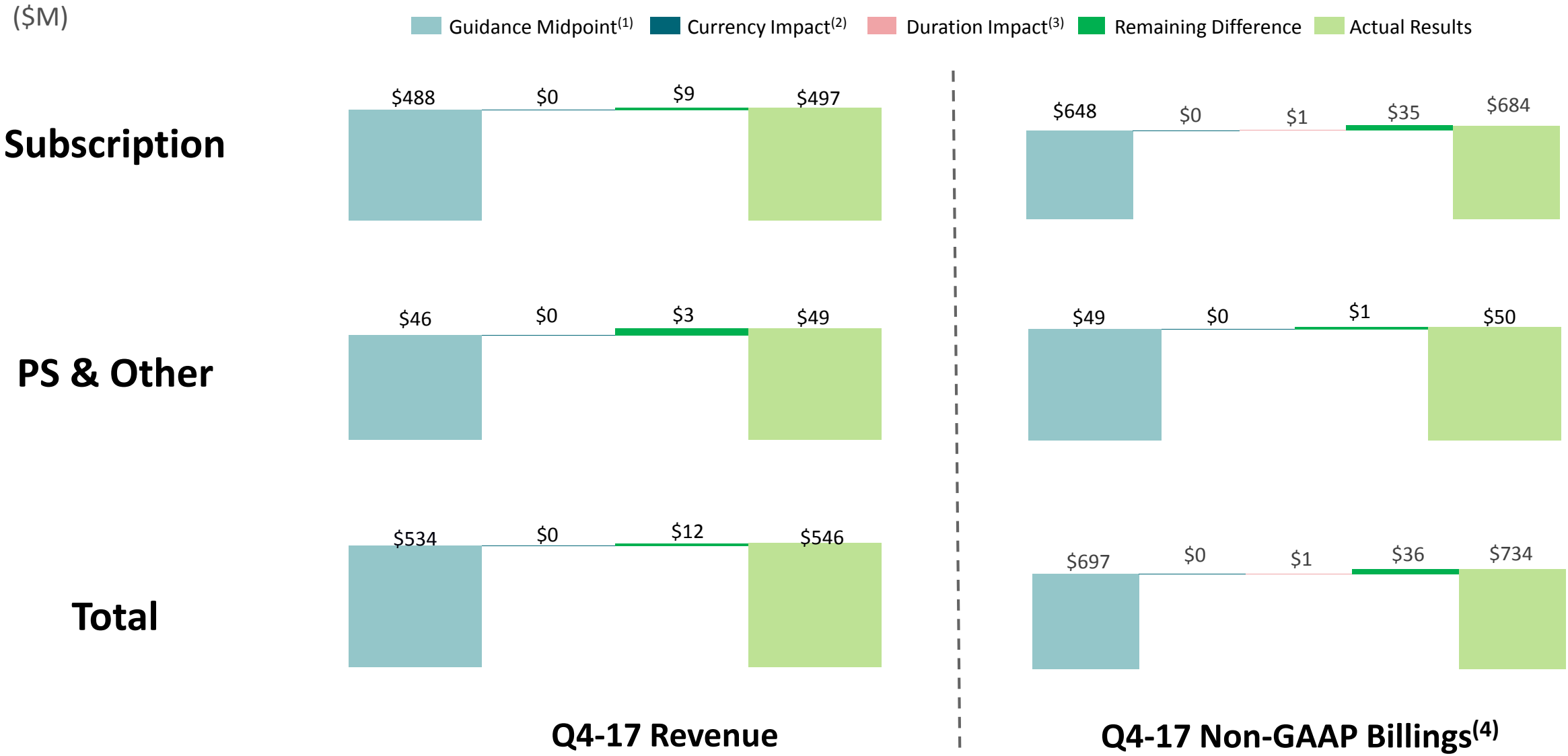
Strong Revenue & Growth



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Currency and Duration Impact Compared to Previously Issued Guidance

($M)



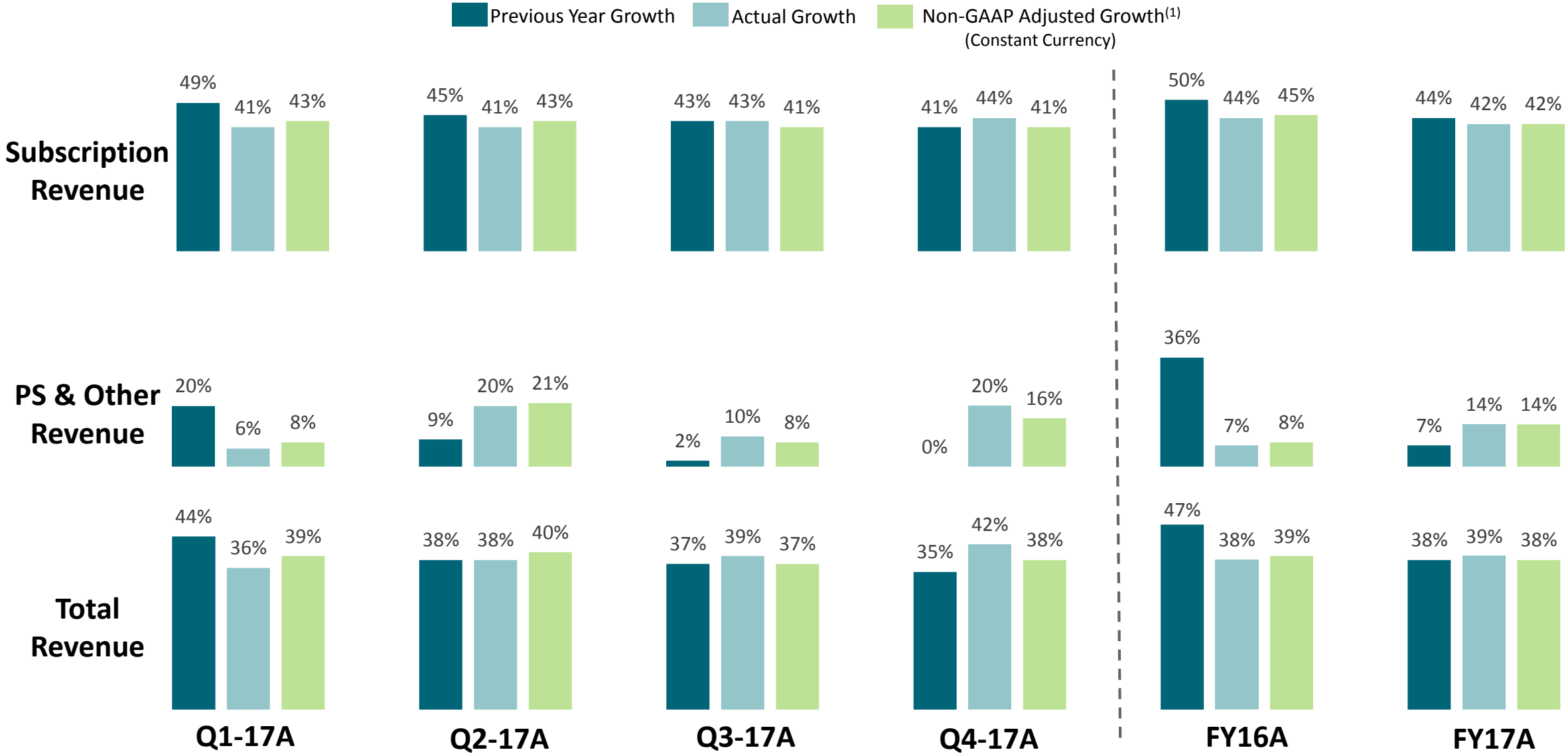
(1) Refers to previously issued financial guidance dated 10/25/17.
(2) Represents the impact of currency exchange rate fluctuations between the actual average rates in the period compared to the rates as of 9/30/2017 assumed in previously issued guidance, for entities reporting in currencies other than U.S. Dollars.
(3) Represents the impact of billings greater than 12 months in excess of guidance assumptions.

(4) Billings figures are calculated on a non-GAAP basis. See appendix for reconciliation of non-GAAP financial measures.

Note: Numbers rounded for presentation purposes.

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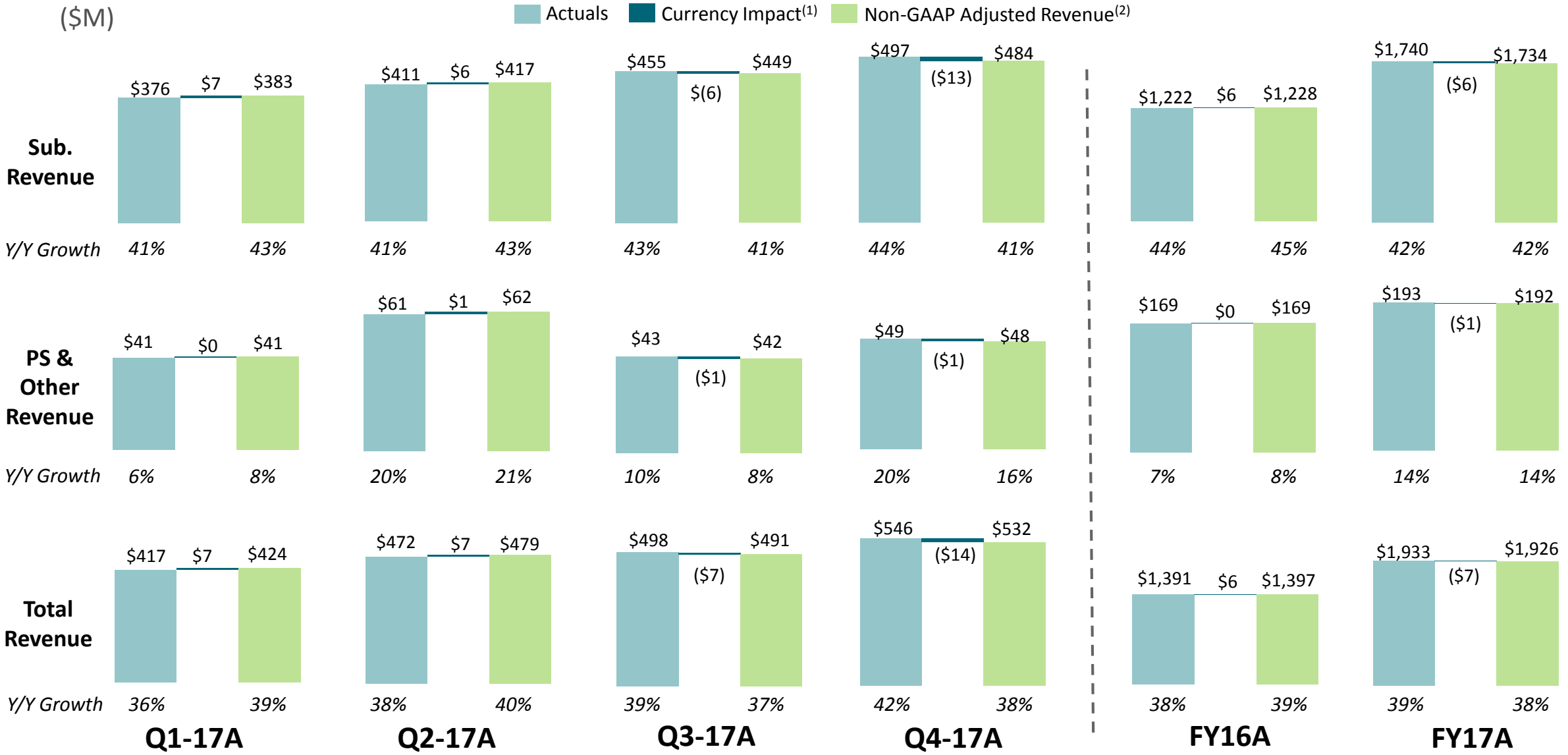
Year-Over-Year Revenue Growth…



(1) Adjusted revenue growth figures are calculated on a non-GAAP basis. See appendix for reconciliation of non-GAAP financial measures. Current period results for entities reporting in currencies other than U.S. Dollars are converted into U.S. Dollars at the exchange rates in effect during the prior period presented, rather than the actual exchange rates in effect during the current period.

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…Currency Impact to Year-Over-Year Revenue Growth

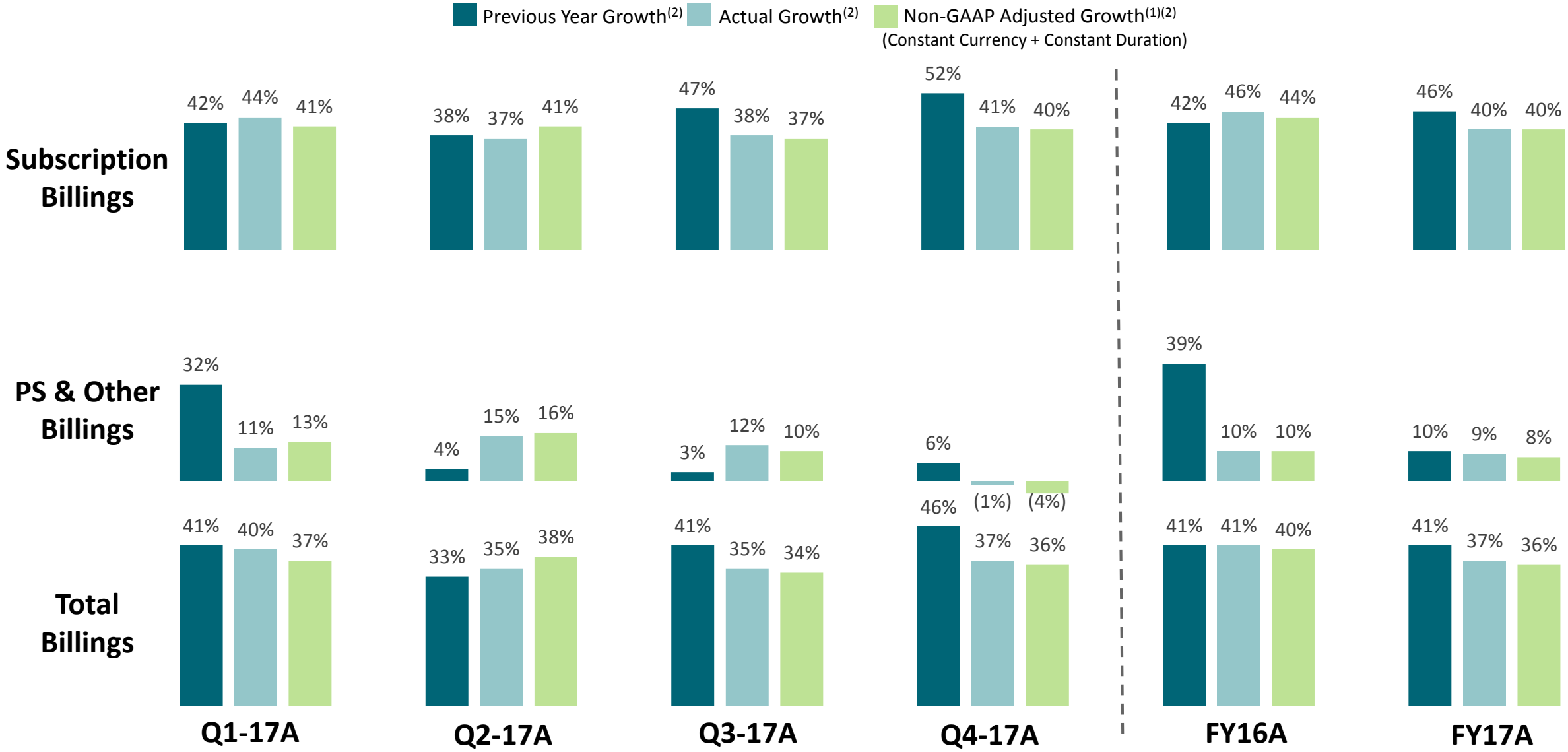


(1) Current period results for entities reporting in currencies other than U.S. Dollars are converted into U.S. Dollars at the exchange rates in effect during the prior period presented, rather than the actual exchange rates in effect during the current period.
(2) Adjusted revenue and growth figures are calculated on a non-GAAP basis. See appendix for reconciliation of non-GAAP financial measures.

Note: Numbers rounded for presentation purposes.

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Year-Over-Year Non-GAAP Billings Growth…

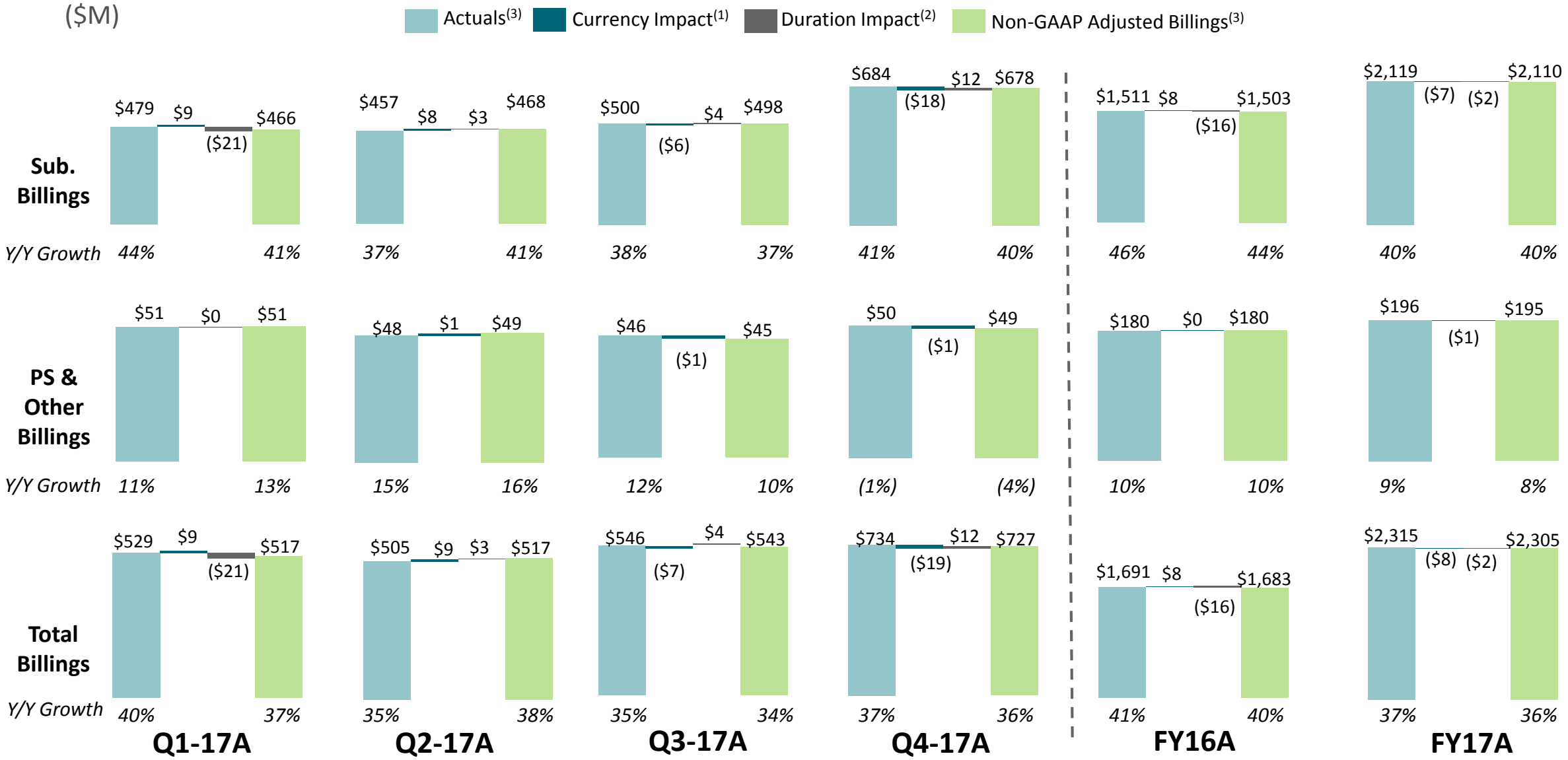


(1) Current period results for entities reporting in currencies other than U.S. Dollars are converted into U.S. Dollars at the exchange rates in effect during the prior period presented, rather than the actual exchange rates in effect during the current period. In addition, results and guidance are adjusted for constant duration by replacing the portion of multi-year billings in excess of twelve months during the current period with the portion of multi-year billings in excess of twelve months during the prior period presented.

(2) Billings and adjusted billings growth figures are calculated on a non-GAAP basis. See appendix for reconciliation of non-GAAP financial measures.

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…Currency and Duration Impact to Year-Over-Year Non-GAAP Billings Growth



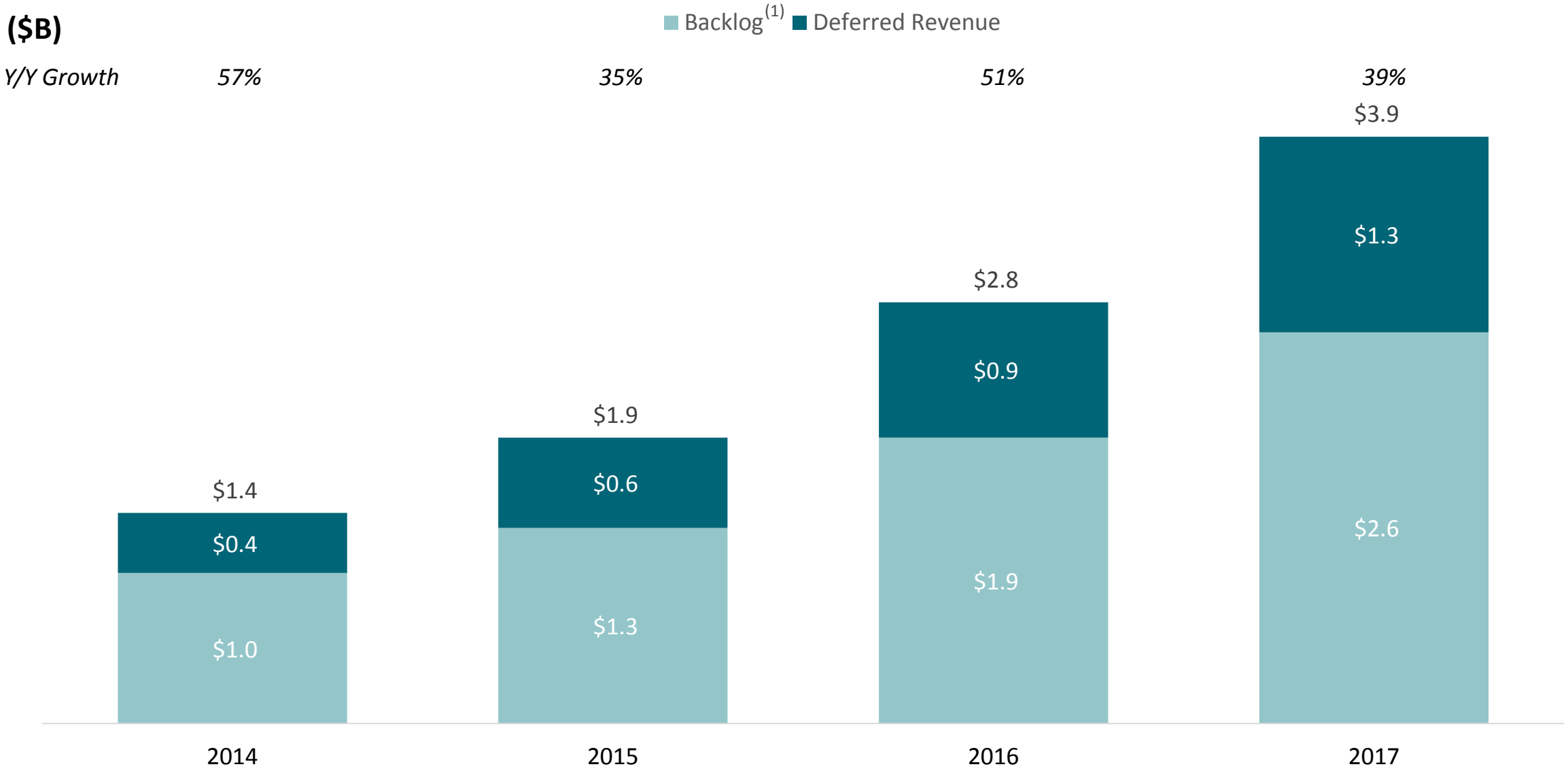
(1) Current period results for entities reporting in currencies other than U.S. Dollars are converted into U.S. Dollars at the exchange rates in effect during the prior period presented, rather than the actual exchange rates in effect during the current period.
(2) Results and guidance are adjusted for constant duration by replacing the portion of multi-year billings in excess of twelve months during the current period with the portion of multi-year billings in excess of twelve months during the prior period presented.

(3) Billings, adjusted billings and growth figures are calculated on a non-GAAP basis. See appendix for reconciliation of non-GAAP financial measures. Note: Numbers rounded for presentation purposes.

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High Revenue Visibility

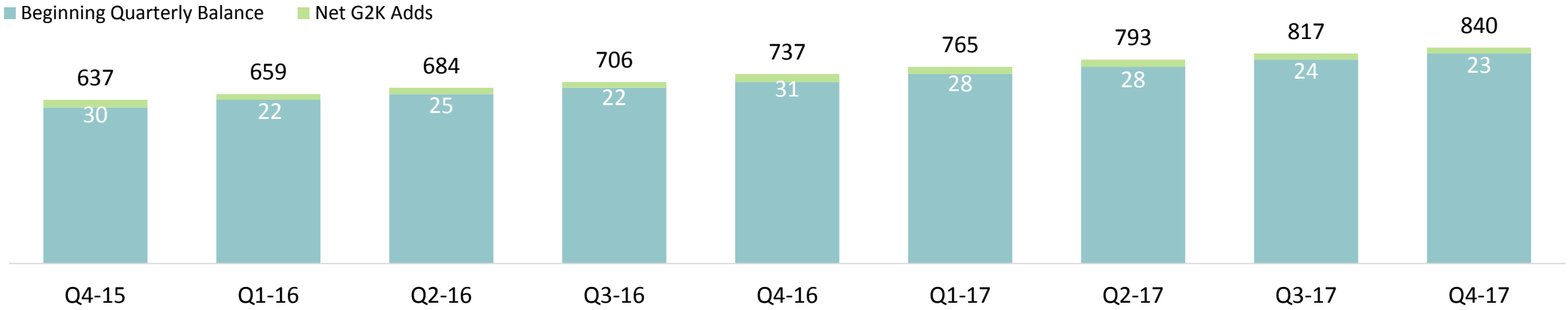


(1) Backlog represents future unearned revenue amounts to be invoiced under our existing agreements that are not included in the deferred revenue on our consolidated balance sheets.

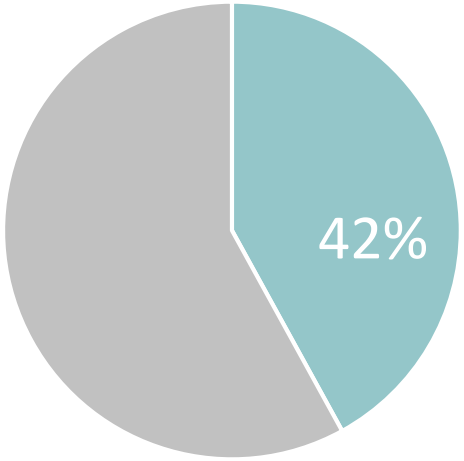
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G2K Penetration

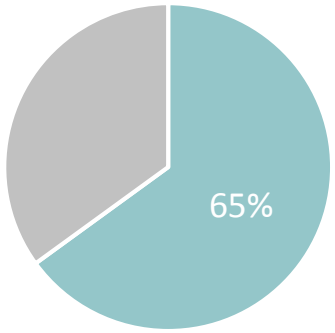
Number of G2K Customers



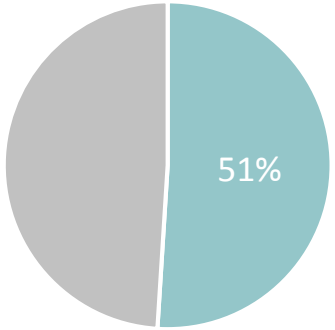
G2K Penetration



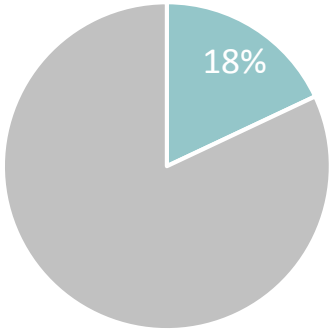
North America



EMEA



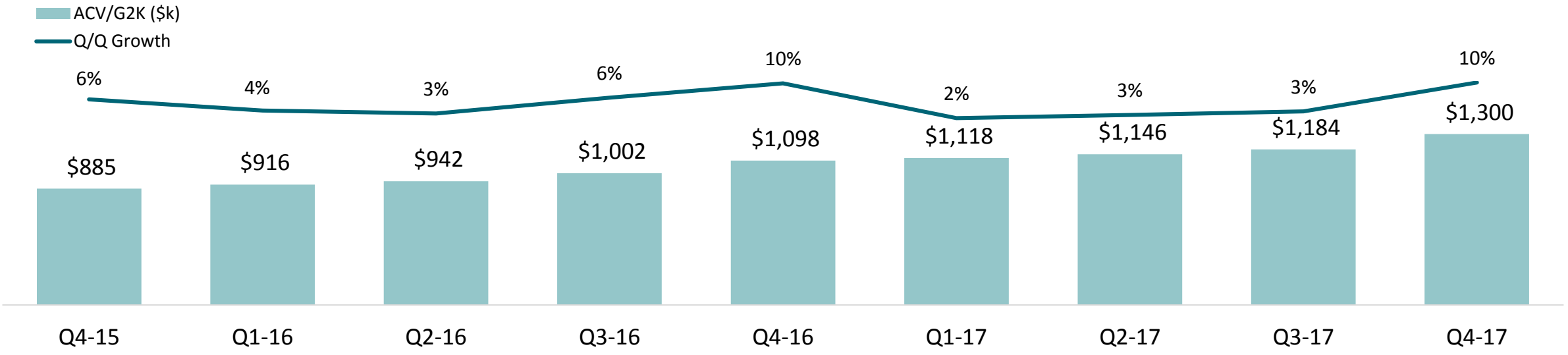
APAC & Other

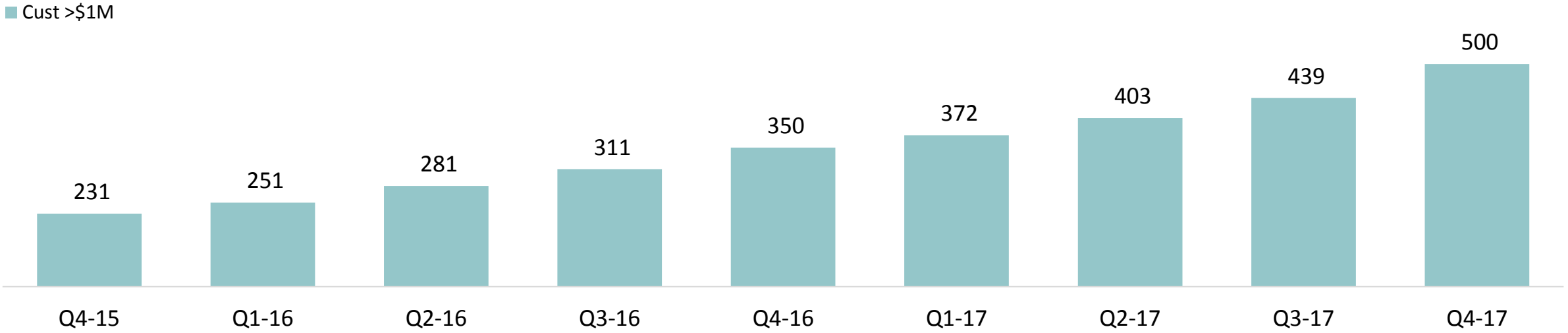


Note: The Forbes list is updated annually in the second quarter of the calendar year. Current and prior period G2K customer counts are based on the most recent list for comparability purposes. We adjust the G2K count for acquisitions, spin-offs, and other market activity to ensure the G2K customer count is accurately captured.

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Upsells Represent Large Opportunity





Note: The Forbes list is updated annually in the second quarter of the calendar year. Current and prior period G2K customer counts are based on the most recent list for comparability purposes. We adjust the G2K count for acquisitions, spin-offs, and other market activity to ensure the G2K customer count is accurately captured.

Previously disclosed number of customers with ACV greater than $1 million is restated to allow for comparability. ACV is calculated based on the foreign exchange rate in effect at the time the contract was entered into. Foreign exchange rate fluctuations could cause some variability in the number of customers with ACV greater than $1 million and the average ACV per G2K.

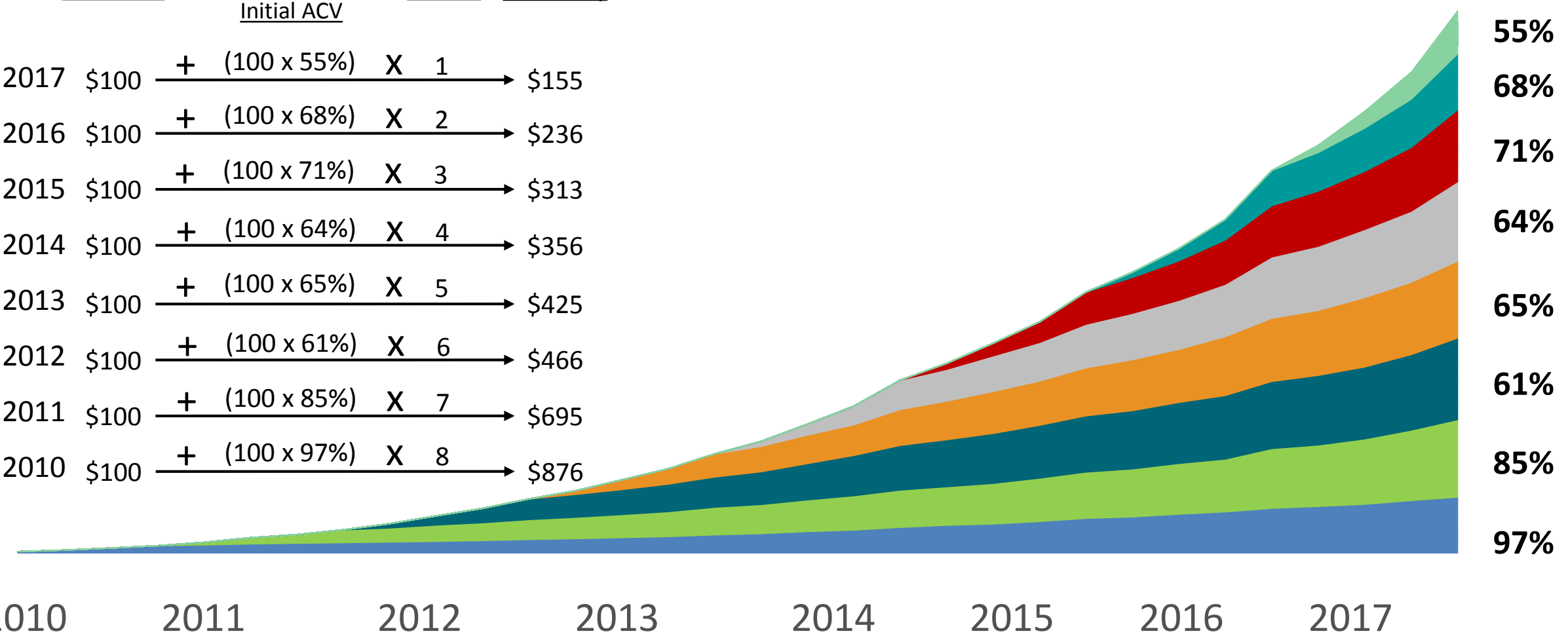
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Upsells Represent Large Opportunity

Illustrative Example

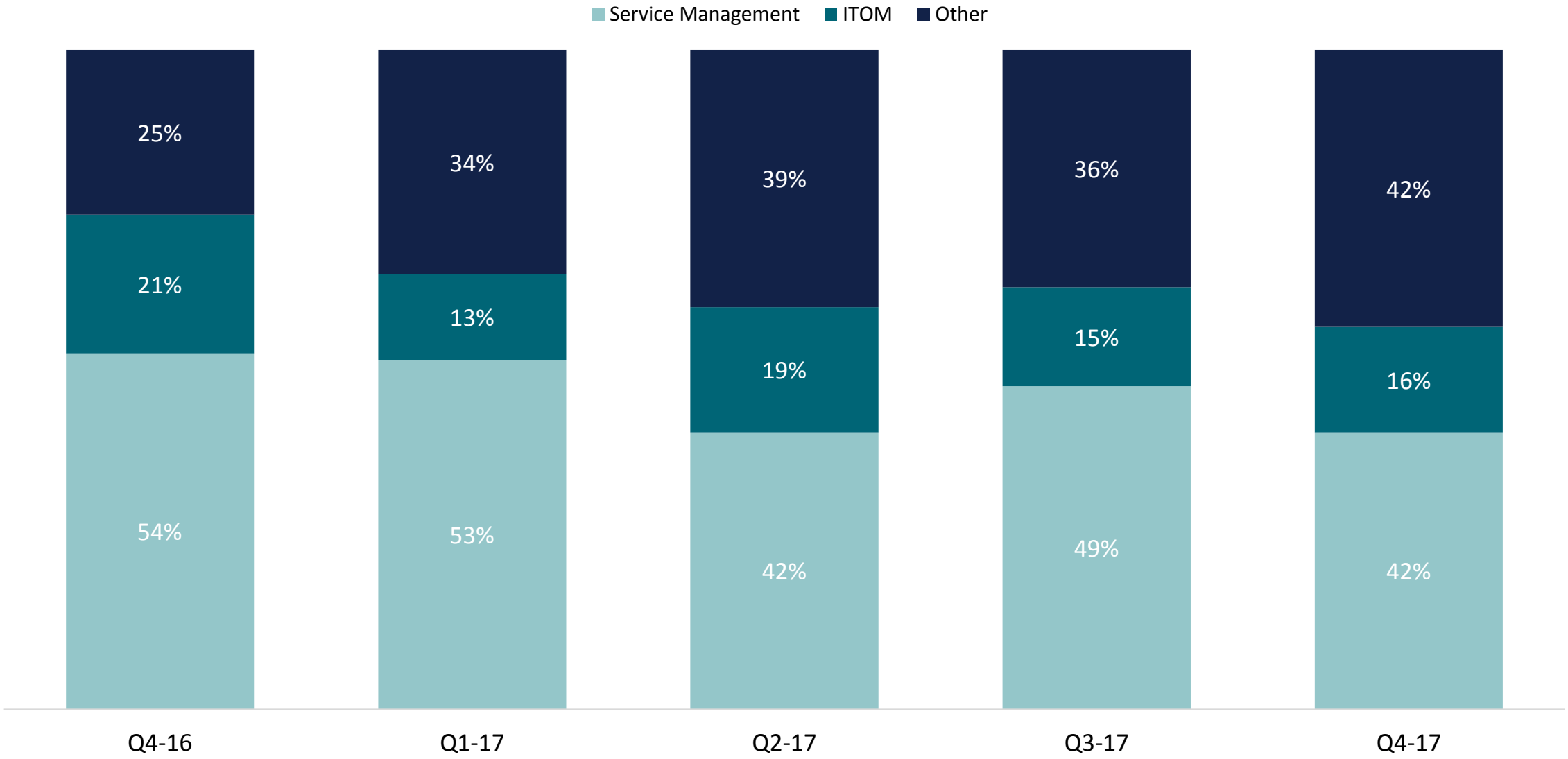
	Initial ACV		Annual Growth of Initial ACV		Periods		ACV Today
2017	$100	+	(100 x 55%)	X	1	→	$155
2016	$100	+	(100 x 68%)	X	2	→	$236
2015	$100	+	(100 x 71%)	X	3	→	$313
2014	$100	+	(100 x 64%)	X	4	→	$356
2013	$100	+	(100 x 65%)	X	5	→	$425
2012	$100	+	(100 x 61%)	X	6	→	$466
2011	$100	+	(100 x 85%)	X	7	→	$695
2010	$100	+	(100 x 97%)	X	8	→	$876



Note: Chart reflects growth in total annual contract value over time, inclusive of losses, for the group of customers that joined ServiceNow in each respective year. Annual Growth represent increases in total annual contract value after the initial contract of each customer.

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New ACV Mix Shifting To Emerging Products



Note: Service Management = IT, Facilities, Finance, Marketing, Legal, Express
ITOM = ServiceWatch, Discovery, Cloud Management, Orchestration, Event Management
Other = HR, Security Operations, Customer Service Management, Field Service, Performance Analytics, IT Business Management, GRC, Platform

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18 of Top 20 New Deals in Q4 Included 4+ Products

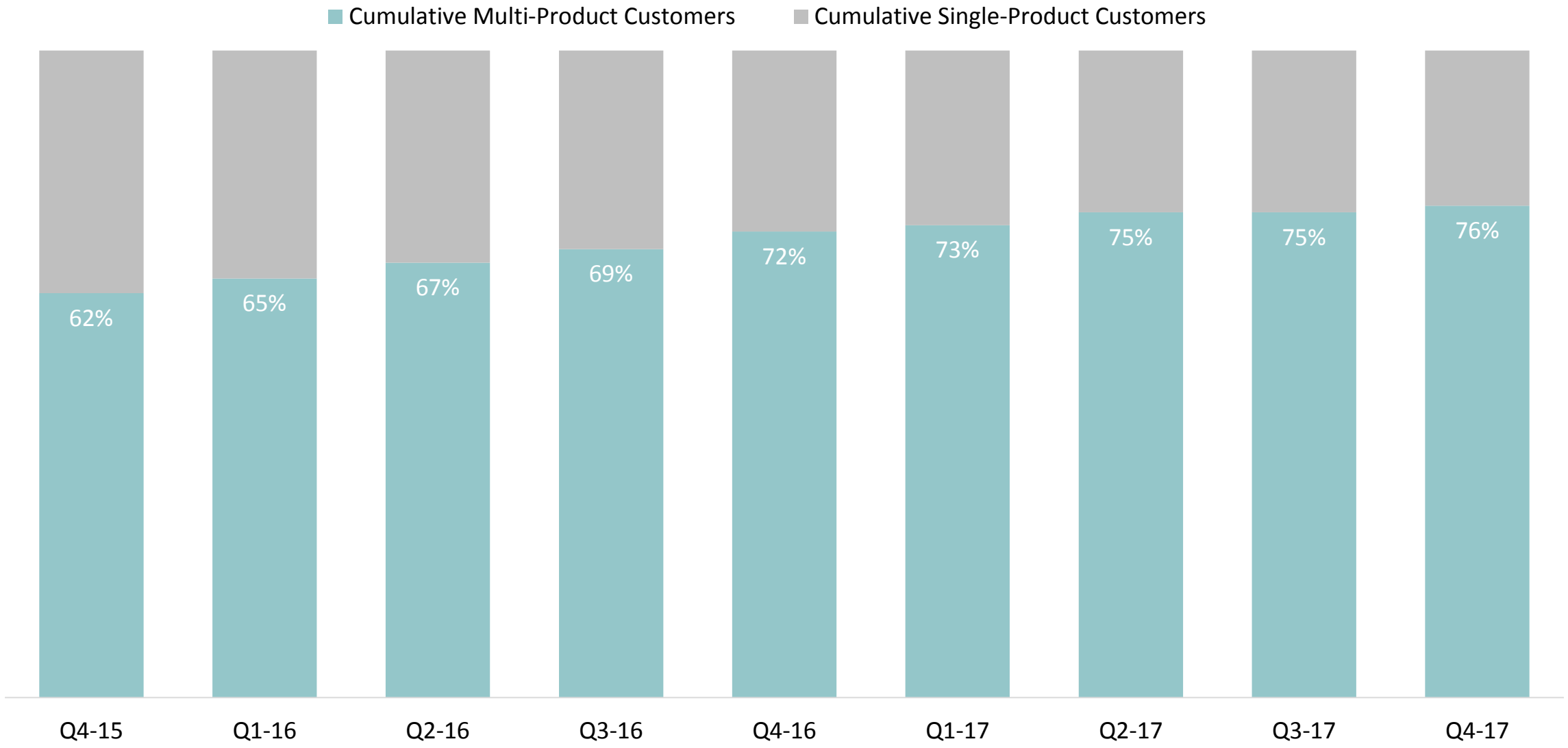
5+ Products 4 Products 3 Products

Customer	Service Management	ITOM	Platform	ITBM	Analytics	HR	Customer Service	Security Operations	GRC	ITAM
Customer 1	X	X	X	X	X		X	X	X	
Customer 2	X	X			X	X				
Customer 3	X	X			X	X				
Customer 4	X	X	X	X	X		X	X		
Customer 5	X	X	X	X	X	X			X	
Customer 6	X	X	X	X	X				X	
Customer 7	X	X	X	X	X			X		X
Customer 8	X	X	X	X	X					
Customer 9	X	X	X	X	X				X	X
Customer 10	X	X	X		X					
Customer 11			X		X	X				
Customer 12	X		X	X	X		X	X	X	
Customer 13	X	X	X		X					
Customer 14	X	X	X		X					
Customer 15	X		X	X	X	X			X	
Customer 16	X	X		X	X					X
Customer 17	X				X			X		
Customer 18	X	X	X	X	X				X	
Customer 19	X	X	X	X	X					
Customer 20	X	X	X	X	X		X			

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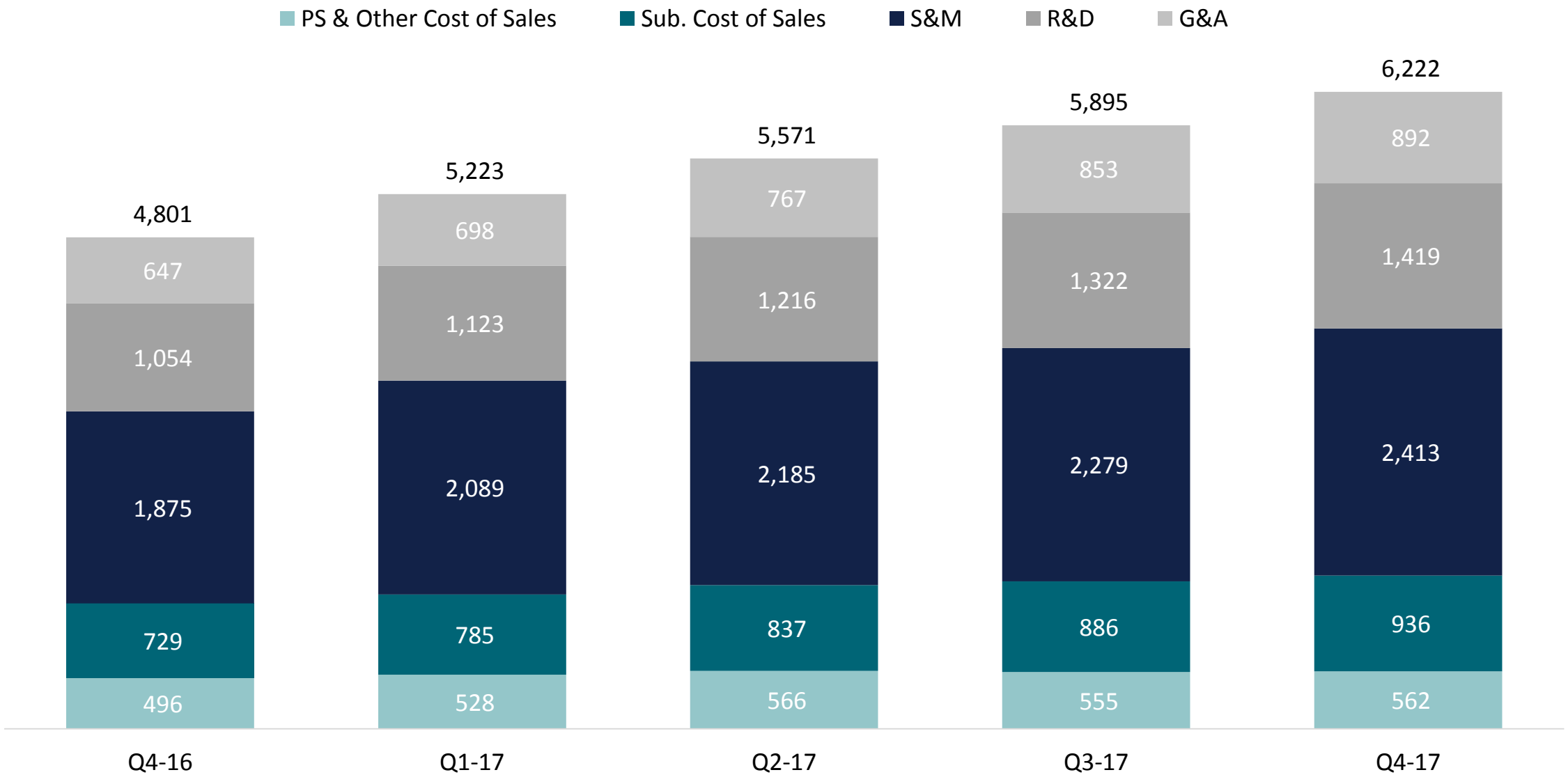
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Multi-Product Customers Increasing



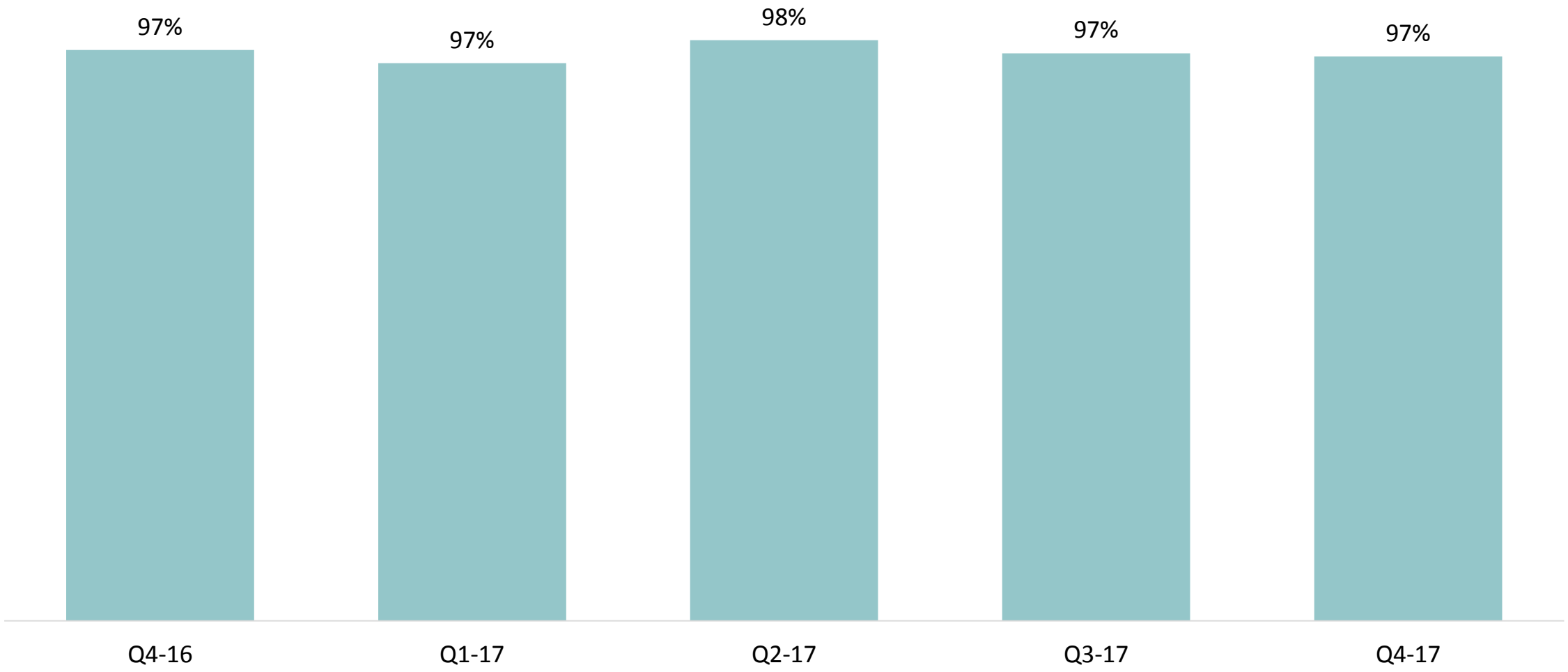
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Headcount by Department



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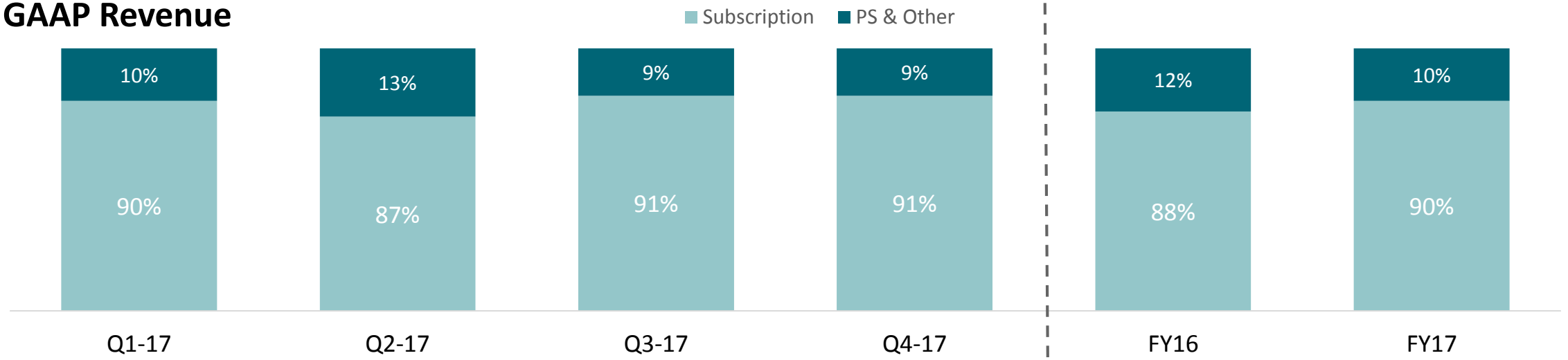
Renewal Rate



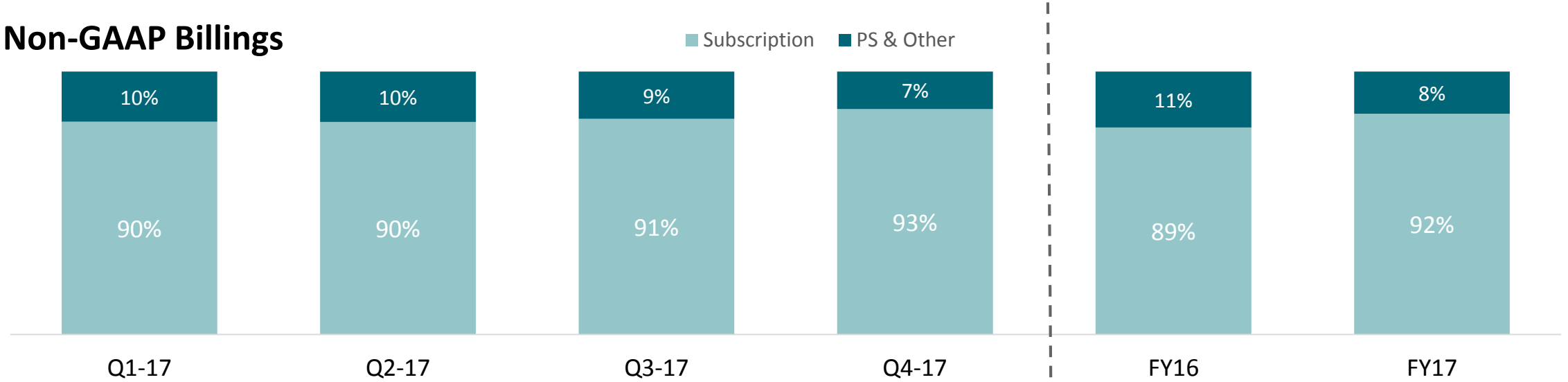
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Total Revenue and Billings Increasingly Driven by Subscription Business

GAAP Revenue



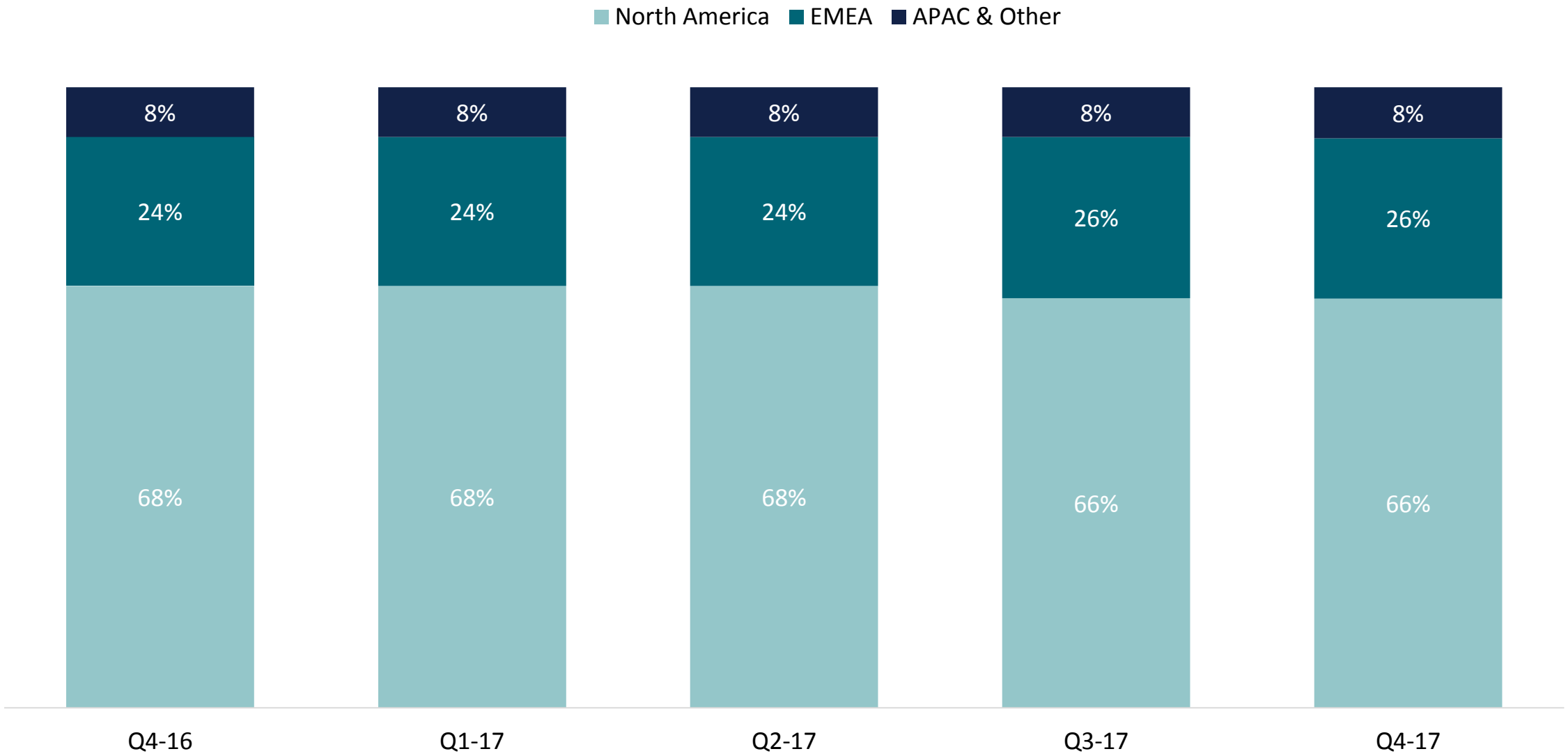
Non-GAAP Billings



Note: See appendix for reconciliation of non-GAAP financial measures.

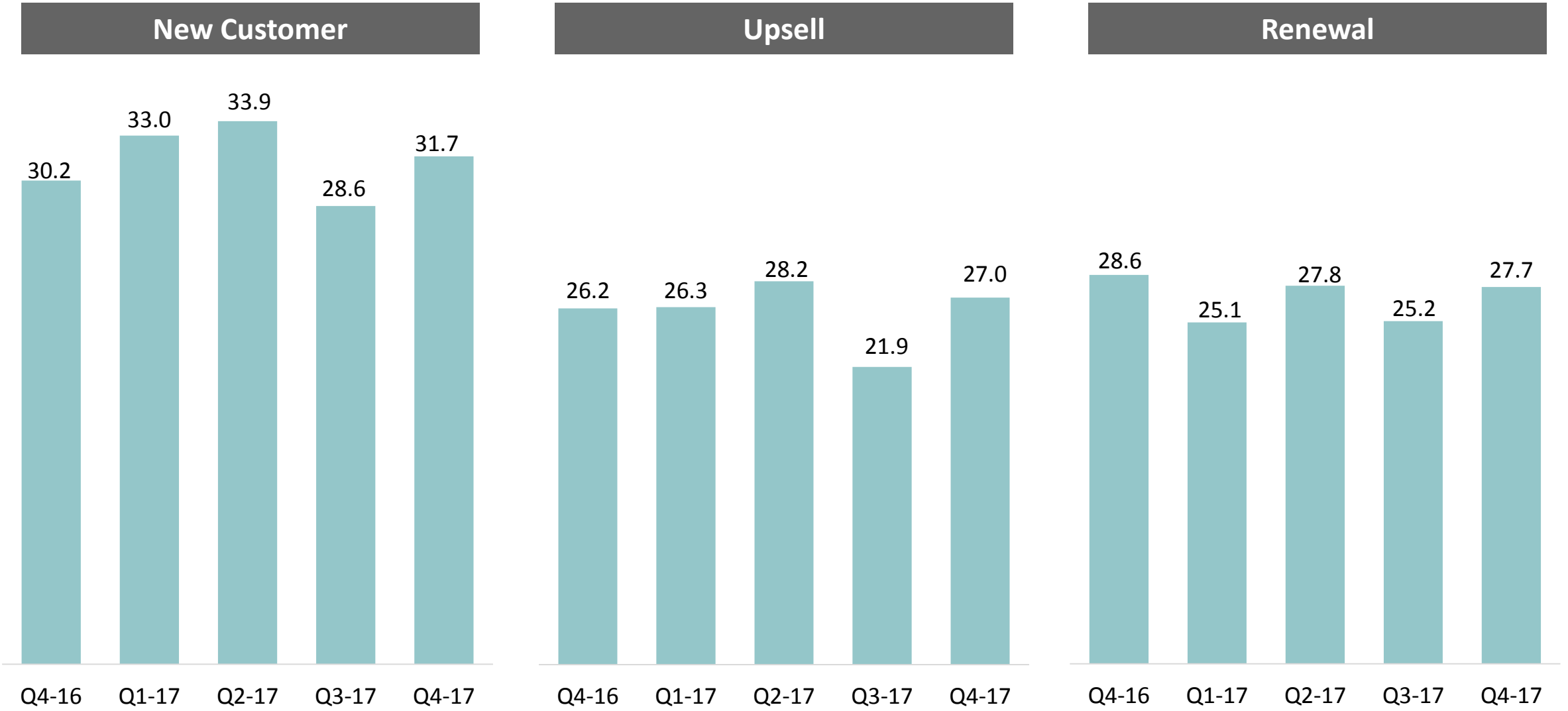
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GAAP Revenue by Geography



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Average Contract Terms

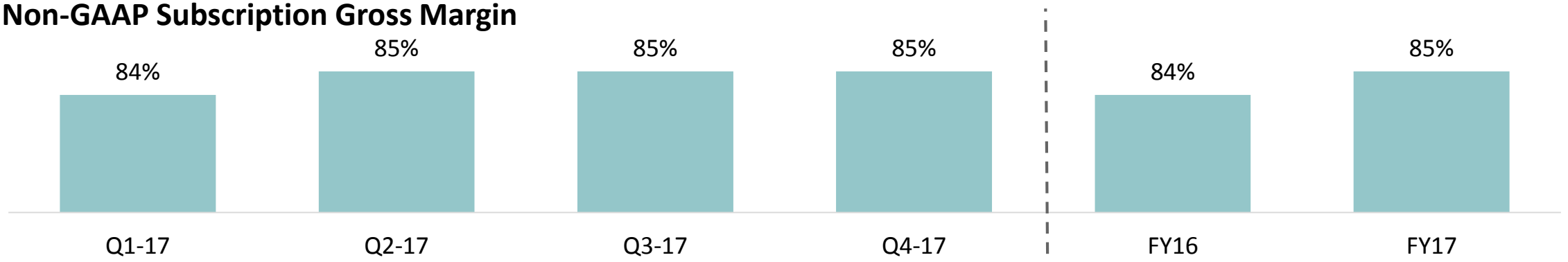


Note: All figures represent number of months. Average Contract Term calculations for previous quarters may adjust following their initial submission to the SEC; improved mapping of customers in current quarters can lead to revised New Customer & Upsell terms in previous quarters. Revised mapping and related adjustments can occur due to acquisitions, spin-offs, improved subsidiary mapping, and the D&B refresh.

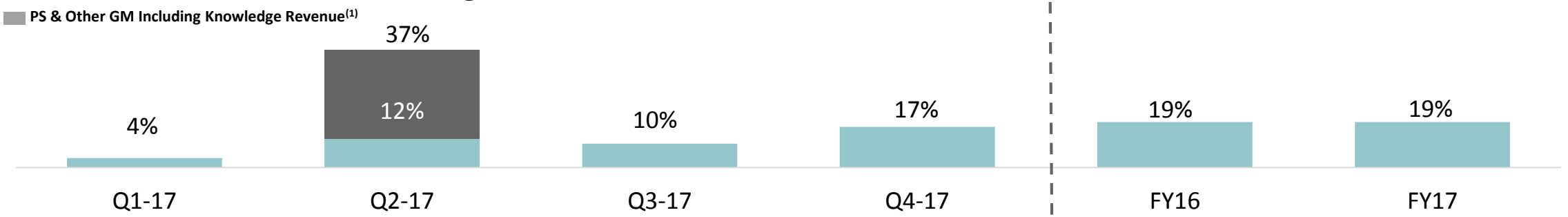
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Non-GAAP Gross Margins

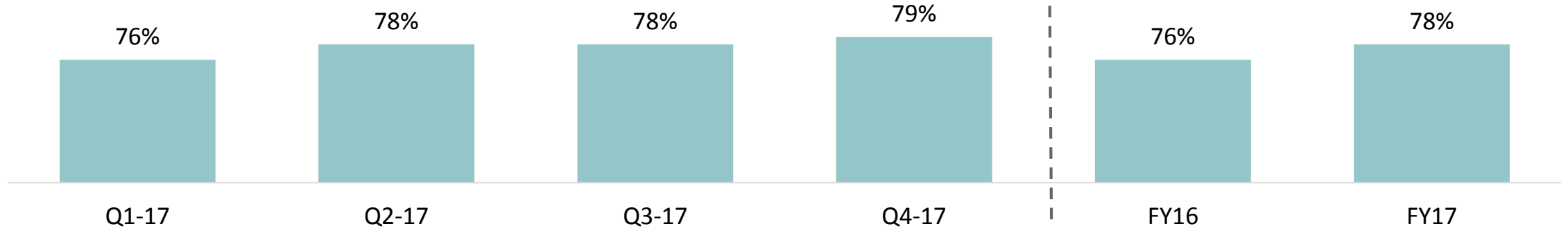
Non-GAAP Subscription Gross Margin



Non-GAAP PS & Other Gross Margin



Non-GAAP Total Gross Margin



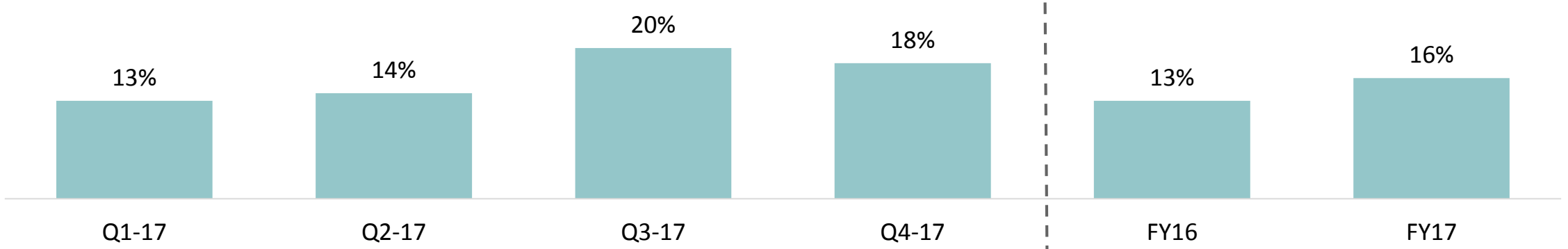
Note: All figures are calculated on a non-GAAP basis. See appendix for reconciliation of non-GAAP financial measures.

(1) Professional Services and Other revenues includes revenue from our Knowledge event in the second quarter of each year, with all related expenses in sales and marketing.

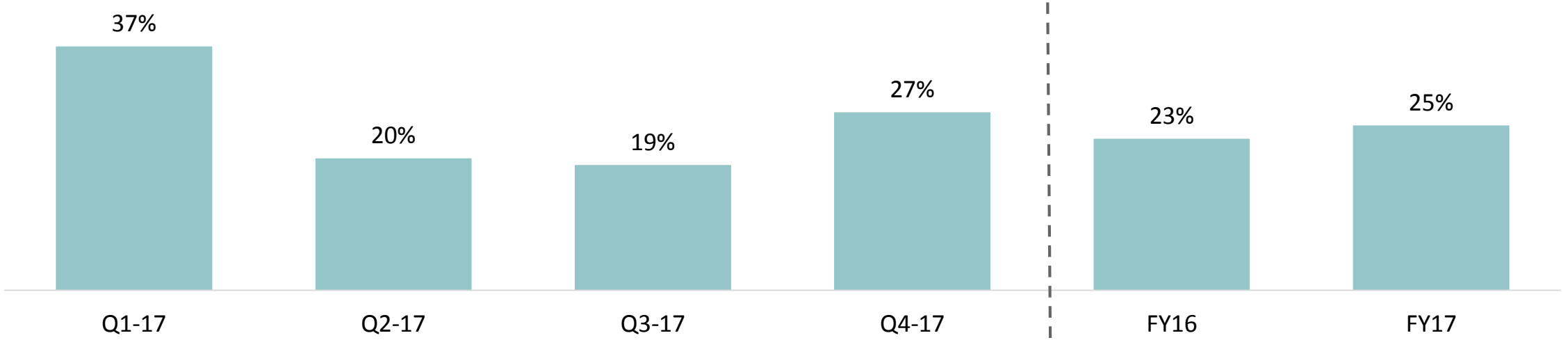
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Non-GAAP Operating and Free Cash Flow Margins

Non-GAAP Operating Margin



Non-GAAP Free Cash Flow Margin

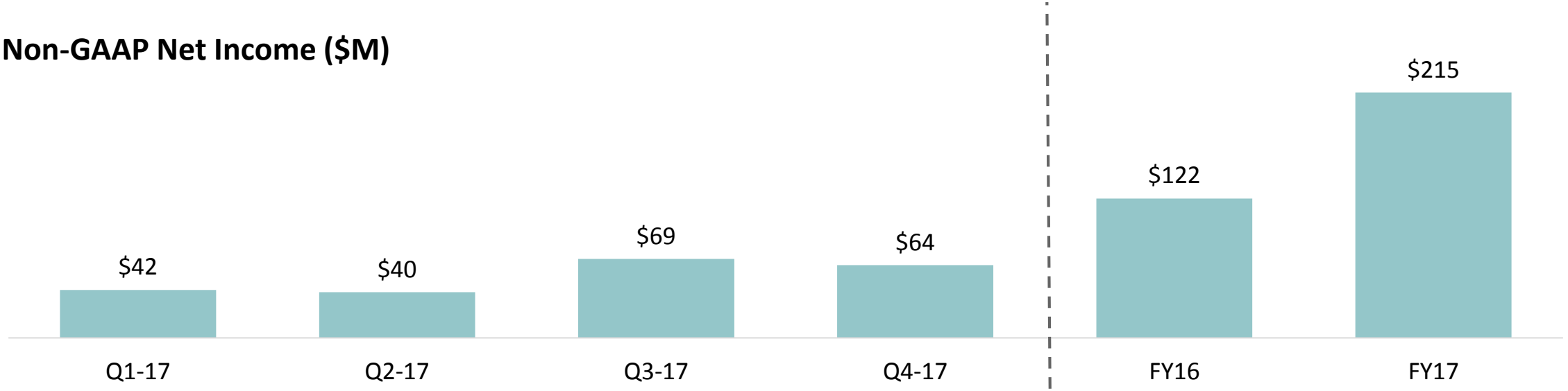


Note: All figures are calculated on a non-GAAP basis. See appendix for reconciliation of non-GAAP financial measures.

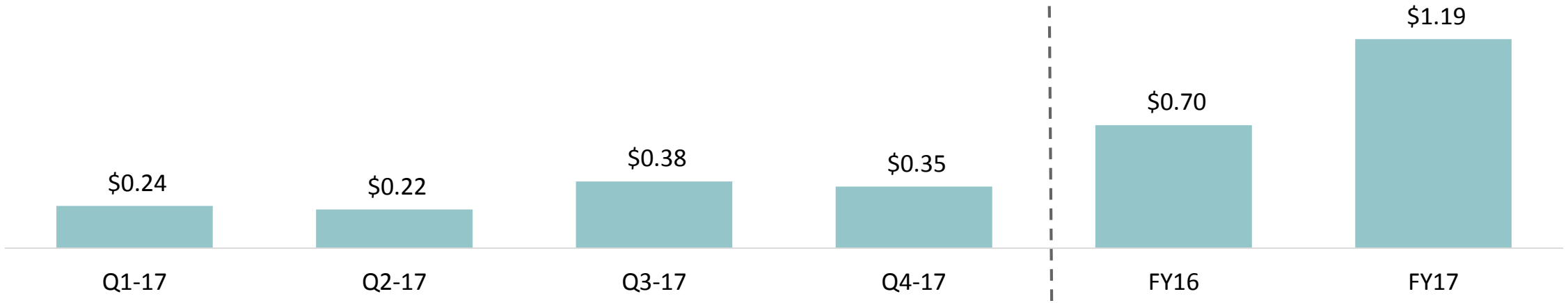
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Non-GAAP Net Income and Diluted EPS

Non-GAAP Net Income ($M)



Non-GAAP Diluted EPS



Note: All figures are calculated on a non-GAAP basis. See appendix for reconciliation of non-GAAP financial measures.

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Restated Financial Results & Guidance (New Accounting Standard 606)

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Summary of Restated Financial Statements

On-Premises Offerings

For on-premises customers or for customers that have the right to go on-premises without significant penalty:

- Revenue: We will recognize a portion of the subscription revenue when the on-premises offering is made available, resulting in a larger amount of upfront subscription revenue, and a smaller amount of deferred revenue compared with Topic 605.
- Sales and marketing expense: A portion of the commission costs for obtaining the on-premises contract will be expensed upfront when the on-premises offering is made available.

Deferral and Amortization of Commission Costs

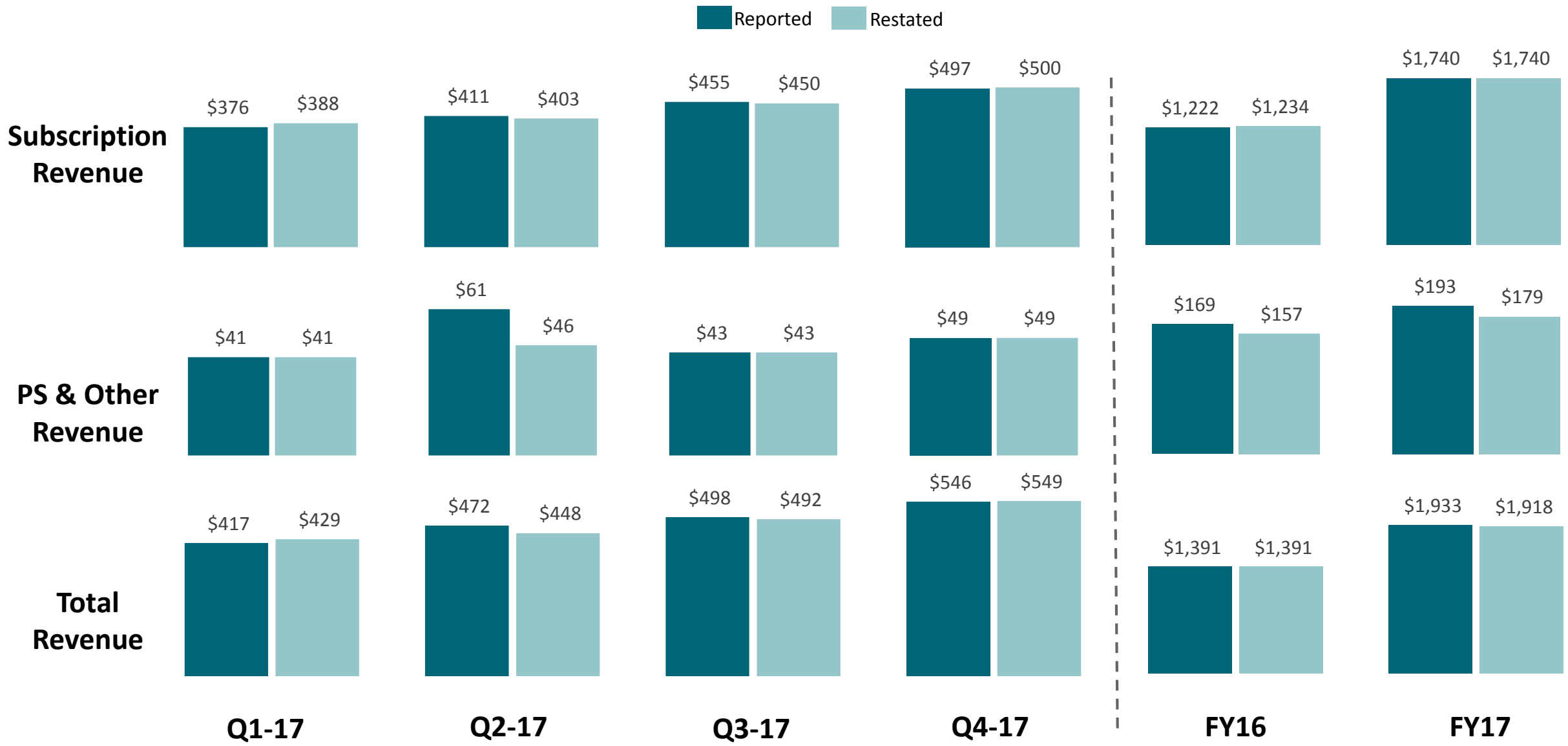
- We will defer all incremental commission costs to obtain customer contracts, including indirect costs that are not tied to a specific contract.
- On initial contracts, only the portion equivalent to a renewal commission will be amortized over the contract term, while the portion incremental to a renewal commission will be amortized over a period of benefit that we have determined to be five years.
- On renewal contracts, these costs will be amortized over the renewal term.

Proceeds for Knowledge and Other User Forums

- Proceeds for attendance and sponsorship related to Knowledge and other user forums will be classified as a reduction in sales and marketing expenses instead of professional services and other revenues.

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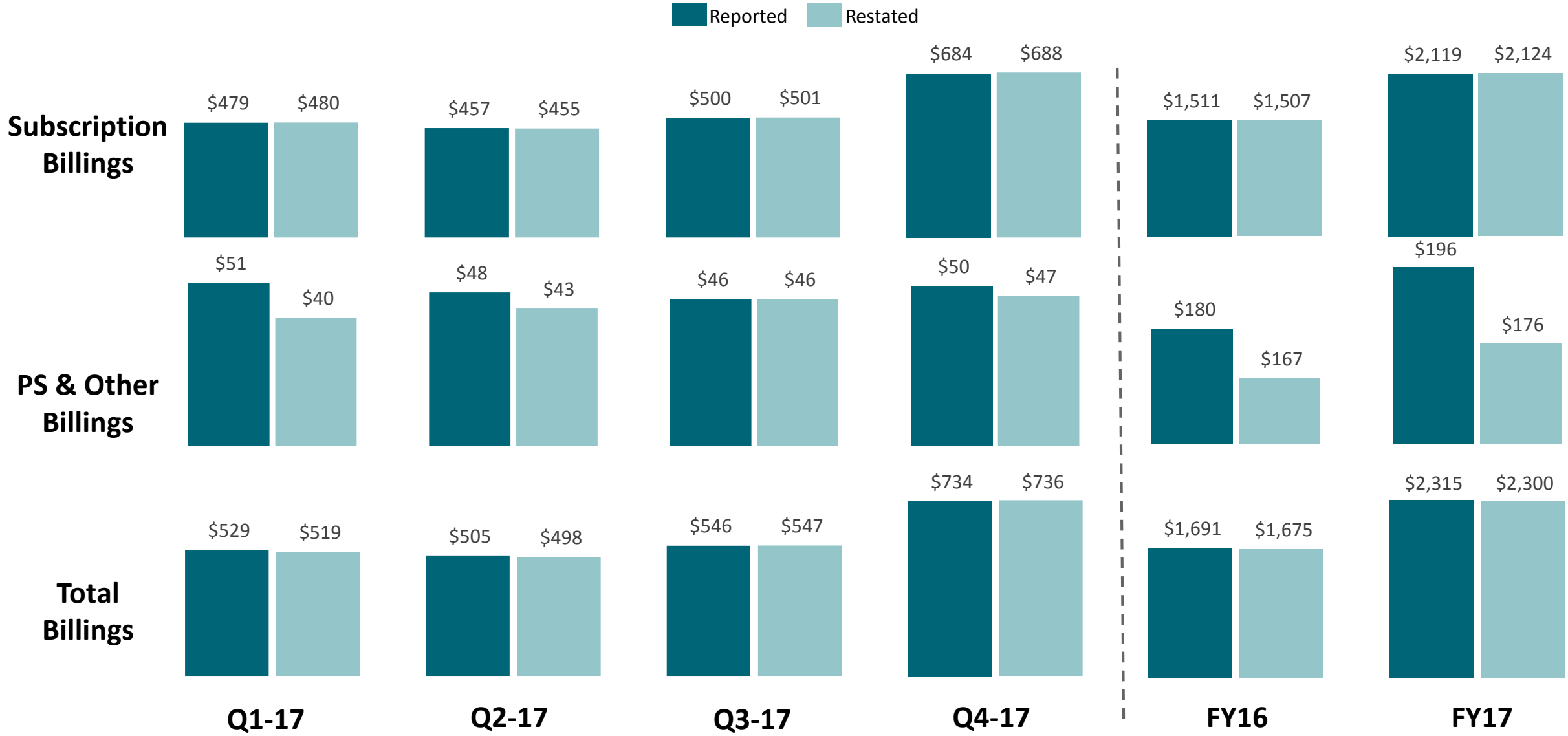
Restated GAAP Revenue



Note: Numbers rounded for presentation purposes.

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Restated Non-GAAP Billings

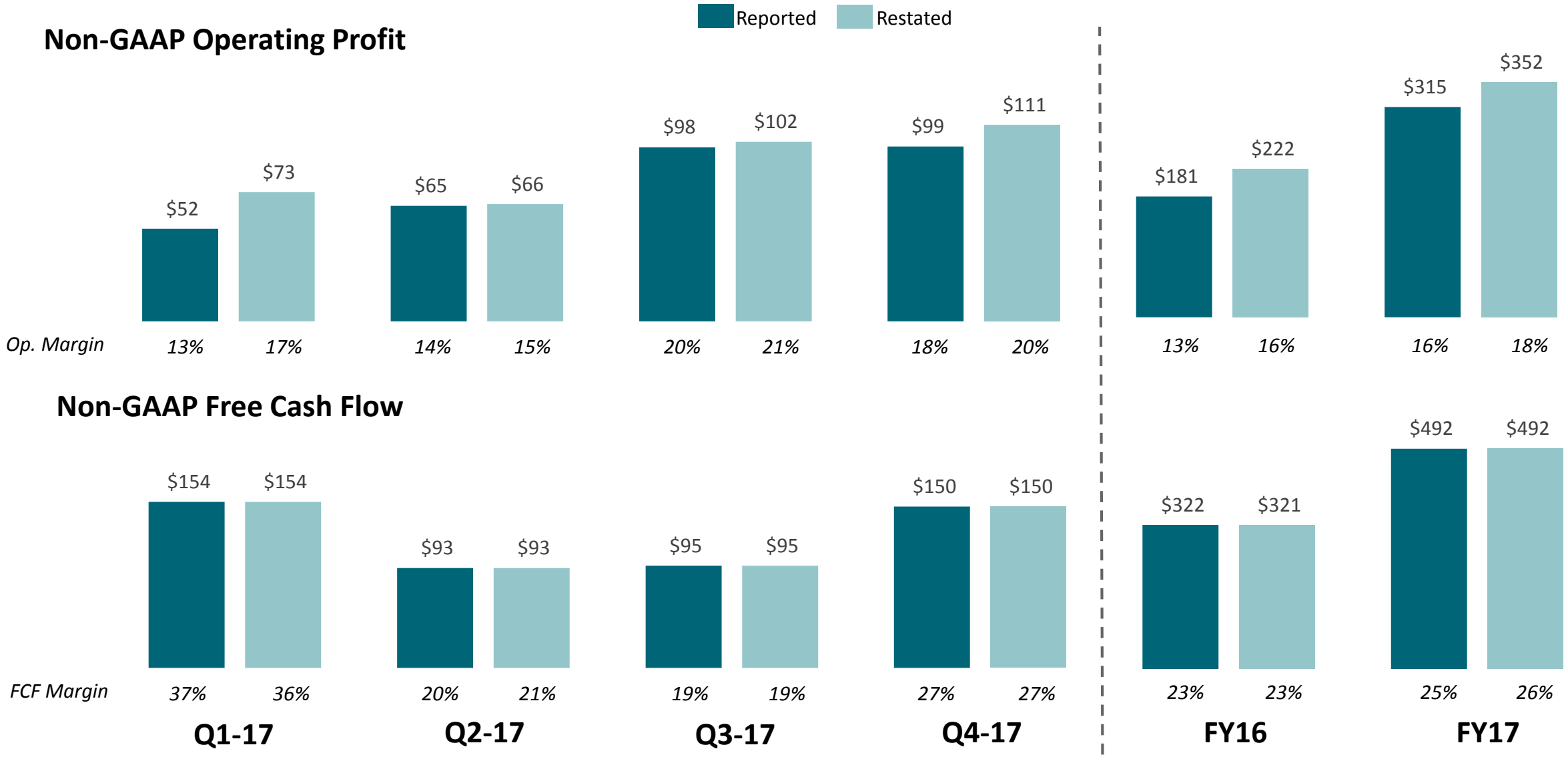


Billings is defined as the applicable revenue plus the applicable change in deferred revenue, unbilled receivables and customer deposits as presented or derived from the statement of cash flows.

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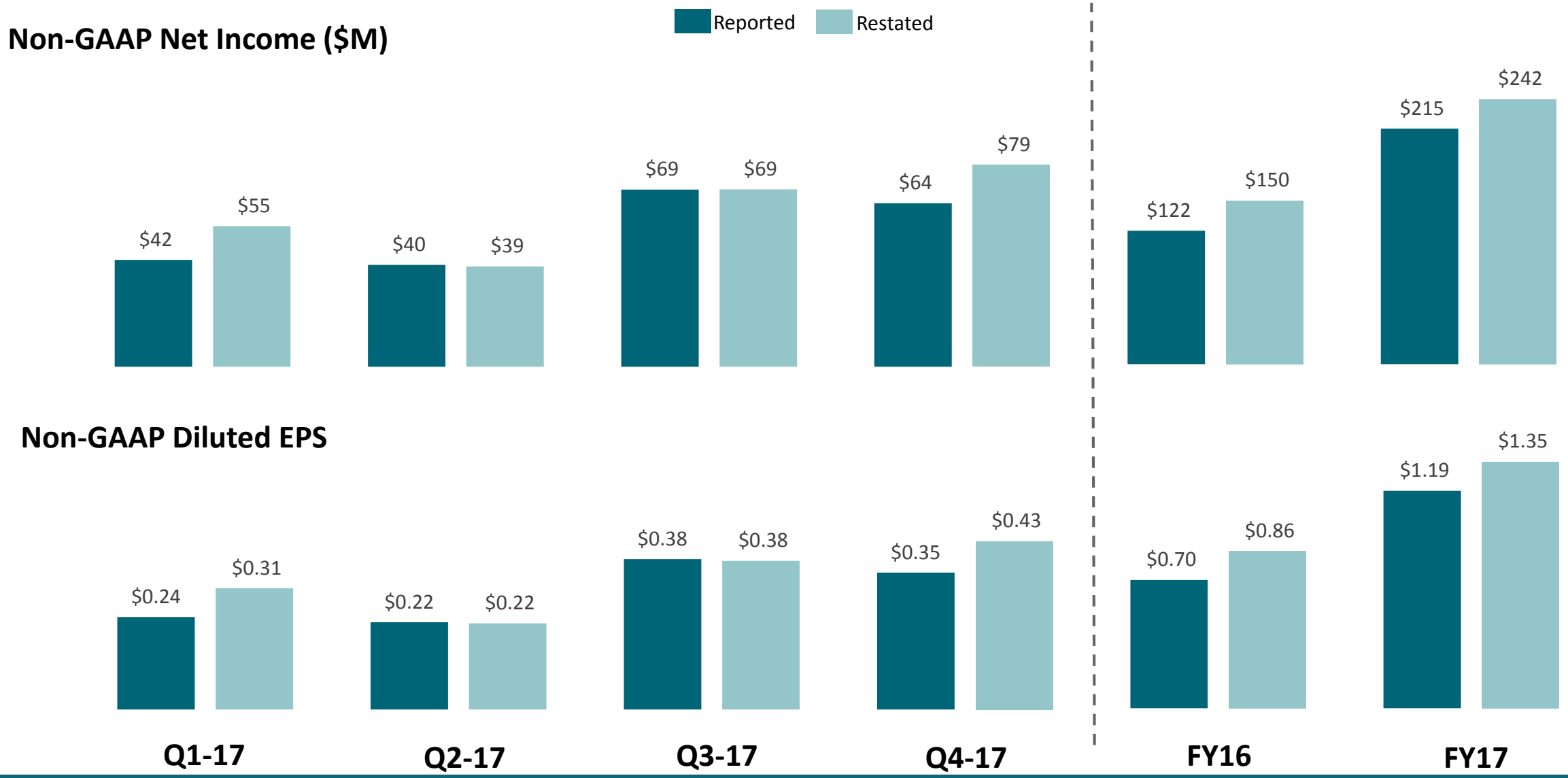
Restated Non-GAAP Operating Profit and Free Cash Flow



Note: Numbers rounded for presentation purposes.

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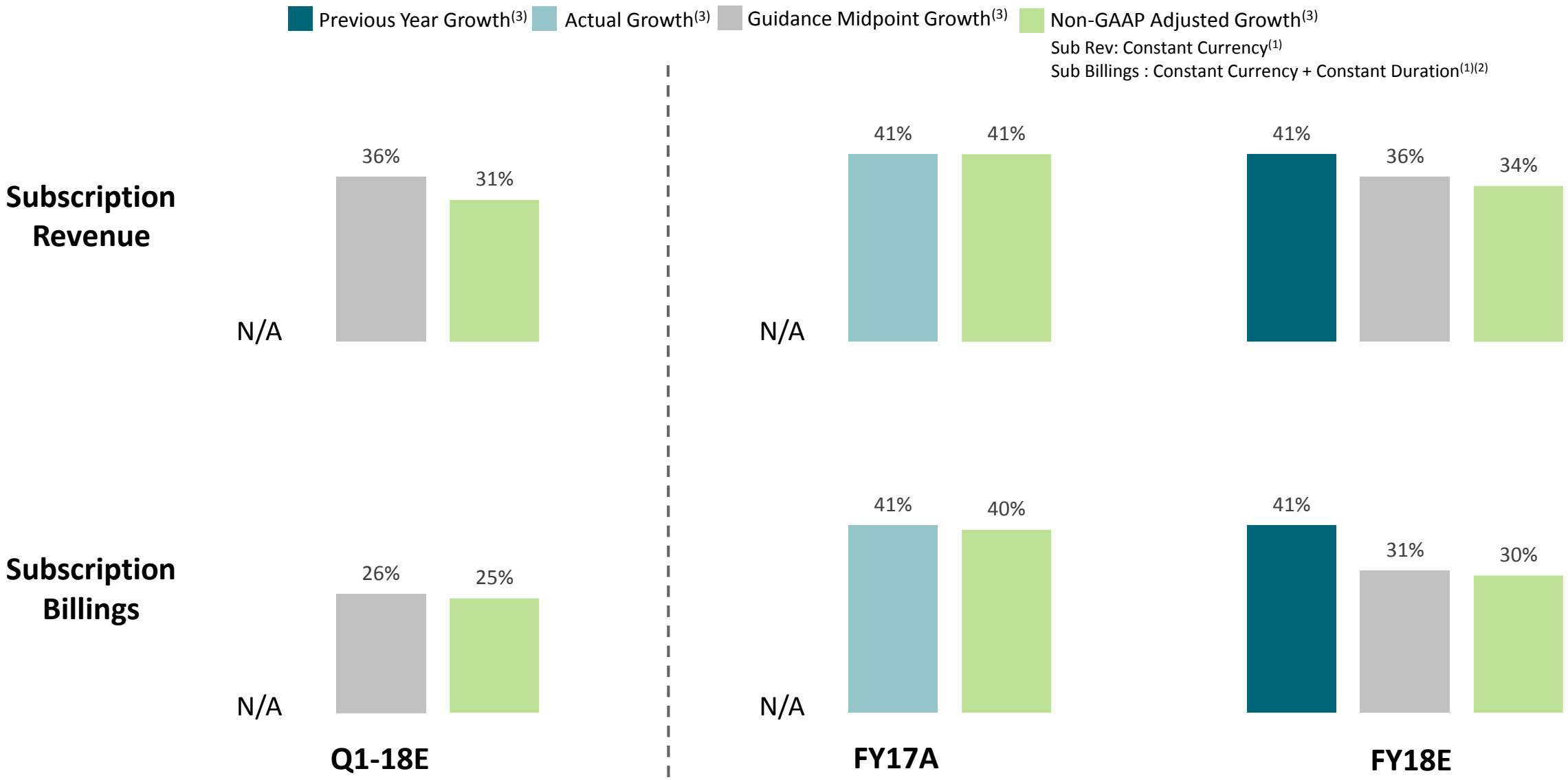
Restated Non-GAAP Net Income and Diluted EPS



Note: Numbers rounded for presentation purposes.

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Year-Over-Year Subscription Revenue and Billings Growth



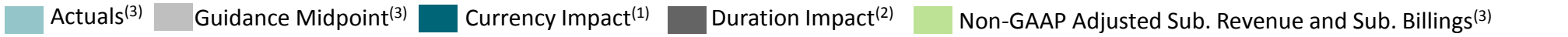
(1) Current period results for entities reporting in currencies other than U.S. Dollars are converted into U.S. Dollars at the exchange rates in effect during the prior period presented, rather than the actual exchange rates in effect during the current period.
(2) Subscription billings results and guidance are adjusted for constant duration by replacing the portion of multi-year billings in excess of twelve months during the current period with the portion of multi-year billings in excess of twelve months during the prior period presented.

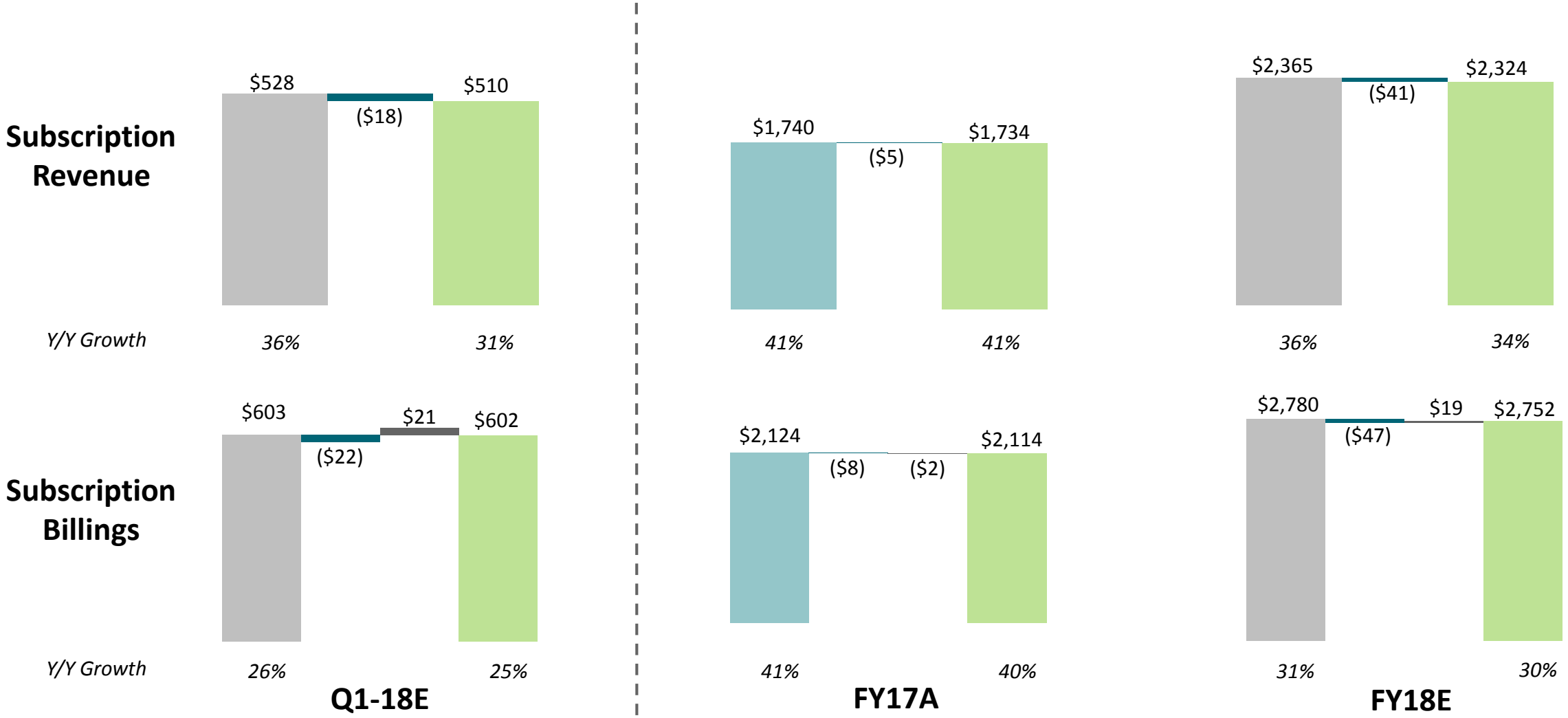
(3) Adjusted subscription revenue, subscription billings and adjusted subscription billings growth figures are calculated on a non-GAAP basis. See appendix for reconciliation of non-GAAP financial measures.

Note: Numbers rounded for presentation purposes.

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Currency and Duration Impact to Year-Over-Year Subscription Revenue and Billings





(1) Current period results for entities reporting in currencies other than U.S. Dollars are converted into U.S. Dollars at the exchange rates in effect during the prior period presented, rather than the actual exchange rates in effect during the current period.
(2) Subscription billings results and guidance are adjusted for constant duration by replacing the portion of multi-year billings in excess of twelve months during the current period with the portion of multi-year billings in excess of twelve months during the prior period presented.

(3) Adjusted subscription revenue, subscription billings and adjusted subscription billings growth figures are calculated on a non-GAAP basis. See appendix for reconciliation of non-GAAP financial measures.

Note: Numbers rounded for presentation purposes.

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GAAP to Non-GAAP Reconciliation (Historical Accounting Standard 605)

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Reported GAAP to Non-GAAP Reconciliation – Revenues and Billings

in millions (except %'s)	Q1-16	Q2-16	Q3-16	Q4-16	2016	Q1-17	Q2-17	Q3-17	Q4-17	2017
GAAP Subscription Revenues	$ 267	$ 291	$ 319	$ 345	**$ 1,222**	$ 376	$ 411	$ 455	$ 497	**$ 1,740**
(+) Effects of Foreign Currency Rate Fluctuations	2	(2)	1	6	**6**	7	6	(6)	(13)	**(6)**
Non-GAAP Adjusted Subscription Revenues [1]	$ 269	$ 289	$ 320	$ 350	**$ 1,228**	$ 383	$ 417	$ 449	$ 484	**$ 1,734**
YoY Non-GAAP Adjusted Subscription Revenues Growth Rates	*49%*	*44%*	*43%*	*43%*	***45%***	*43%*	*43%*	*41%*	*41%*	***42%***
GAAP Subscription Revenues	$ 267	$ 291	$ 319	$ 345	**$ 1,222**	$ 376	$ 411	$ 455	$ 497	**$ 1,740**
(+) Increase in Subscription Deferred Revenues	64	42	44	139	**289**	103	46	44	187	**379**
Non-GAAP Subscription Billings	$ 331	$ 333	$ 363	$ 484	**$ 1,511**	$ 479	$ 457	$ 500	$ 684	**$ 2,119**
YoY Non-GAAP Subscription Billings Growth Rates	*42%*	*38%*	*47%*	*52%*	***46%***	*44%*	*37%*	*38%*	*41%*	***40%***
(+) Effects of Foreign Currency Rate Fluctuations	3	(2)	1	7	**8**	9	8	(6)	(18)	**(7)**
(+) Effects of Fluctuations in Billings Duration [3]	(1)	(1)	(2)	(13)	**(16)**	(21)	3	4	12	**(2)**
Non-GAAP Adjusted Subscription Billings [2]	$ 333	$ 331	$ 362	$ 477	**$ 1,503**	$ 466	$ 468	$ 498	$ 678	**$ 2,110**
YoY Non-GAAP Adjusted Subscription Billings Growth Rates	*43%*	*37%*	*47%*	*50%*	***44%***	*41%*	*41%*	*37%*	*40%*	***40%***
GAAP Professional Services and Other Revenues	$ 38	$ 51	$ 39	$ 41	**$ 169**	$ 41	$ 61	$ 43	$ 49	**$ 193**
(+) Effects of Foreign Currency Rate Fluctuations	0	(0)	(0)	0	**0**	0	1	(1)	(1)	**(1)**
Non-GAAP Adjusted Professional Services and Other Revenues [1]	$ 39	$ 50	$ 39	$ 41	**$ 169**	$ 41	$ 62	$ 42	$ 48	**$ 192**
YoY Non-GAAP Adjusted Professional Services and Other Revenues Growth Rates	*21%*	*9%*	*2%*	*1%*	***8%***	*8%*	*21%*	*8%*	*16%*	***14%***
GAAP Professional Services and Other Revenues	$ 38	$ 51	$ 39	$ 41	**$ 169**	$ 41	$ 61	$ 43	$ 49	**$ 193**
(+) Increase (Decrease) in Professional Services and Other Deferred Revenues	7	(9)	3	10	**11**	10	(12)	4	1	**2**
Non-GAAP Professional Services and Other Billings	$ 45	$ 42	$ 42	$ 51	**$ 180**	$ 51	$ 48	$ 46	$ 50	**$ 196**
YoY Non-GAAP Professional Services and Other Billings Growth Rates	*32%*	*4%*	*3%*	*6%*	***10%***	*11%*	*15%*	*12%*	*(1%)*	***9%***
(+) Effects of Foreign Currency Rate Fluctuations	0	(0)	(0)	0	**0**	0	1	(1)	(1)	**(1)**
Non-GAAP Adjusted Professional Services and Other Billings [2]	$ 46	$ 42	$ 42	$ 51	**$ 180**	$ 51	$ 49	$ 45	$ 49	**$ 195**
YoY Non-GAAP Adjusted Professional Services and Other Billings Growth Rates	*32%*	*3%*	*3%*	*7%*	***10%***	*13%*	*16%*	*10%*	*(4%)*	***8%***
GAAP Total Revenues	$ 306	$ 341	$ 358	$ 386	**$ 1,391**	$ 417	$ 472	$ 498	$ 546	**$ 1,933**
(+) Effects of Foreign Currency Rate Fluctuations	2	(2)	1	6	**6**	7	7	(7)	(14)	**(7)**
Non-GAAP Adjusted Total Revenues [1]	$ 308	$ 339	$ 358	$ 392	**$ 1,397**	$ 424	$ 479	$ 491	$ 532	**$ 1,926**
YoY Non-GAAP Adjusted Total Revenues Growth Rates	*45%*	*38%*	*37%*	*37%*	***39%***	*39%*	*40%*	*37%*	*38%*	***38%***
GAAP Total Revenues	$ 306	$ 341	$ 358	$ 386	**$ 1,391**	$ 417	$ 472	$ 498	$ 546	**$ 1,933**
(+) Increase in Total Deferred Revenues from Consolidated Statements of Cash Flows	71	34	47	149	**300**	112	33	48	188	**382**
Non-GAAP Total Billings	$ 377	$ 375	$ 404	$ 535	**$ 1,691**	$ 529	$ 505	$ 546	$ 734	**$ 2,315**
YoY Non-GAAP Total Billings Growth	*41%*	*33%*	*41%*	*46%*	***41%***	*40%*	*35%*	*35%*	*37%*	***37%***
(+) Effects of Foreign Currency Rate Fluctuations	3	(2)	1	7	**8**	9	9	(7)	(19)	**(8)**
(+) Effects of Fluctuations in Billings Duration [3]	(1)	(1)	(2)	(13)	**(16)**	(21)	3	4	12	**(2)**
Non-GAAP Adjusted Total Billings [2]	$ 379	$ 372	$ 403	$ 528	**$ 1,683**	$ 517	$ 517	$ 543	$ 727	**$ 2,305**
YoY Non-GAAP Adjusted Total Billings Growth Rates	*42%*	*32%*	*41%*	*45%*	***40%***	*37%*	*38%*	*34%*	*36%*	***36%***

[1] Adjusted revenues and the corresponding growth rates are derived by applying the exchange rates in effect during the comparison period rather than the actual exchange rates in effect during the current period.

[2] Adjusted billings and the corresponding growth rates are derived by applying the exchange rates in effect during the comparison period rather than the actua l exchange rates during the current period, and by replacing the portion of multi-year billings in excess of twelve months during the current period with the portion of multi-year billings in excess of twelve months during the comparison period.

[3] Results are adjusted for constant duration by replacing the portion of multi-year billings in excess of twelve months during the current period with the portion of multi-year billings in excess of twelve months during the prior period presented.

Note: Numbers are rounded for presentation purposes.

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Reported GAAP to Non-GAAP Reconciliation – Other

in millions (except %'s and per share data)	2016	Margin	Q1-17	Margin	Q2-17	Margin	Q3-17	Margin	Q4-17	Margin	2017	Margin
GAAP Subscription Gross Profit	$ 986	81%	$ 306	81%	$ 335	82%	$ 374	82%	$ 410	82%	$ 1,424	82%
(+) Subscription SBC	29	2%	8	2%	9	2%	9	2%	9	2%	35	2%
(+) Subscription Amort of Purchased Intangibles	13	1%	4	1%	4	1%	4	1%	4	1%	15	1%
Non-GAAP Subscription Gross Profit	$ 1,028	84%	$ 317	84%	$ 348	85%	$ 386	85%	$ 423	85%	$ 1,475	85%
GAAP Professional Services and Other Gross Profit (Loss)	$ 6	3%	$ (5)	(13%)	$ 15	24%	$ (3)	(6%)	$ 2	5%	$ 9	5%
(+) Professional Services and Other SBC	26	16%	7	17%	8	13%	7	16%	6	12%	27	14%
Non-GAAP Professional Services and Other Gross Profit	$ 32	19%	$ 2	4%	$ 22	37%	$ 4	10%	$ 8	17%	$ 37	19%
GAAP Gross Profit	$ 992	71%	$ 300	72%	$ 350	74%	$ 371	74%	$ 412	75%	$ 1,433	74%
(+) SBC	55	4%	15	3%	17	3%	16	3%	15	3%	63	3%
(+) Amort of Purchased Intangibles	13	1%	4	1%	4	1%	4	1%	4	1%	15	1%
Total Non-GAAP Gross Profit	$ 1,059	76%	$ 319	76%	$ 370	78%	$ 391	78%	$ 431	79%	$ 1,511	78%
GAAP Sales and Marketing	$ 701	50%	$ 212	51%	$ 247	52%	$ 227	46%	$ 260	48%	$ 947	49%
(-) Sales and Marketing SBC	132	9%	38	9%	42	9%	44	9%	46	8%	171	9%
(-) Sales and Marketing Amort of Purchased Intangibles	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Non-GAAP Sales and Marketing	$ 569	41%	$ 174	42%	$ 205	43%	$ 183	37%	$ 214	39%	$ 776	40%
GAAP Research and Development	$ 285	21%	$ 85	20%	$ 90	19%	$ 98	20%	$ 105	19%	$ 378	20%
(-) Research and Development SBC	82	6%	22	5%	23	5%	23	5%	24	4%	92	5%
(-) Research and Development Amort of Purchased Intangibles	1	0%	1	0%	1	0%	0	0%	0	0%	2	0%
Non-GAAP Research and Development	$ 202	15%	$ 62	15%	$ 67	14%	$ 75	15%	$ 80	15%	$ 284	15%
GAAP General and Administrative	$ 159	11%	$ 46	11%	$ 52	11%	$ 52	11%	$ 60	11%	$ 211	11%
(-) General and Administrative SBC	49	3%	15	4%	17	3%	17	3%	20	4%	69	4%
(-) General and Administrative Amort of Purchased Intangibles	1	0%	1	0%	1	0%	1	1%	1	0%	2	0%
(-) General and Administrative Business Combination and Other Related Costs	1	0%	0	0%	1	1%	0	0%	1	0%	2	0%
Non-GAAP General and Administrative	$ 108	8%	$ 31	7%	$ 33	7%	$ 34	7%	$ 39	7%	$ 137	7%
GAAP Legal Settlements	$ 270	19%	$ -	0%	$ -	0%	$ -	0%	$ -	0%	$ -	0%
(-) Legal Settlements	270.0	19%	-	0%	-	0%	-	0%	-	0%	-	0%
Non-GAAP Legal Settlements	$ -	0%	$ -	0%	$ -	0%	$ -	0%	$ -	0%	$ -	0%
GAAP Operating Loss	$ (423)	(30%)	$ (43)	(10%)	$ (39)	(8%)	$ (7)	(1%)	$ (13)	(2%)	$ (101)	(5%)
(+) SBC	318	23%	90	22%	98	21%	100	20%	106	19%	394	20%
(+) Amort of Purchased Intangibles	15	1%	5	1%	5	1%	5	1%	5	1%	20	1%
(+) Business Combination and Other Related Costs	1	0%	0	0%	1	0%	0	0%	1	0%	2	0%
(+) Legal Settlements	270	19%	-	0%	-	0%	-	0%	-	0%	-	0%
Non-GAAP Operating Profit	$ 181	13%	$ 52	13%	$ 65	14%	$ 98	20%	$ 99	18%	$ 315	16%
GAAP Net Loss	$ (452)	(32%)	$ (41)	(10%)	$ (57)	(12%)	$ (24)	(5%)	$ (28)	(5%)	$ (149)	(8%)
(+) SBC	318	23%	90	22%	98	21%	100	20%	106	19%	394	20%
(+) Amort of Purchased Intangibles	15	1%	5	1%	5	1%	5	1%	5	1%	20	1%
(+) Business Combination and Other Related Costs	1	0%	0	0%	1	0%	0	0%	1	0%	2	0%
(+) Legal Settlements	270	19%	-	0%	-	0%	-	0%	-	0%	-	0%
(+) Amortization of debt discount and issuance costs for the convertible senior notes	33	2%	9	2%	11	2%	17	4%	17	3%	53	3%
(+) Loss on early note conversions	-	0%	-	0%	-	0%	-	0%	-	0%	-	0%
(-) Income tax expense effects related to the above adjustments	63	4%	21	5%	19	4%	28	6%	37	7%	106	5%
Non-GAAP Net Income	$ 122	9%	$ 42	10%	$ 40	8%	$ 69	14%	$ 64	12%	$ 215	11%
GAAP Weighted-Average Shares Used to Compute Net Loss per Share - Basic	$ 165	N/A	$ 169	N/A	$ 170	N/A	$ 172	N/A	$ 174	N/A	$ 171	N/A
(+) Effect of Dilutive Securities (Stock Options, Restricted Stock Units and Warrants)	9	N/A	8	N/A	8	N/A	9	N/A	9	N/A	9	N/A
Non-GAAP Weighted-Average Shares Used to Compute Net Income per Share - Diluted	174	N/A	177	N/A	179	N/A	180	N/A	183	N/A	180	N/A
Non-GAAP Net Income per Share - Diluted	$ 0.70	N/A	$ 0.24	N/A	$ 0.22	N/A	$ 0.38	N/A	$ 0.35	N/A	$ 1.19	N/A
GAAP Net Cash Provided by (Used in) Operating Activities	$ 160	12%	$ 187	45%	$ 129	27%	$ 142	28%	$ 185	34%	$ 643	33%
(-) Purchases of Property and Equipment	106	8%	33	8%	36	7%	47	9%	35	7%	151	8%
(+) Cash Paid for Legal Settlements	268	19%	-	0%	-	0%	-	0%	-	0%	-	0%
(+) Repayment of convertible senior notes attributable to debt discount	-	0%	-	0%	-	0%	-	0%	-	0%	-	0%
Non-GAAP Free Cash Flow	$ 322	23%	$ 154	37%	$ 93	20%	$ 95	19%	$ 150	27%	$ 492	25%

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GAAP to Non-GAAP Reconciliation (New Accounting Standard 606)

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Restated GAAP to Non-GAAP Reconciliation – Revenues and Billings

in millions (except %'s)	2016	Q1-17	Q2-17	Q3-17	Q4-17	2017	Q1-18E Midpoint	2018E Midpoint
GAAP Subscription Revenues	**$ 1,234**	$ 388	$ 403	$ 450	$ 500	**$ 1,740**	$ 528	**$ 2,365**
(+) Effects of Foreign Currency Rate Fluctuations	**N/A**	8	6	(6)	(13)	**(5)**	(18)	**(41)**
Non-GAAP Adjusted Subscription Revenues [1]	**N/A**	$ 395	$ 408	$ 444	$ 487	**$ 1,734**	$ 510	**$ 2,324**
YoY Non-GAAP Adjusted Subscription Revenues Growth Rates						***41%***	*31%*	***34%***
GAAP Subscription Revenues	**$ 1,234**	$ 388	$ 403	$ 450	$ 500	**$ 1,740**	$ 528	**$ 2,365**
(+) Increase in Subscription Deferred Revenues	**275**	86	51	52	183	**372**	75	**415**
(+) Increase (Decrease) in Unbilled Receivables from Consolidated Statements of Cash Flows	**(4)**	6	2	1	3	**12**	-	**-**
(+) Increase (Decrease) in Customer Deposits from Consolidated Statements of Cash Flows	**3**	(0)	(1)	(1)	3	**-**	-	**-**
Non-GAAP Subscription Billings	**$ 1,507**	$ 480	$ 455	$ 501	$ 688	**$ 2,124**	$ 603	**$ 2,780**
YoY Non-GAAP Subscription Billings Growth Rates [4]						***41%***	*26%*	***31%***
(+) Effects of Foreign Currency Rate Fluctuations	**N/A**	10	6	(6)	(18)	**(8)**	(22)	**(47)**
(+) Effects of Fluctuations in Billings Duration [3]	**N/A**	(21)	3	4	12	**(2)**	21	**19**
Non-GAAP Adjusted Subscription Billings [2]	**N/A**	$ 468	$ 464	$ 499	$ 682	**$ 2,114**	$ 602	**$ 2,752**
YoY Non-GAAP Adjusted Subscription Billings Growth Rates						***40%***	*25%*	***30%***
GAAP Professional Services and Other Revenues	**$ 157**	$ 41	$ 46	$ 43	$ 49	**$ 179**	N/A	N/A
(+) Increase (Decrease) in Professional Services and Other Deferred Revenues	**10**	(1)	(3)	3	(2)	**(3)**	N/A	N/A
Non-GAAP Professional Services and Other Billings	**$ 167**	$ 40	$ 43	$ 46	$ 47	**$ 176**	N/A	N/A
GAAP Total Revenues	**$ 1,391**	$ 429	$ 448	$ 492	$ 549	**$ 1,918**	N/A	N/A
(+) Increase in Total Deferred Revenues from Consolidated Statements of Cash Flows	**285**	85	49	55	181	**369**	N/A	N/A
(+) Increase (Decrease) in Unbilled Receivables from Consolidated Statements of Cash Flows	**(4)**	6	2	1	3	**12**	N/A	N/A
(+) Increase (Decrease) in Customer Deposits from Consolidated Statements of Cash Flows	**3**	(0)	(1)	(1)	3	**-**	N/A	N/A
Non-GAAP Total Billings	**$ 1,675**	$ 519	$ 498	$ 547	$ 736	**$ 2,300**	N/A	N/A

[1] Adjusted revenues and the corresponding growth rates are derived by applying the exchange rates in effect during the comparison period rather than the actual/forecasted exchange rates in effect during the current/guidance period.

[2] Adjusted billings and the corresponding growth rates are derived by applying the exchange rates in effect during the comparison period rather than the actual/forecasted exchange rates during the current/guidance period, and by replacing the portion of multi-year billings in excess of twelve months during the current/guidance period with the portion of multi-year billings in excess of twelve months during the comparison period.

[3] Results and guidance are adjusted for constant duration by replacing the portion of multi-year billings in excess of twelve months during the current period with the portion of multi-year billings in excess of twelve months during the prior period presented.

Note: Numbers are rounded for presentation purposes.

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Restated GAAP to Non-GAAP Reconciliation – Other

in millions (except %'s and per share data)	2016	*Margin*	Q1-17	*Margin*	Q2-17	*Margin*	Q3-17	*Margin*	Q4-17	*Margin*	2017	*Margin*	Q1-18E	2018E
GAAP Subscription Gross Profit	$ 999	*81%*	$ 317	*82%*	$ 327	*81%*	$ 368	*82%*	$ 412	*82%*	$ 1,424	*82%*	N/A	*82%*
(+) Subscription SBC	29	*2%*	8	*2%*	9	*2%*	9	*2%*	9	*2%*	35	*2%*	N/A	*2%*
(+) Subscription Amort of Purchased Intangibles	13	*1%*	4	*1%*	4	*1%*	4	*1%*	4	*1%*	15	*1%*	N/A	*1%*
Non-GAAP Subscription Gross Profit	$ 1,040	*84%*	$ 329	*85%*	$ 340	*84%*	$ 380	*85%*	$ 426	*85%*	$ 1,474	*85%*	N/A	*85%*
GAAP Professional Services and Other Gross Profit (Loss)	$ (7)	*(4%)*	$ (5)	*(11%)*	$ (1)	*(2%)*	$ (3)	*(6%)*	$ 3	*6%*	$ (5)	*(3%)*	N/A	*N/A*
(+) Professional Services and Other SBC	26	*17%*	7	*17%*	8	*17%*	7	*16%*	6	*12%*	27	*15%*	N/A	*N/A*
Non-GAAP Professional Services and Other Gross Profit	$ 20	*13%*	$ 2	*6%*	$ 7	*15%*	$ 4	*10%*	$ 9	*18%*	$ 22	*12%*	N/A	*N/A*
GAAP Gross Profit	$ 992	*71%*	$ 313	*73%*	$ 326	*73%*	$ 365	*74%*	$ 415	*76%*	$ 1,419	*74%*	N/A	*N/A*
(+) SBC	55	*4%*	15	*3%*	17	*4%*	16	*3%*	15	*3%*	63	*3%*	N/A	*N/A*
(+) Amort of Purchased Intangibles	13	*1%*	4	*1%*	4	*0%*	4	*1%*	4	*0%*	15	*1%*	N/A	*N/A*
Total Non-GAAP Gross Profit	$ 1,059	*76%*	$ 331	*77%*	$ 346	*77%*	$ 385	*78%*	$ 434	*79%*	$ 1,496	*78%*	N/A	*N/A*
GAAP Sales and Marketing	$ 660	*47%*	$ 204	*48%*	$ 222	*49%*	$ 218	*44%*	$ 251	*46%*	$ 895	*47%*	N/A	*N/A*
(-) Sales and Marketing SBC	132	*9%*	38	*9%*	42	*9%*	44	*9%*	46	*8%*	171	*9%*	N/A	*N/A*
(-) Sales and Marketing Amort of Purchased Intangibles	0	*0%*	1	*0%*	0	*0%*	0	*0%*	0	*0%*	0	*0%*	N/A	*N/A*
Non-GAAP Sales and Marketing	$ 528	*38%*	$ 165	*39%*	$ 180	*40%*	$ 174	*35%*	$ 205	*38%*	$ 724	*38%*	N/A	*N/A*
GAAP Research and Development	$ 285	*21%*	$ 84	*20%*	$ 90	*20%*	$ 98	*20%*	$ 105	*19%*	$ 378	*20%*	N/A	*N/A*
(-) Research and Development SBC	82	*6%*	22	*5%*	23	*5%*	23	*5%*	24	*4%*	92	*5%*	N/A	*N/A*
(-) Research and Development Amort of Purchased Intangibles	1	*0%*	0	*0%*	0	*0%*	0	*0%*	0	*0%*	2	*0%*	N/A	*N/A*
Non-GAAP Research and Development	$ 202	*15%*	$ 62	*15%*	$ 67	*15%*	$ 75	*15%*	$ 80	*15%*	$ 284	*15%*	N/A	*N/A*
GAAP General and Administrative	$ 159	*12%*	$ 46	*10%*	$ 52	*11%*	$ 52	*11%*	$ 60	*11%*	$ 211	*11%*	N/A	*N/A*
(-) General and Administrative SBC	49	*4%*	15	*3%*	17	*4%*	17	*4%*	20	*4%*	69	*4%*	N/A	*N/A*
(-) General and Administrative Amort of Purchased Intangibles	1	*0%*	1	*0%*	1	*0%*	1	*0%*	1	*0%*	2	*0%*	N/A	*N/A*
(-) General and Administrative Business Combination and Other Related Costs	1	*0%*	0	*0%*	1	*0%*	0	*0%*	1	*0%*	2	*0%*	N/A	*N/A*
Non-GAAP General and Administrative	$ 108	*8%*	$ 31	*7%*	$ 33	*7%*	$ 34	*7%*	$ 39	*7%*	$ 137	*7%*	N/A	*N/A*
GAAP Legal Settlements	$ 270	*19%*	$ -	*0%*	$ -	*0%*	$ -	*0%*	$ -	*0%*	$ -	*0%*	N/A	*N/A*
(-) Legal Settlements	(270)	*(19%)*	-	*0%*	-	*0%*	-	*0%*	-	*0%*	-	*0%*	N/A	*N/A*
Non-GAAP Legal Settlements	$ -	*0%*	$ -	*0%*	$ -	*0%*	$ -	*0%*	$ -	*0%*	$ -	*0%*	N/A	*N/A*
GAAP Operating Loss	$ (382)	*(27%)*	$ (22)	*(5%)*	$ (38)	*(8%)*	$ (4)	*(1%)*	$ (1)	*0%*	$ (64)	*(3%)*	*(5%)*	*0%*
(+) SBC	318	*23%*	90	*21%*	98	*22%*	100	*20%*	106	*19%*	394	*21%*	*20%*	*19%*
(+) Amort of Purchased Intangibles	15	*1%*	5	*1%*	5	*1%*	5	*2%*	5	*1%*	20	*0%*	*1%*	*1%*
(+) Business Combination and Other Related Costs	1	*0%*	0	*0%*	1	*0%*	0	*0%*	1	*0%*	2	*0%*	*0%*	*0%*
(+) Legal Settlements	270	*19%*	-	*0%*	-	*0%*	-	*0%*	-	*0%*	-	*0%*	*0%*	*0%*
Non-GAAP Operating Profit	$ 222	*16%*	$ 73	*17%*	$ 66	*15%*	$ 102	*21%*	$ 111	*20%*	$ 352	*18%*	*16%*	*20%*
GAAP Net Loss	$ (414)	*(30%)*	$ (22)	*(5%)*	$ (56)	*(12%)*	$ (22)	*(5%)*	$ (17)	*(3%)*	$ (117)	*(6%)*	N/A	*N/A*
(+) SBC	318	*23%*	90	*21%*	98	*22%*	100	*20%*	106	*19%*	394	*21%*	N/A	*N/A*
(+) Amort of Purchased Intangibles	15	*1%*	5	*1%*	5	*1%*	5	*2%*	5	*1%*	20	*0%*	N/A	*N/A*
(+) Business Combination and Other Related Costs	1	*0%*	0	*0%*	1	*0%*	0	*0%*	1	*0%*	2	*0%*	N/A	*N/A*
(+) Legal Settlements	270	*19%*	-	*0%*	-	*0%*	-	*0%*	-	*0%*	-	*0%*	N/A	*N/A*
(+) Amortization of debt discount and issuance costs for the convertible senior notes	33	*2%*	9	*2%*	11	*3%*	17	*3%*	17	*3%*	53	*3%*	N/A	*N/A*
(+) Loss on early note conversions	-	*0%*	-	*0%*	-	*0%*	-	*0%*	-	*0%*	-	*0%*	N/A	*N/A*
(-) Income tax expense effects related to the above adjustments	73	*4%*	27	*(6%)*	20	*5%*	30	*6%*	33	*6%*	111	*5%*	N/A	*N/A*
Non-GAAP Net Income	$ 150	*11%*	$ 55	*13%*	$ 39	*9%*	$ 69	*14%*	$ 79	*14%*	$ 242	*13%*	N/A	*N/A*
GAAP Weighted-Average Shares Used to Compute Net Loss per Share - Basic	165	*N/A*	169	*N/A*	170	*N/A*	172	*N/A*	174	*N/A*	171	*N/A*	175	178
(+) Effect of Dilutive Securities (Stock Options, Restricted Stock Units and Warrants)	9	*N/A*	8	*N/A*	8	*N/A*	9	*N/A*	9	*N/A*	9	*N/A*	9	7
Non-GAAP Weighted-Average Shares Used to Compute Net Income per Share - Diluted	174	*N/A*	177	*N/A*	179	*N/A*	180	*N/A*	183	*N/A*	180	*N/A*	184	185
Non-GAAP Net Income per Share - Diluted	$ 0.86	*N/A*	$ 0.31	*N/A*	$ 0.22	*N/A*	$ 0.38	*N/A*	$ 0.43	*N/A*	$ 1.35	*N/A*	N/A	*N/A*
GAAP Net Cash Provided by (Used in) Operating Activities	$ 159	*11%*	$ 188	*44%*	$ 129	*29%*	$ 142	*29%*	$ 185	*34%*	$ 643	*34%*	N/A	*28%*
(-) Purchases of Property and Equipment	106	*7%*	33	*8%*	36	*8%*	47	*10%*	35	*7%*	151	*8%*	N/A	*7%*
(+) Cash Paid for Legal Settlements	268	*19%*	-	*0%*	-	*0%*	-	*0%*	-	*0%*	-	*0%*	N/A	*0%*
(+) Repayment of convertible senior notes attributable to debt discount	-	*0%*	-	*0%*	-	*0%*	-	*0%*	-	*0%*	-	*0%*	N/A	*6%*
Non-GAAP Free Cash Flow	$ 321	*23%*	$ 154	*36%*	$ 93	*21%*	$ 95	*19%*	$ 150	*27%*	$ 492	*26%*	N/A	*27%*

Note: Numbers are rounded for presentation purposes.

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GAAP Financial Statements (Reported 605 and Restated 606)

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ServiceNow, Inc.
Condensed Consolidated Balance Sheets
(in thousands)
(unaudited)

	December 31, 2017	
	Reported	**Restated**
Assets		
Current assets:		
Cash and cash equivalents	$ 726,495	$ 726,495
Short-term investments	1,052,803	1,052,803
Accounts receivable, net	434,895	437,051
Current portion of deferred commissions	118,690	109,643
Prepaid expenses and other current assets	77,681	95,959
Total current assets	2,410,564	2,421,951
Deferred commissions, less current portion	85,530	224,252
Long-term investments	391,442	391,442
Property and equipment, net	245,124	245,124
Intangible assets, net	86,916	86,916
Goodwill	128,728	128,728
Other assets	49,600	51,832
Total assets	$ 3,397,904	$ 3,550,245
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	$ 32,109	$ 32,109
Accrued expenses and other current liabilities	244,605	253,257
Current portion of deferred revenue	1,280,499	1,210,695
Current portion of convertible senior notes, net	543,418	543,418
Total current liabilities	2,100,631	2,039,479
Deferred revenue, less current portion	39,884	36,120
Convertible senior notes, net	630,018	630,018
Other long-term liabilities	43,239	65,884
Total liabilities	2,813,772	2,771,501
Stockholders' equity:		
Common stock	174	174
Additional paid-in capital	1,731,367	1,731,367
Accumulated other comprehensive loss	(889)	5,767
Accumulated deficit	(1,146,520)	(958,564)
Total stockholders' equity	584,132	778,744
Total liabilities and stockholders' equity	$ 3,397,904	$ 3,550,245

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ServiceNow, Inc.
Condensed Consolidated Statements of Operations
(in thousands, except share and per share data)
(unaudited)

	Year Ended December 31, 2017		Year Ended December 31, 2016	
	Reported	**Restated**	**Reported**	**Restated**
Revenues:				
Subscription	$ 1,739,795	$ 1,739,500	$ 1,221,639	$ 1,234,070
Professional services and other	193,231	178,994	168,874	156,915
Total revenues	1,933,026	1,918,494	1,390,513	1,390,985
Cost of revenues:				
Subscription	315,570	315,570	235,414	235,414
Professional services and other	184,202	184,292	163,268	163,581
Total cost of revenues	499,772	499,862	398,682	398,995
Gross profit	1,433,254	1,418,632	991,831	991,990
Operating expenses:				
Sales and marketing	946,617	894,977	700,464	659,983
Research and development	377,518	377,518	285,239	285,239
General and administrative	210,533	210,533	158,936	158,936
Legal settlements	-	-	270,000	270,000
Total operating expenses	1,534,668	1,483,028	1,414,639	1,374,158
Loss from operations	(101,414)	(64,396)	(422,808)	(382,168)
Interest expense	(53,394)	(53,394)	(33,278)	(33,278)
Interest income and other income (expense), net	5,804	4,384	6,035	5,027
Loss before income taxes	(149,004)	(113,406)	(450,051)	(410,419)
Provision for income taxes	126	3,440	1,753	3,830
Net loss	$ (149,130)	$ (116,846)	$ (451,804)	$ (414,249)
Net loss per share - basic and diluted	$ (0.87)	$ (0.68)	$ (2.75)	$ (2.52)
Weighted-average shares used to compute net loss per share - basic and diluted	171,175,577	171,175,577	164,533,823	164,533,823

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ServiceNow, Inc.
Condensed Consolidated Statements of Operations
(in thousands, except share and per share data)
(unaudited)

	Three Months Ended December 31, 2017		Three Months Ended September 30, 2017		Three Months Ended June 30, 2017		Three Months Ended March 31, 2017	
	Reported	Restated	Reported	Restated	Reported	Restated	Reported	Restated
Revenues:								
Subscription	$ 497,232	$ 499,738	$ 455,421	$ 449,506	$ 411,007	$ 402,672	$ 376,135	$ 387,584
Professional services and other	49,138	49,355	42,749	42,866	60,696	45,586	40,648	41,187
Total revenues	546,370	549,093	498,170	492,372	471,703	448,258	416,783	428,771
Cost of revenues:								
Subscription	87,524	87,524	81,878	81,878	75,793	75,793	70,375	70,375
Professional services and other	46,836	46,640	45,402	45,608	45,892	46,335	46,072	45,709
Total cost of revenues	134,360	134,164	127,280	127,486	121,685	122,128	116,447	116,084
Gross profit	412,010	414,929	370,890	364,886	350,018	326,130	300,336	312,687
Operating expenses:								
Sales and marketing	260,292	250,979	227,015	217,866	247,224	222,393	212,086	203,739
Research and development	104,559	104,559	98,465	98,465	90,005	90,005	84,489	84,489
General and administrative	60,291	60,291	52,465	52,465	51,526	51,526	46,251	46,251
Total operating expenses	425,142	415,829	377,945	368,796	388,755	363,924	342,826	334,479
Loss from operations	(13,132)	(900)	(7,055)	(3,910)	(38,737)	(37,794)	(42,490)	(21,792)
Interest expense	(16,813)	(16,813)	(16,566)	(16,566)	(11,337)	(11,337)	(8,678)	(8,678)
Interest income and other income (expense), net	5,065	4,561	853	579	(7,830)	(8,485)	7,716	7,729
Loss before income taxes	(24,880)	(13,152)	(22,768)	(19,897)	(57,904)	(57,616)	(43,452)	(22,741)
Provision for (benefit from) income taxes	2,927	4,194	1,420	2,285	(1,431)	(1,812)	(2,790)	(1,227)
Net loss	$ (27,807)	$ (17,346)	$ (24,188)	$ (22,182)	$ (56,473)	$ (55,804)	$ (40,662)	$ (21,514)
Net loss per share - basic and diluted	$ (0.16)	$ (0.10)	$ (0.14)	$ (0.13)	$ (0.33)	$ (0.33)	$ (0.24)	$ (0.13)
Weighted-average shares used to compute net loss per share - basic and diluted	173,567,143	173,567,143	171,883,190	171,883,190	170,419,083	170,419,083	168,742,366	168,742,366

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ServiceNow, Inc.
Condensed Consolidated Statements of Cash Flows
(in thousands)
(unaudited)

	Year Ended December 31, 2017		Year Ended December 31, 2016	
	Reported	Restated	Reported	Restated
Cash flows from operating activities:				
Net loss:	$ (149,130)	$ (116,846)	$ (451,804)	$ (414,249)
Adjustments to reconcile net loss to net cash provided by operating activities:				
Depreciation and amortization	113,875	113,875	83,082	83,082
Amortization of premiums on investments	3,092	3,092	4,725	4,725
Amortization of deferred commissions	115,262	99,105	81,217	69,565
Amortization of debt discount and issuance costs	53,394	53,394	33,278	33,278
Stock-based compensation	394,078	394,004	317,580	317,654
Deferred income tax	(9,078)	(5,724)	(3,424)	(658)
Other	(3,997)	(3,997)	(962)	(961)
Changes in operating assets and liabilities, net of effect of business combinations:				
Accounts receivable	(98,432)	(99,693)	(125,106)	(126,415)
Deferred commissions	(174,503)	(190,246)	(136,459)	(151,921)
Prepaid expenses and other assets	(46,138)	(34,288)	(21,500)	(24,164)
Accounts payable	(5,504)	(5,504)	(3,554)	(3,554)
Deferred revenue	381,562	369,242	300,167	285,139
Accrued expenses and other liabilities	68,344	66,526	82,681	87,560
Net cash provided by operating activities	642,825	642,940	159,921	159,081
Cash flows from investing activities:				
Purchases of property and equipment	(150,510)	(150,510)	(105,562)	(105,562)
Business combination, net of cash and restricted cash acquired	(58,203)	(58,203)	(34,297)	(34,297)
Purchase of other intangibles	(6,670)	(6,670)	(18,750)	(18,750)
Purchases of investments	(1,189,511)	(1,189,511)	(518,664)	(518,664)
Purchases of strategic investments	(4,750)	(4,750)	(500)	(500)
Sales of investments	85,106	85,106	297,998	297,998
Maturities of investments	440,590	440,590	271,537	271,537
Net cash used in investing activities [1]	(883,948)	(883,948)	(108,238)	(108,238)
Cash flows from financing activities:				
Net proceeds from borrowings on convertible senior notes	772,127	772,127	-	-
Principal payments on convertible senior notes	(4)	(4)	-	-
Proceeds from issuance of warrants	54,071	54,071	-	-
Purchases of convertible note hedges	(128,017)	(128,017)	-	-
Repurchases and retirement of common stock	(55,000)	(55,000)	-	-
Proceeds from employee stock plans	82,567	82,567	66,378	66,378
Taxes paid related to net share settlement of equity awards	(181,938)	(181,938)	(119,907)	(119,907)
Payments on financing obligations	(4,914)	(4,914)	(2,223)	(2,223)
Net cash provided by (used in) financing activities	538,892	538,892	(55,752)	(55,752)
Foreign currency effect on cash, cash equivalents and restricted cash [1]	28,128	28,013	(6,785)	(5,945)
Net increase (decrease) in cash, cash equivalents and restricted cash [1]	325,897	325,897	(10,854)	(10,854)
Cash, cash equivalents and restricted cash at beginning of period [1]	401,932	401,932	412,786	412,786
Cash, cash equivalents and restricted cash at end of period [1]	$ 727,829	$ 727,829	$ 401,932	$ 401,932

[1] During the year ended December 31, 2017, we adopted Accounting Standards Update 2016-18, "Statement of Cash Flows: Restricted Cash," which requires that amounts generally described as restricted cash or restricted cash equivalents be included with cash and cash equivalents when reconciling the beginning-of-period and end-of-period total amounts shown on the statement of cash flows. We have adopted changes to the condensed consolidated statements of cash flows on a retrospective basis. The impact of the adoption for the year ended December 31, 2016 is not material.

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ServiceNow, Inc.
Condensed Consolidated Statements of Cash Flows
(in thousands)
(unaudited)

	Three Months Ended December 31, 2017		Three Months Ended September 30, 2017		Three Months Ended June 30, 2017		Three Months Ended March 31, 2017	
	Reported	Restated	Reported	Restated	Reported	Restated	Reported	Restated
Cash flows from operating activities:								
Net loss	$ (27,807)	$ (17,346)	$ (24,188)	$ (22,182)	$ (56,473)	$ (55,804)	$ (40,662)	$ (21,514)
Adjustments to reconcile net loss to net cash provided by operating activities:								
Depreciation and amortization	32,067	32,067	29,401	29,401	27,181	27,181	25,226	25,226
Amortization of premiums on investments	584	584	802	802	761	761	945	945
Amortization of deferred commissions	35,011	30,951	29,664	25,068	24,407	21,048	26,180	22,038
Amortization of debt discount and issuance costs	16,813	16,813	16,566	16,566	11,337	11,337	8,678	8,678
Stock-based compensation	105,627	105,627	100,442	100,442	98,066	98,066	89,943	89,869
Deferred income tax	(3,023)	331	(1,304)	(1,304)	(1,460)	(1,460)	(3,291)	(3,291)
Other	65	65	(342)	(342)	(1,502)	(1,502)	(2,218)	(2,218)
Changes in operating assets and liabilities, net of effect of business combinations:								
Accounts receivable	(140,773)	(145,572)	(8,698)	(9,307)	4,018	6,671	47,021	48,515
Deferred commissions	(72,155)	(75,732)	(41,061)	(44,567)	(34,092)	(38,991)	(27,195)	(30,956)
Prepaid expenses and other assets	(19,272)	(16,895)	(14,921)	(13,787)	10,827	12,862	(22,772)	(16,468)
Accounts payable	5,584	5,584	(3,228)	(3,228)	(8,535)	(8,535)	675	675
Deferred revenue	187,968	180,951	47,932	54,875	33,215	48,553	112,447	84,863
Accrued expenses and other liabilities	64,097	67,355	10,825	9,387	20,975	8,538	(27,553)	(18,754)
Net cash provided by operating activities	184,786	184,783	141,890	141,824	128,725	128,725	187,424	187,608
Cash flows from investing activities:								
Purchases of property and equipment	(34,654)	(34,654)	(46,753)	(46,753)	(35,917)	(35,917)	(33,186)	(33,186)
Business combination, net of cash and restricted cash acquired	(31,666)	(31,666)	(5,000)	(5,000)	(6,502)	(6,502)	(15,035)	(15,035)
Purchase of other intangibles	(500)	(500)	-	-	(6,170)	(6,170)	-	-
Purchases of investments	(547,845)	(547,845)	(286,976)	(286,976)	(132,094)	(132,094)	(222,596)	(222,596)
Purchases of strategic investments	(750)	(750)	(100)	(100)	(2,900)	(2,900)	(1,000)	(1,000)
Sales of investments	7,138	7,138	-	-	56,179	56,179	21,789	21,789
Maturities of investments	89,993	89,993	128,648	128,648	99,686	99,686	122,263	122,263
Net cash used in investing activities [(1)]	(518,284)	(518,284)	(210,181)	(210,181)	(27,718)	(27,718)	(127,765)	(127,765)
Cash flows from financing activities:								
Net proceeds from borrowings on convertible senior notes	-	-	-	-	772,127	772,127	-	-
Principal payments on convertible senior notes	(4)	(4)	-	-	-	-	-	-
Proceeds from issuance of warrants	-	-	-	-	54,071	54,071	-	-
Purchases of convertible note hedges	-	-	-	-	(128,017)	(128,017)	-	-
Repurchases and retirement of common stock	-	-	-	-	(55,000)	(55,000)	-	-
Proceeds from employee stock plans	5,819	5,819	35,856	35,856	6,085	6,085	34,807	34,807
Taxes paid related to net share settlement of equity awards	(50,808)	(50,808)	(43,781)	(43,781)	(34,326)	(34,326)	(53,023)	(53,023)
Payments on financing obligations	(2,233)	(2,233)	(121)	(121)	(1,145)	(1,145)	(1,415)	(1,415)
Net cash (used in) provided by financing activities	(47,226)	(47,226)	(8,046)	(8,046)	613,795	613,795	(19,631)	(19,631)
Foreign currency effect on cash, cash equivalents and restricted cash [(1)]	2,245	2,248	7,659	7,725	18,883	18,883	(659)	(843)
Net (decrease) increase in cash, cash equivalents and restricted cash [(1)]	(378,479)	(378,479)	(68,678)	(68,678)	733,685	733,685	39,369	39,369
Cash, cash equivalents and restricted cash at beginning of period [(1)]	1,106,308	1,106,308	1,174,986	1,174,986	441,301	441,301	401,932	401,932
Cash, cash equivalents and restricted cash at end of period [(1)]	$ 727,829	$ 727,829	$ 1,106,308	$ 1,106,308	$ 1,174,986	$ 1,174,986	$ 441,301	$ 441,301

[(1)] During the three months ended December 31, 2017, we adopted Accounting Standards Update 2016-18, "Statement of Cash Flows: Restricted Cash," which requires that amounts generally described as restricted cash or restricted cash equivalents be included with cash and cash equivalents when reconciling the beginning-of-period and end-of-period total amounts shown on the statement of cash flows. We have adopted changes to the condensed consolidated statements of cash flows on a retrospective basis. The impact of the adoption for the three months ended March 31, 2017, June 30, 2017 and September 30, 2017, respectively, is not material.

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