

C3.ai



Investor Supplemental FY23-Q1

August 31, 2022

Disclaimer

This presentation contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. All statements contained in this presentation other than statements of historical facts, including the business strategy, plans, and objectives for future operations of C3.ai, Inc. and its subsidiaries (“we,” “us,” or “our”), and our financial outlook, are forward-looking statements. The words “anticipate,” “believe,” “continue,” “estimate,” “expect,” “intend,” “may,” “will” and similar expressions are intended to identify forward-looking statements. We have based these forward-looking statements largely on our current expectations and projections about future events and trends that we believe may affect our financial condition, results of operations, business strategy, short-term and long-term business operations and objectives, and financial needs. These forward-looking statements are subject to a number of risks and uncertainties. Some of these risks are described in greater detail in our filings with the Securities and Exchange Commission, including our Annual Report on Form 10-K for the fiscal year ended April 30, 2022, and other filings and reports we make with the Securities and Exchange Commission from time to time, including our Quarterly Report on Form 10-Q that will be filed for the fiscal quarter ended July 31, 2022, although new and unanticipated risks may arise. The future events and trends discussed in this presentation may not occur and actual results could differ materially and adversely from those anticipated or implied in the forward-looking statements. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, performance, achievements, or events and circumstances reflected in the forward-looking statements will occur. Except to the extent required by law, we do not undertake to update any of these forward-looking statements after the date of this presentation to conform these statements to actual results or revised expectations.

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

In addition to the financials presented in accordance with U.S. generally accepted accounting principles (“GAAP”), this presentation includes non-GAAP financial information. We believe that non-GAAP financial information, when taken collectively with financial information presented in accordance with GAAP, may be helpful to investors because it provides consistency and comparability with past financial performance. There are a number of limitations related to the use of non-GAAP financial metrics versus their nearest GAAP equivalents. For example, other companies may calculate non-GAAP metrics differently or may use other metrics to evaluate their performance, all of which could reduce the usefulness of our non-GAAP financial metrics as tools for comparison. We urge you to review the non-GAAP financial information with the financial information presented in accordance with GAAP, and not to rely on any single financial measure to evaluate our business.

 **C3.ai This is Enterprise AI.**

FY23-Q1 Highlights



Solid Top-Line
Growth

25%

YoY¹ Growth



Highly Visible
Business Model

87%

Subscription
Revenue



Rapid Customer
Growth

27%

YoY Customer
Growth



Robust
RPO

58%

RPO Growth
YoY



Attractive
Margins

81%

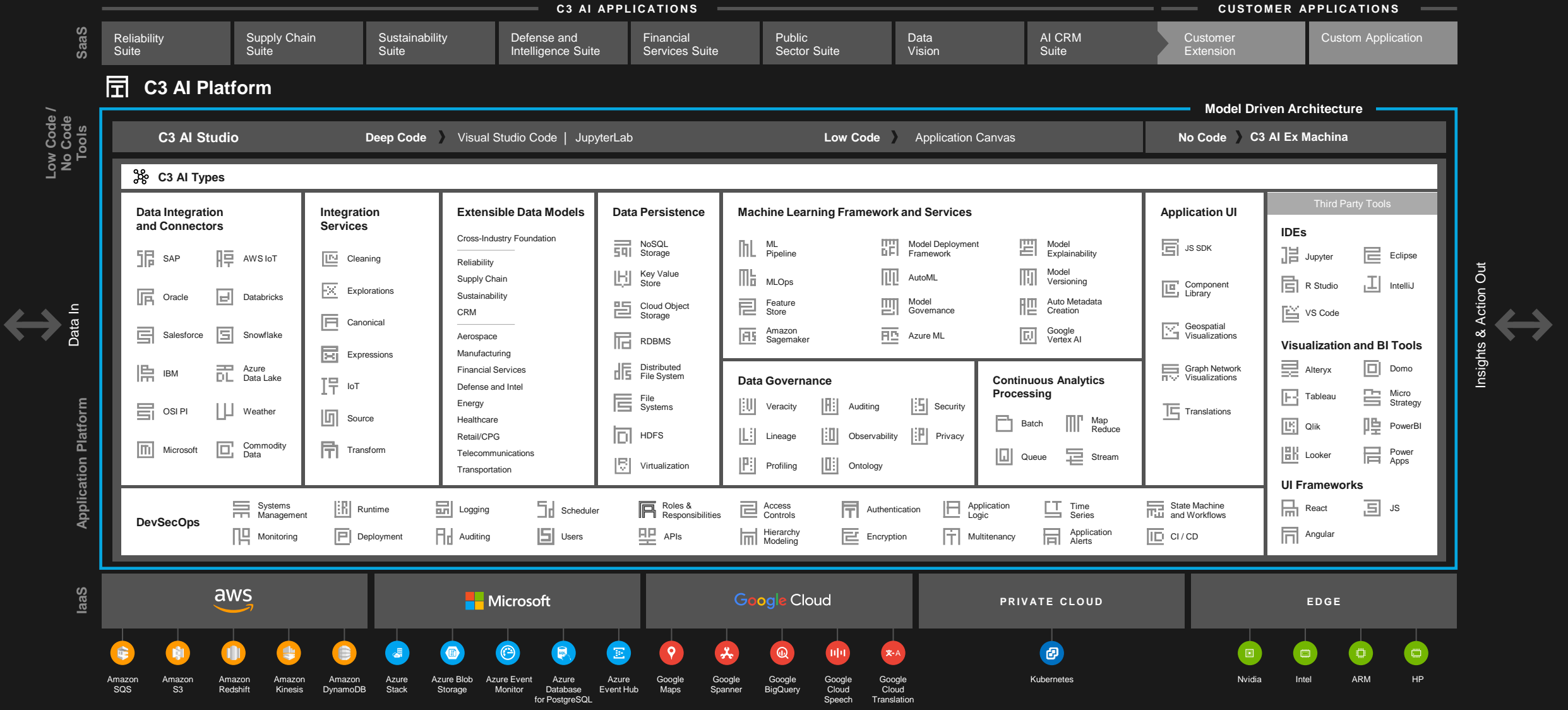
Non-GAAP
Gross Margin

- (1) FY23-Q1YTD vs FY22-Q1 YTD
- (2) Percentages are rounded for presentation purposes

C3 AI Platform – Version 8

- New no code, low code, deep code developer tools
- New data science tools
- 40x – 1000x performance and scalability improvements
- New data integrations
- New AI/ML Tools
- New on-line remote learning library
- On-line context-sensitive documentation
- In-line help and debugging
- Auto code generation
- New C3 AI Developer Community

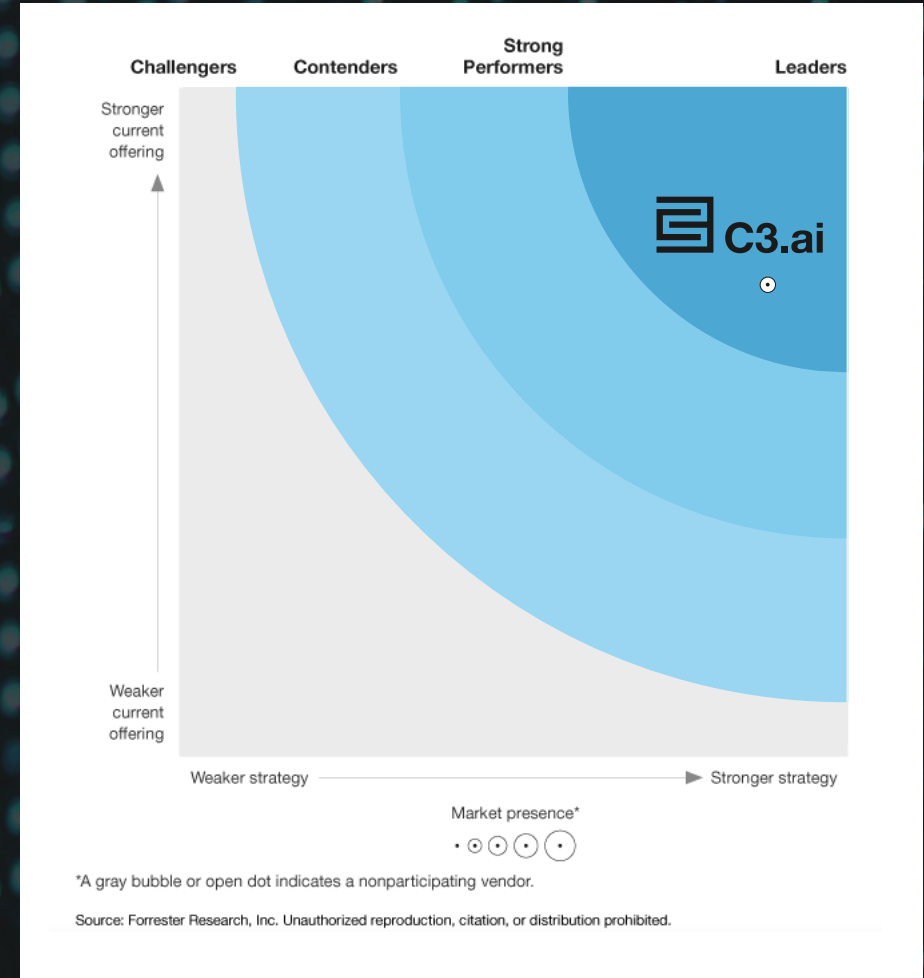
C3 AI Enterprise AI Platform – Version 8



C3 AI's Leadership in Enterprise AI

C3 AI "...could become the de facto AI platform standard for the world's most complex industries"

— FORRESTER®



The Forrester Wave

Leader in AI and Machine Learning Platforms

- #1 in Strategy
- #1 in Product Vision
- #1 in Applications Tools
- #1 in Application Accelerators
- #1 in Market Approach
- #1 in Architecture Run-time
- #1 in Architecture Security
- #1 in Data Features
- #1 in Partner Ecosystem
- #1 in Performance

FORRESTER[®]

**WAVE
LEADER 2022**

AI/ML Platforms

C3 AI CRM - Opportunity Details

Opportunities > AV Trucking - Windshields

Prospecting
 Qualifying
 Bid in Development
 Bid in Submission
 Negotiation Close
 Updated 2 days ago

Overview Account & Contacts **Sales Vision**

Find: Keyword ~ Connection ~ **Ideal Contact** Create: Node Event Relationship Configure: Map Data AI Model Show: This Opportunity Only All Data View: Standard Hierarchical Group Geospatial Share: Export

32 Recommended Contacts Found
People from "AV Trucking" that match this opportunity's ideal contact profile

Top (3)

- Rick Brown** (RELEVANCE SCORE: 89)
 Chief Procurement Officer @ AV Truc...
 Shared Connections: 45
 Marketing Engagement: 12 clicks
- Jeff Bordilovskyi** (RELEVANCE SCORE: 77)
 Supply Chain Manager
 Shared Connections: 21
 Marketing Engagement: 5 clicks
- Evelyn Velez** (RELEVANCE SCORE: 65)
 Supply Chain Manager
 Shared Connections: 22
 Marketing Engagement: 2 clicks

All (32)

- Salim Cowan** (RELEVANCE SCORE: 55)
 Account Manager
 Shared Connections: 24

Timeline

All Contacts

Month	Day	Count
January 2021	3	3
January 2021	10	10
January 2021	17	17
January 2021	24	24
January 2021	31	31
February 2022	7	7
February 2022	14	14
February 2022	21	21
February 2022	28	28
March 2022	5	5

C3 AI CRM

Eliminate Hazardous Waste from Manufacturing

Reduce waste generation by 2040
Off Track

Created Date 📅
 12/01/19

Total Waste Generated

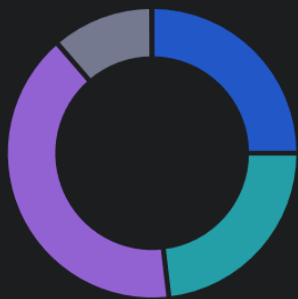
Base Year	2015
Target Year	2040
Base Performance	102,440
Target Performance	20,350

Hazardous Waste Generated

Base Year	2015
Target Year	2040
Base Performance	40,950
Target Performance	10,500

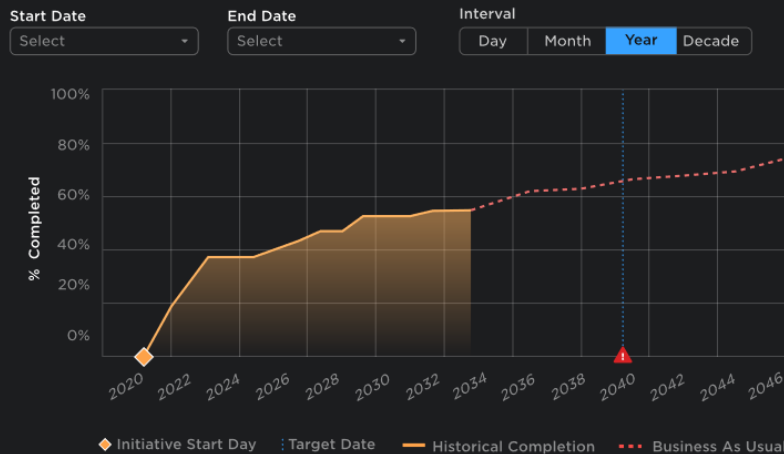
Overview Projects Initiative Management

Project Overview

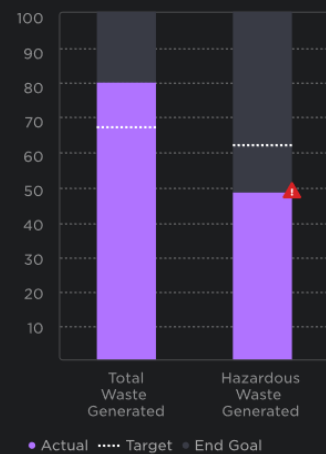


In Progress	24.3%
Completed	23.4%
Identified	43.8%
Approved	8.5%

Initiative Progress



KPI Progress




Off-track Projects

Project Name	Priority	Associated Facility	Associated KPI	Planned completion date	NPV
Richmond waste rep...	83 High	Richmond	Hazardous Waste Generated	11/20/25	\$1.1M
Redwood city boiler...	80 High	Redwood Ci...	Total Waste Generated	04/17/27	\$850K

Top Identified Projects

Project Name	Unit Cost	Associated Facility	Associated KPI
Houston waste recycling project	\$73/t	Houston	Hazardous Waste Generated
Cleveland warehouse cleaning	\$84/t	Cleveland	Hazardous Waste Generated
Atlanta processor upg...	\$99/t	Atlanta	Total Waste Generated
Richmond maintenance	\$105/t	Richmond	Total Waste Generated




C3 AI Residential Property Appraisal

Properties > 059401051

915 Whitehall Ln, Redwood City, CA 94061
APN: 059401051

Appraisal Status: ● Open
Attributes Status: ✔ Sanitized

[Send for Review](#) [Export Report](#)

AI AVM VALUE ⓘ
\$2,300,000

AI AVM VS LAST SALE PRICE ⓘ
\$105,000

LAST SALES PRICE ⓘ
\$2,195,000
Sold 02/20/2020

LAST ASSESSED VALUE ⓘ
\$2,280,000
Assessed 08/29/2022

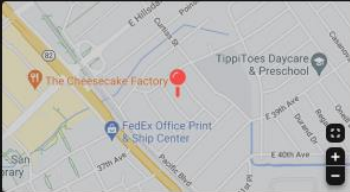
LISTING AGE ⓘ
2 days

LISTED ON ⓘ
2/18/2020

MLS LISTING ⓘ
[View in MLS](#)

Overview
Property Gallery
Sales Comparable Valuation
Cost Valuation
Market Statistics

Property Overview



Listing Age
2 days

Description
This second-level end-unit is nestled in a beautiful, quiet complex. This 3-bedroom 2.5-bath single family house with vaulted ceilings was completely remodeled in 2020. Sparkling kitchen boasts new cabinets, farm style sink, Carrara marble countertops and new stainless steel appliances.

Property Facts


▶ Interior Features

Bedrooms 4	Interior Feature Flooring: Vinyl/Linoleum
Bathrooms 2.5	Stories 2
Basement Partially Finished	Heating Central
Parking Spaces 2	Cooling None

▶ Property / Lot Details

Square Footage 2,530 Sq Ft	HOA \$120/month
Ownership Type Single Family House	New Construction No
Year Built 2001	Zoning R1
Lot Acres 0.51	Year Remodeled 2020

Property Condition




Classification ⓘ
Good

RATINGS ⓘ
C2


CONFIDENCE SCORE ⓘ
90%

LAST CLASSIFIED ON
02/20/2020

AI Condition Rating



Good



Good

[View 34 More Photos](#)

Assessed Value Trend



Identity
🔔

Identity > Michael Heinzelman

Domingo Cruz

WARRANT OUT

[Add to Case](#) [Download Info](#)

Active Cases
1

Previous Cases
5

Previous Arrests
4

Previous Cases
5

Alert
🔴 **Violent**


Other Considerations
PROTECTION ORDER AGAINST THIS PERSON

Notes
● **3**

Evidence Uploaded
2

Overview
Network
Media Files
Criminal History
Assets and Events

Profile



Cruz, Domingo


Physical Description

Height	6'2
Eyes	Brown
Hair	Brown
Race	Other
Glasses	No
Scars	Yes
Tattoo	Yes

Legal & Contact

CII	A039018492
Aliases	Pee Wee
DoB	08/20/1972 (age 49)
Address	1299 Tulane Ave, Est Palo Alto CA 94303
Mailing Address	1299 Tulane Ave, Est Palo Alto CA 94303
SSN	422-23-233

Locations



Top Current Affiliated Identities

Person	Connection
Maurice Ortiz	90% S-S
George Sanchez	90% S-S
Frederiko Garcia	90% S-S
Gabriel Williams	90% S-S
Jonathan Heinz	90% S-S
Derreck Allen	90% S-S
Abigail Allen	90% S-S

Warnings

Type	Detail	Date
Weapon	AR-15 Semi-Auto Rifle	12/01/22 10:39 PM

Vehicles

License & Make	Owner

Case History Preview

Case #	Offenses	Occurred
FM290129	265 PC, 245 (A)(1) PC	02/02/202
AR210892	240001: MOTOR VEHICLE THEFT	02/02/202
SK2109892	PEDCK	02/02/202

Incarceration History Preview

Booking #	Offenses
0812932	265 PC, 245(A)(1) P

Recent Activity

🔍 Search activity 🔽 Filter by activity type

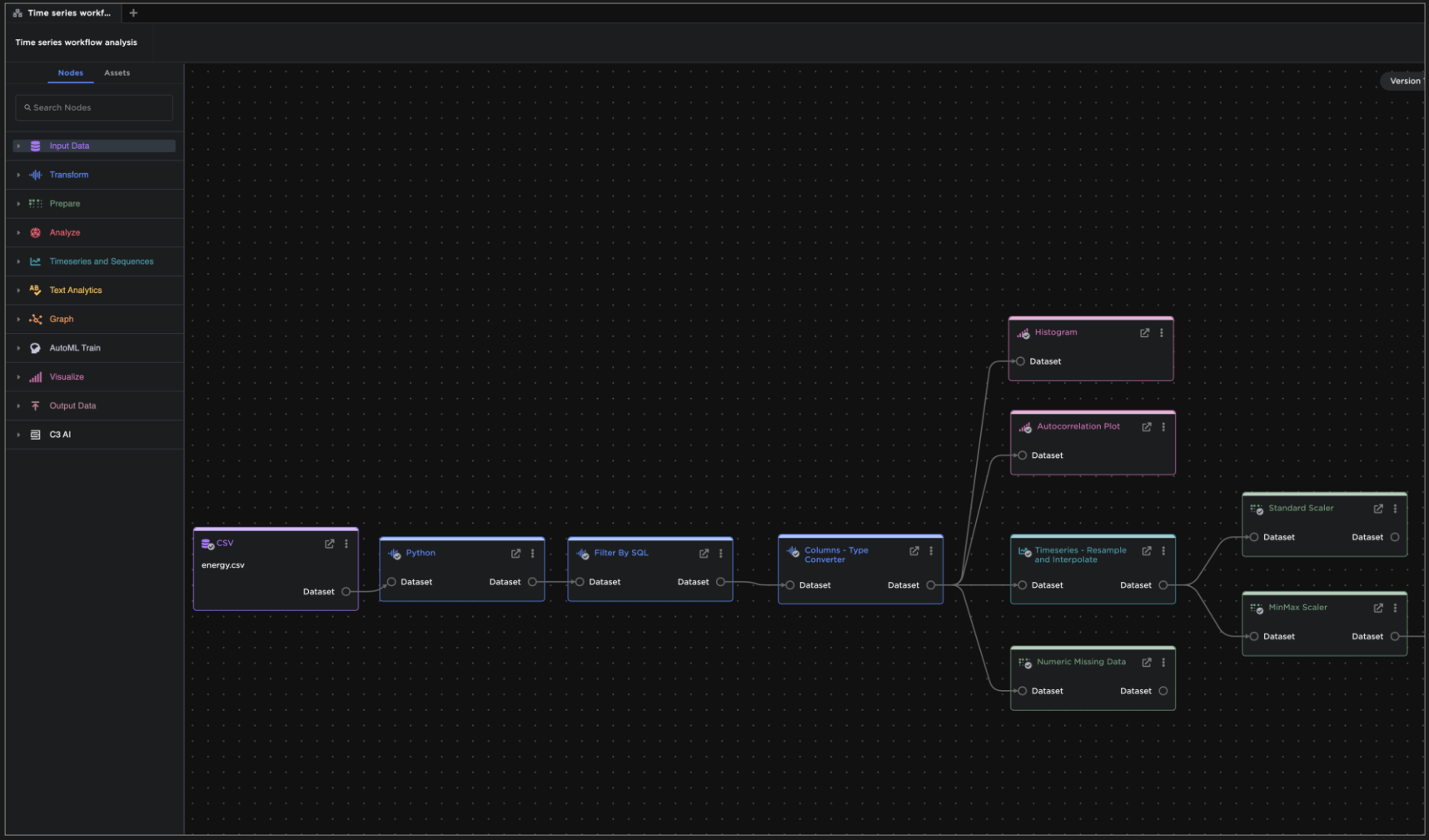
▼ Today (08/08/2021)

📷 **8 photos added**
02/03/2022 08:08:00
This is a comment about the photos that were added
Added by Hannah Jones

📱 **Social media updated**

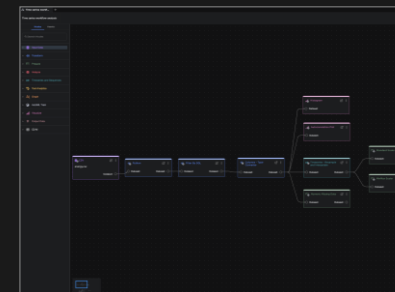
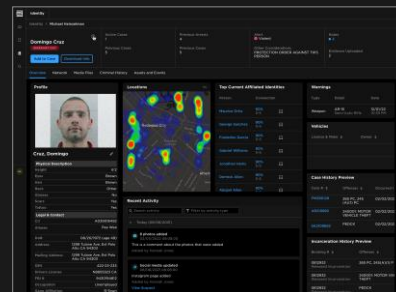
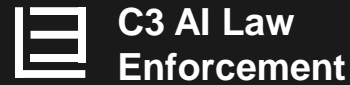
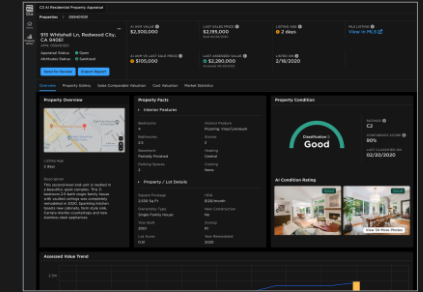
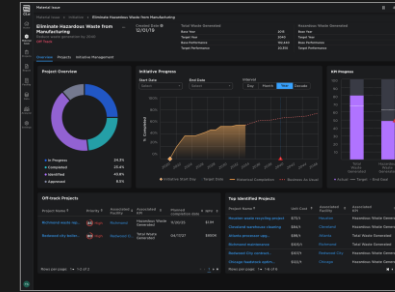
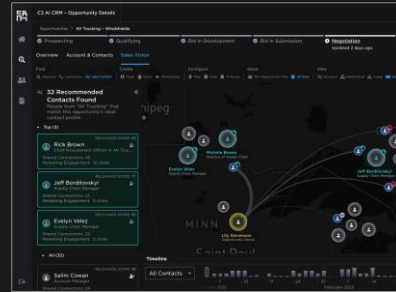


C3 AI Law Enforcement



EM C3 AI
Ex Machina

View C3 AI Product Videos on <https://c3.ai/applications>



Join Us for the C3 AI Live Demo Series

Registration to open on
Tuesday September 6, 2022
on <https://ir.c3.ai>

C3 AI Reliability

September 13, 2022

C3 AI CRM

September 15, 2022

C3 AI Energy Management

September 20, 2022

C3 AI Ex Machina

September 22, 2022

C3 AI Sustainability for Manufacturing

September 27, 2022

C3 AI Supply Chain Suite

September 29, 2022

C3 AI ESG

October 4, 2022

C3 AI Property Appraisal

October 6, 2022

C3 AI Anti-Money Laundering

October 11, 2022

C3 AI Version 8

October 13, 2022

C3 AI Production Scheduling Optimization

October 18, 2022

C3 AI Readiness

October 25, 2022

C3 AI Intelligence Analysis for Law Enforcement

October 27, 2022







AI / ML Can Unlock Significant Value for the DoD



B-1B

45 in-service¹

18 Effective aircraft²

Aircraft Equivalent
Gained with AI



+ 3 aircraft

to



+5 aircraft

Budget Equivalent
Gained³

+\$950M

to

+\$1,600M

1. AFGSC wraps up divestiture of 17 B-1 aircraft, moving toward B-21, Air Force Global Strike Command, Accessed August 2022, <https://www.afgsc.af.mil/News/Article-Display/Article/2786795/afgsc-wraps-up-divestiture-of-17-b-1-aircraft-moving-toward-b-21/>
2. US Air Force fleet's mission-capable rates are stagnating. Here's the plan to change that, Air Force Times, February 2022, Accessed August 2022, <https://www.airforcetimes.com/news/your-air-force/2022/02/14/us-air-force-fleets-mission-capable-rates-are-stagnating-heres-the-plan-to-change-that/#:~:text=Mission%2Dcapable%20rates%2C%20the%20main,point%20in%20nearly%20a%20decade>
3. About the B1-B, <https://www.af.mil/About-Us/Fact-Sheets/Display/Article/104500/b-1b-lancer/>

Enhanced Partner Model

Google Cloud

Microsoft

aws

Baker Hughes

accenture

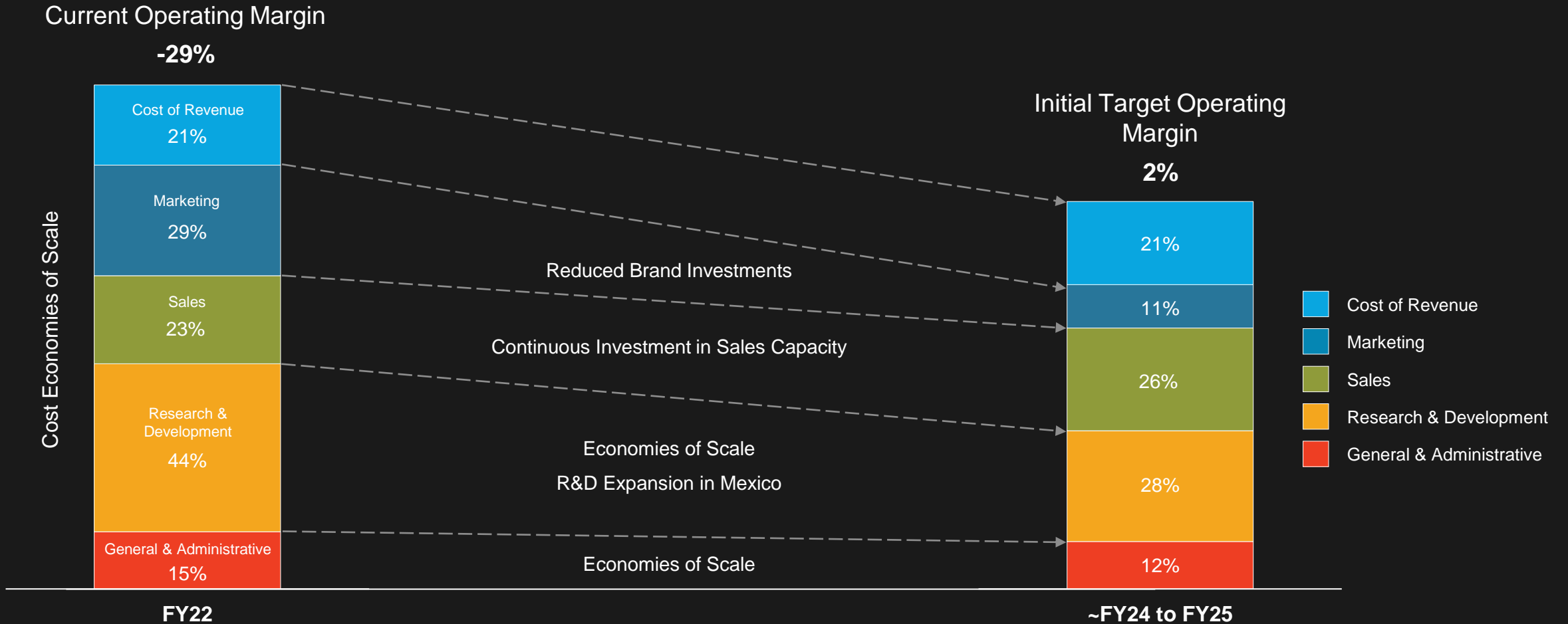
Market Conditions

Macroeconomic uncertainty

Taking decisive action

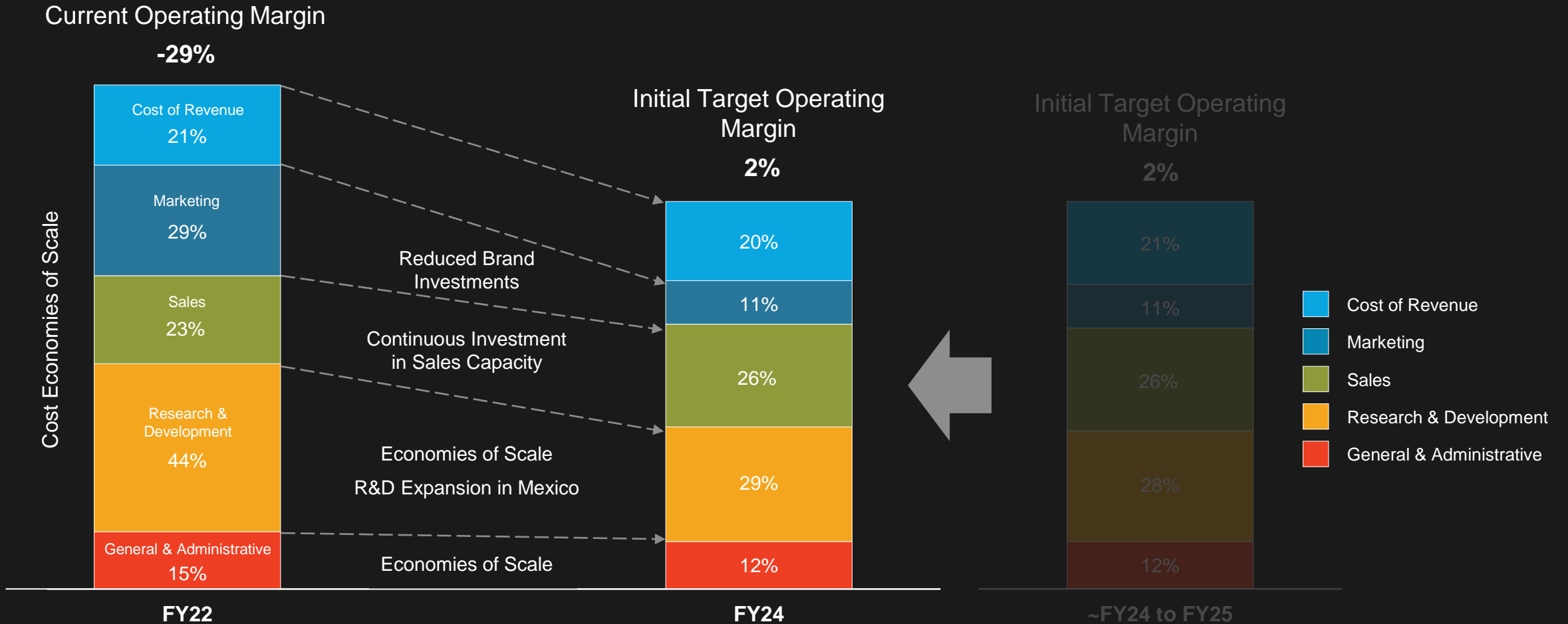
1. Reducing non-essential spending
2. Adjusting go-to-market model
3. Accelerating path to profitability

Clear Path to Profitability – Non-GAAP Operating Margin



Note: Non-GAAP cost of revenue, operating expenses, sales and marketing expenses, research and development expenses, and general and administrative expenses are non-GAAP financial measures. Refer to the Appendix for a reconciliation of these non-GAAP financial measures to the most directly comparable GAAP measures. Numbers and percentages are rounded for presentation purposes.

Accelerated Path to Profitability – Non-GAAP Operating Margin



Note: Non-GAAP cost of revenue, operating expenses, sales and marketing expenses, research and development expenses, and general and administrative expenses are non-GAAP financial measures. Refer to the Appendix for a reconciliation of these non-GAAP financial measures to the most directly comparable GAAP measures. Numbers and percentages are rounded for presentation purposes.

New Sales Force

Strategic Solutions Sales Directors



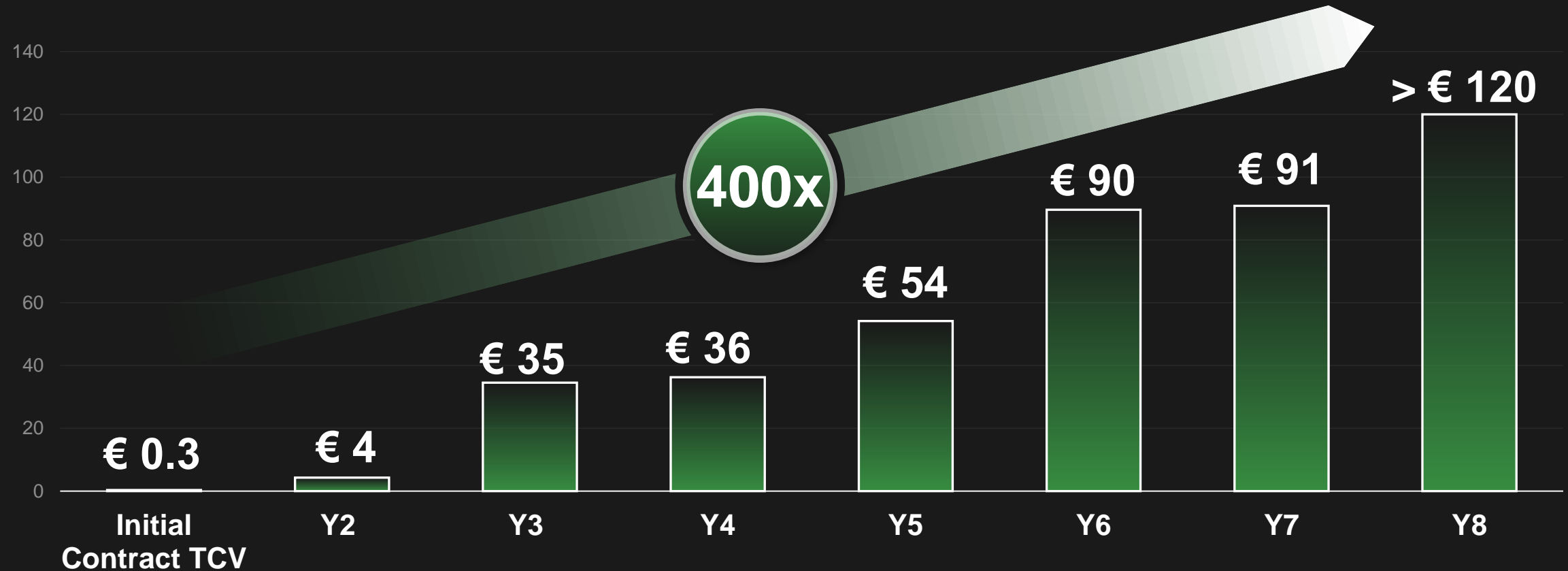
Consumption Base Pricing



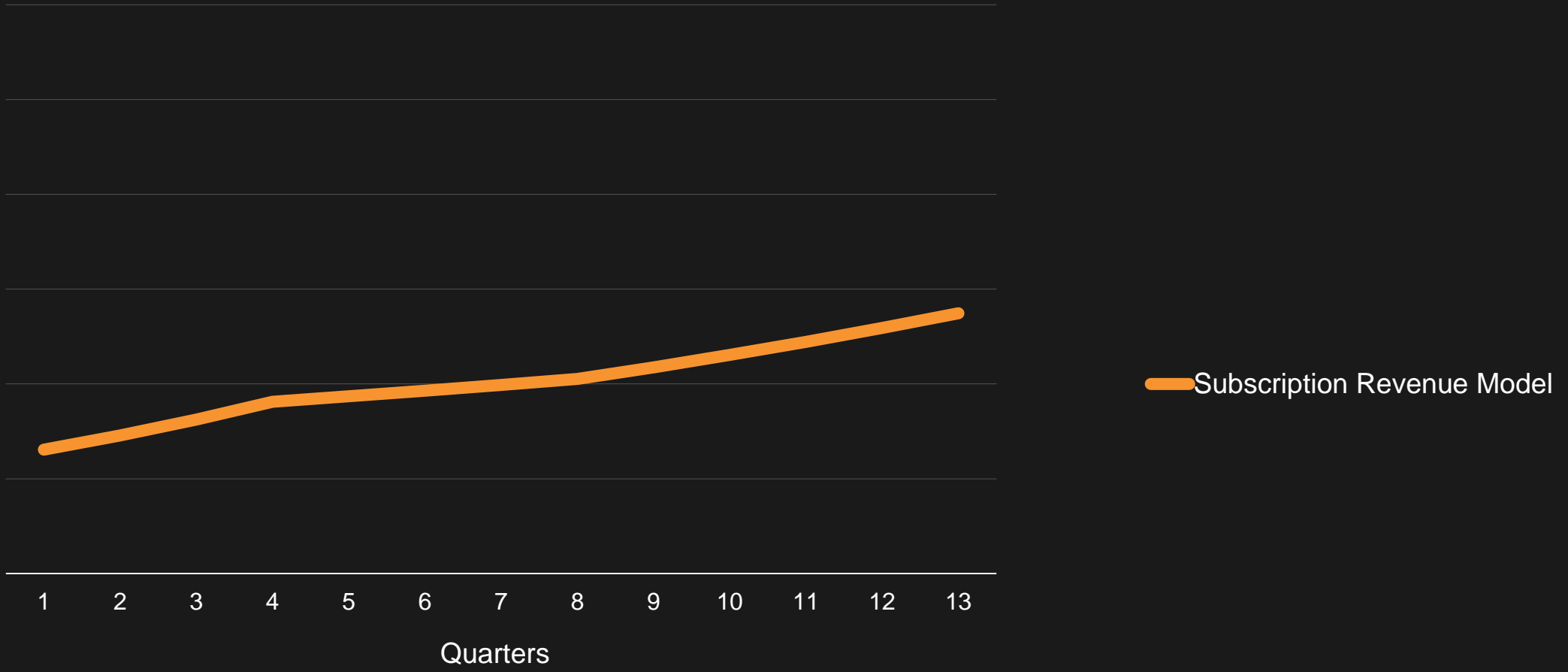
Large Integrated Energy Company

Cumulative Purchase

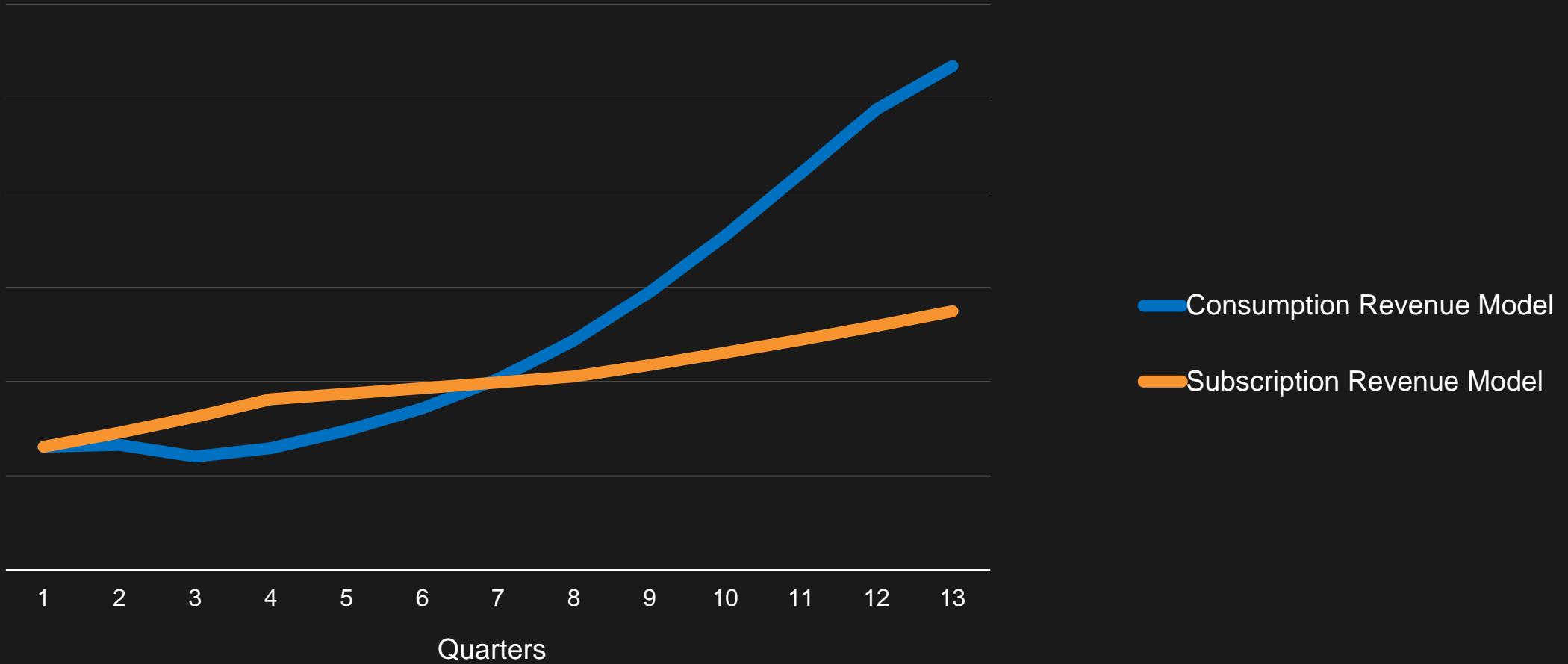
€ Million



Revenue Transition



Revenue Transition



Modeling C3 AI Consumption Based Pricing

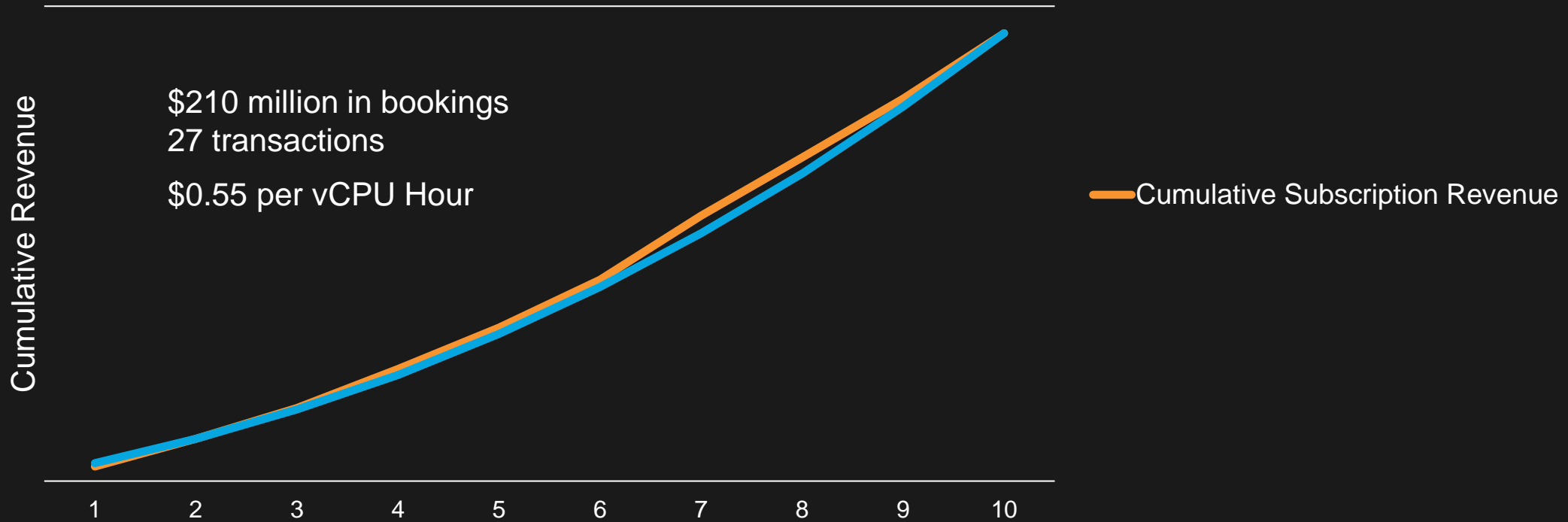
vCPU Usage over time

	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Quarter 5	Quarter 6	Quarter 7	Quarter 8	Quarter 9	Quarter 10
vCPU Hours (in thousands)	382	509	618	727	863	991	1,127	1,255	1,410	1,546

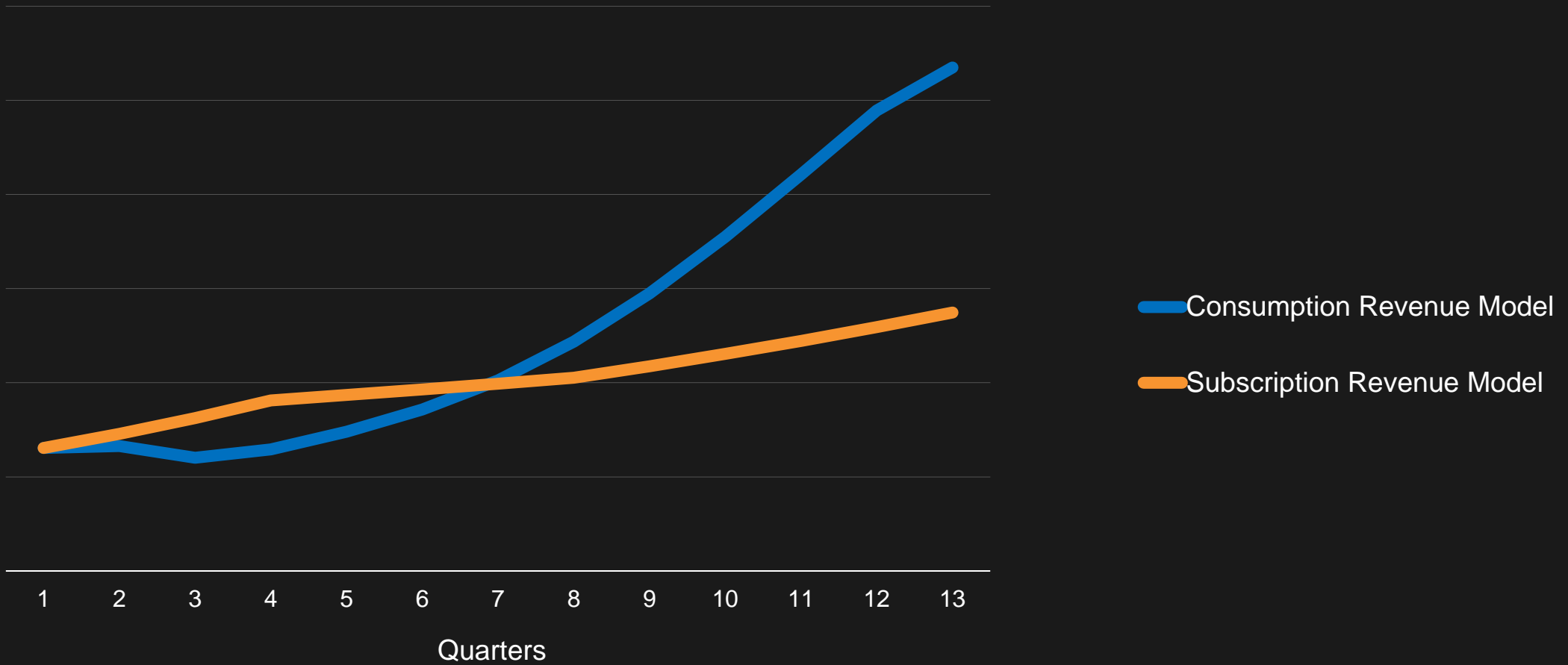
- Typical Consumption Business Model
 - 2 quarter Pilot for a total price of \$500,000
 - Pilot includes unlimited C3 AI Platform developers, one (1) C3 AI Application license, unlimited usage, and premium support
 - After Pilot ends, customers convert to month-to-month consumption-based contract, with unlimited C3 AI Platform Developers, one (1) C3 AI Application license
 - Customer has the option to purchase premium support, additional application license subscriptions, and professional services after the Pilot
- Expect 70% of customers convert from Pilot phase
- Minimum fee post-pilot is \$210,000 per quarter
- Assume 5 Pilots are executed in FY23-Q2 on the first day of the quarter
- There are on average 60 sales representatives during FY23-Q2
- Sales representative headcount growth will range between 40% and 60% annually
- Each sales representative assumed to close on average 4 Pilots in one year
- Assume annual customer churn of 10%
- This table is based on the actual vCPU usage of a representative sample of customers, where 382 thousand vCPU hours represents the vCPU hour usage which meets the \$210,000 per quarter minimum charge, and each period after shows the modeled growth of vCPU hours by customer

Margin and Revenue Neutral over Ten Quarters

Current Model vs Consumption Model



Revenue Transition



Guidance

	FY23-Q2	FY23	FY24
Total Revenue	\$60 – \$62 million	\$255 – \$270 million	~\$340+
YoY Growth %	3% – 6%	1% – 7%	~30%+
Non-GAAP Loss from Operations	(\$20) – (\$15) million	(\$98) – (\$90) million	

Our guidance includes GAAP and non-GAAP financial measures. A reconciliation of non-GAAP guidance measures to corresponding GAAP measures is not available on a forward-looking basis without unreasonable effort due to the uncertainty regarding, and the potential variability of, expenses that may be incurred in the future. Stock-based compensation expense-related charges, including employer payroll tax-related items on employee stock transactions, are impacted by the timing of employee stock transactions, the future fair market value of our common stock, and our future hiring and retention needs, all of which are difficult to predict and subject to constant change. We have provided a reconciliation of GAAP to non-GAAP financial measures in the financial statement tables for our historical non-GAAP results included in this presentation. Our fiscal year ends April 30, and numbers are rounded for presentation purposes.

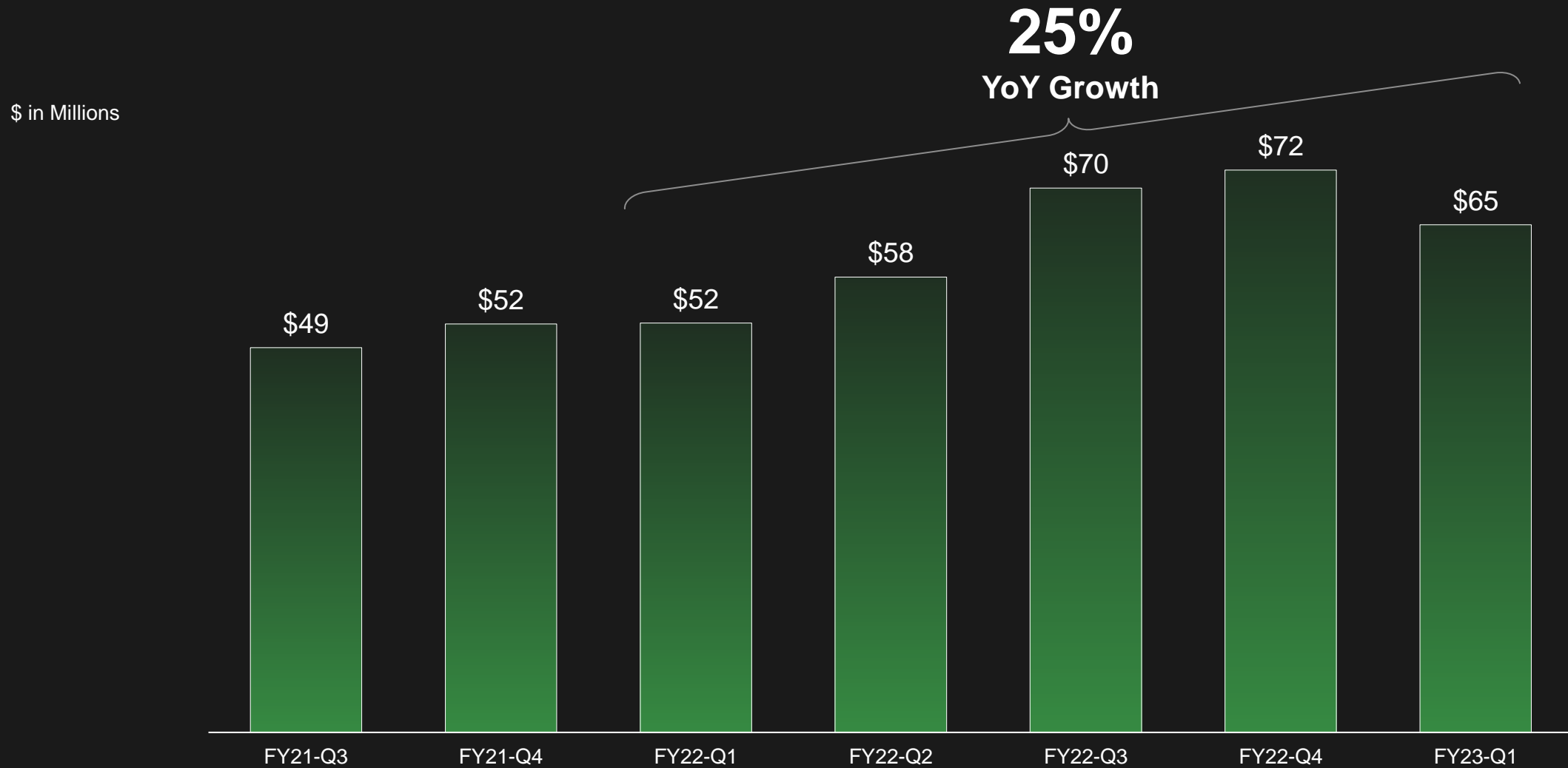
Finance Update

FY23-Q1 Summary Financial Results

	FY23-Q1	% Change Y/Y	
Revenue	\$65.3 million	+25%	⬆️
Subscription Revenue	\$57.0 million	+24%	⬆️
Non-GAAP Gross Profit	\$52.6 million	+29%	⬆️
Remaining Performance Obligations (“RPO”)	\$458.2 million	+58%	⬆️
Non-GAAP RPO	\$496.8 million	+39%	⬆️
Non-GAAP Gross Margin	81%	+2.6pts	⬆️
Free Cash Flow	(\$54.8) million	Not Meaningful	
Free Cash Flow adjusted for new C3 AI HQ and BH payment	(\$23.7) million	Not Meaningful	

Note: Non-GAAP Gross Profit, Non-GAAP RPO, Free cash flow and Free cash flow adjusted for new C3 AI HQ and BH payment are non-GAAP financial measures. Non-GAAP RPO is defined as our GAAP RPO plus associated cancellable contracted backlog. Refer to the Appendix for a reconciliation of this non-GAAP financial measure to the most directly comparable GAAP measure. Numbers and percentages are rounded for presentation purposes.

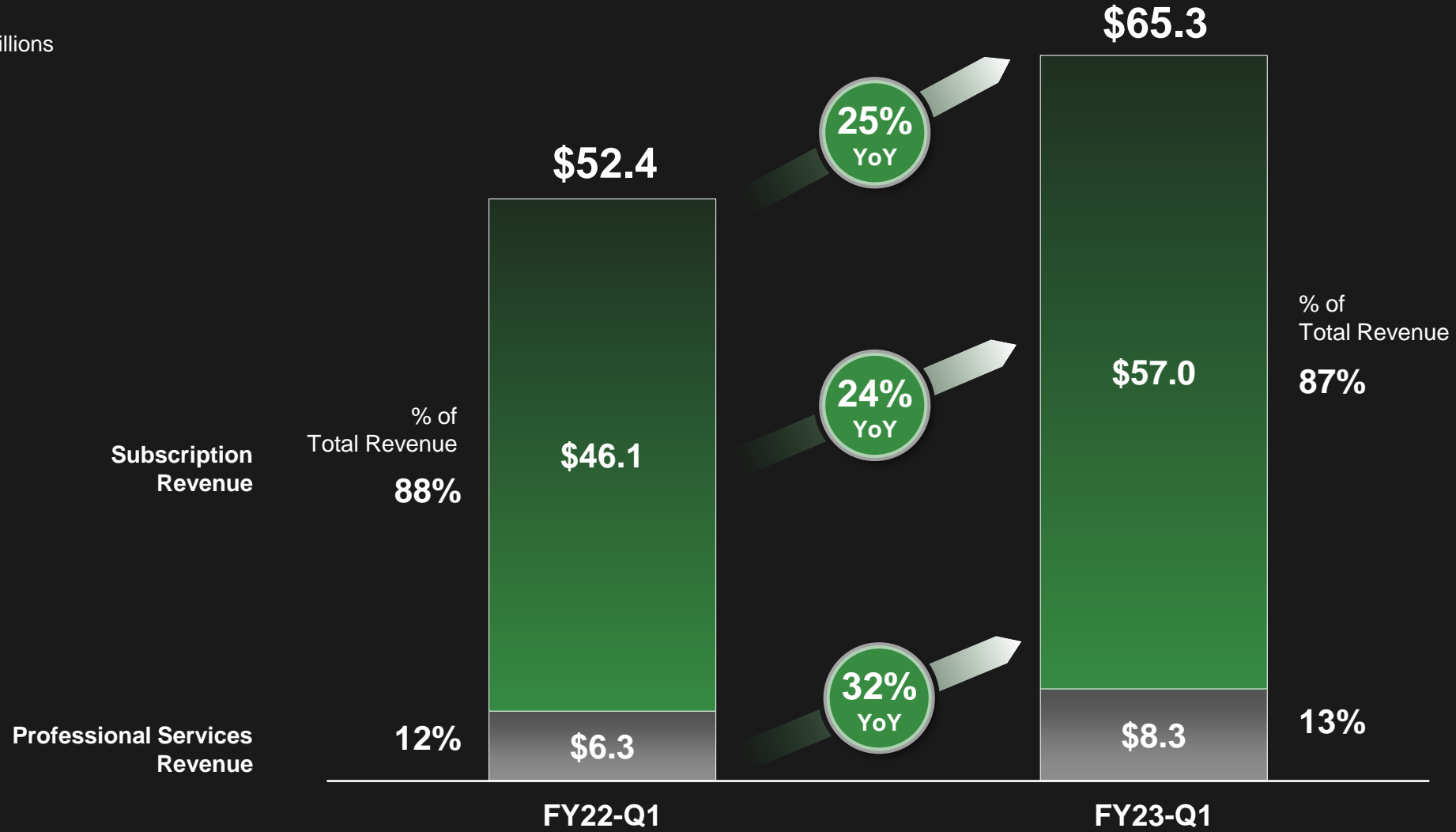
Quarterly Total Revenue: FY21-Q3 to FY23-Q1



Note: Fiscal year ends April 30. Numbers and percentages are rounded for presentation purposes.

Total Revenue Mix

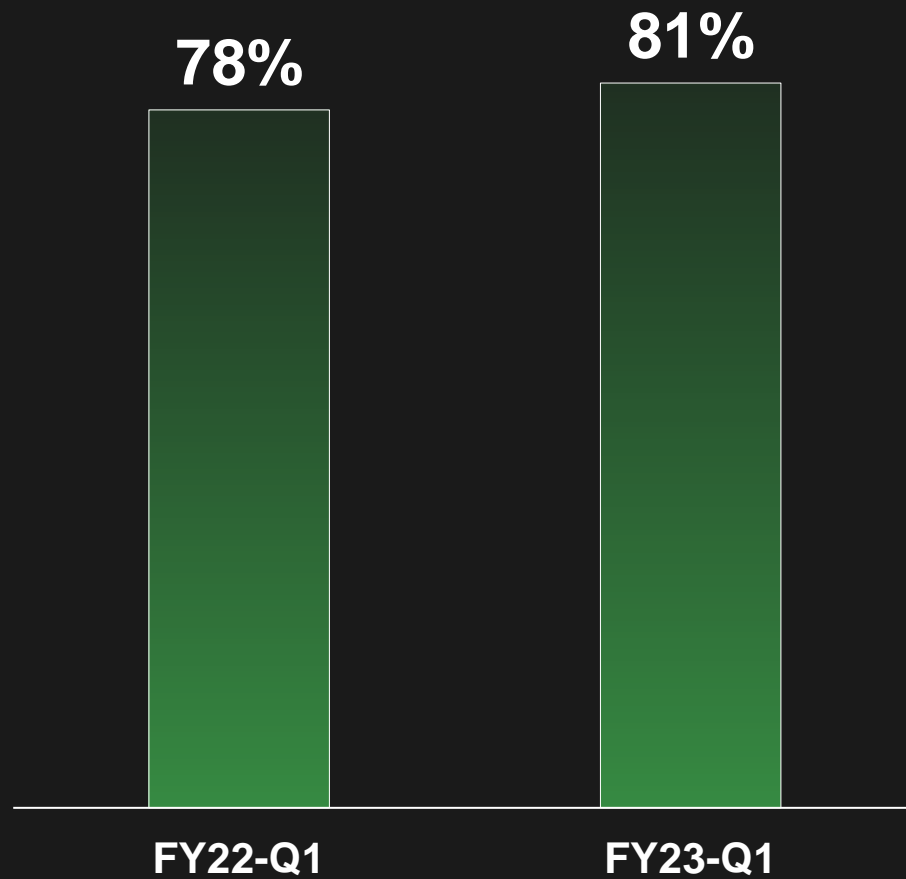
\$ in Millions



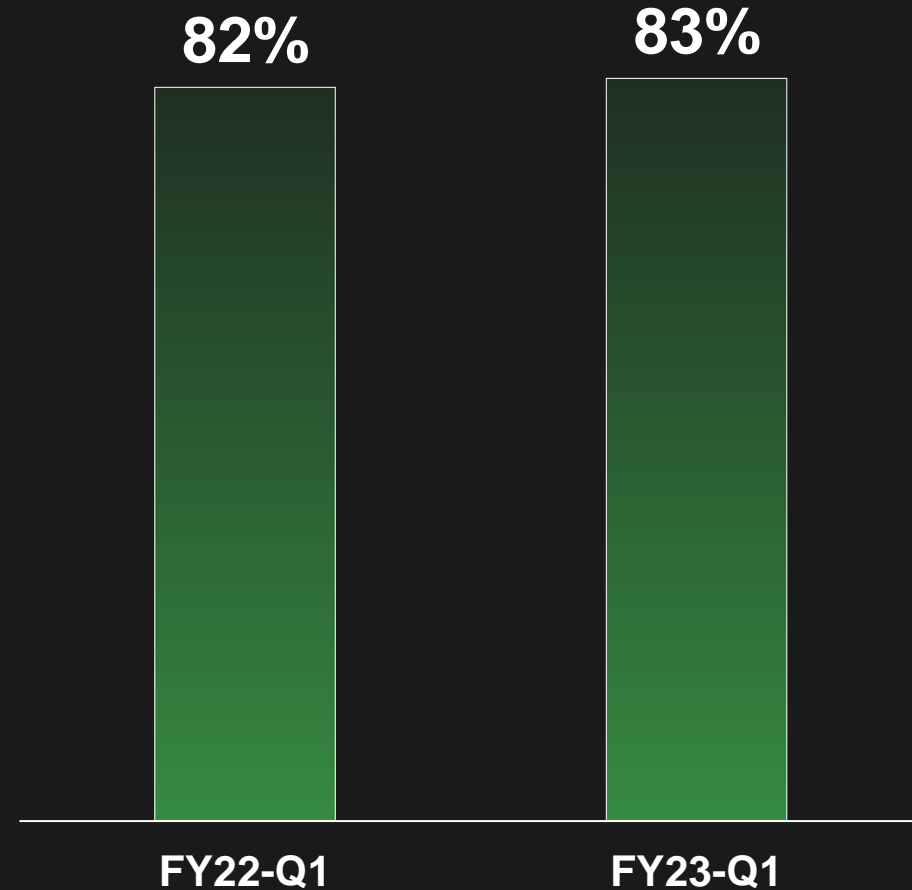
Note: Numbers and percentages are rounded for presentation purposes.

Non-GAAP Gross Margin

Non-GAAP Total Gross Margin



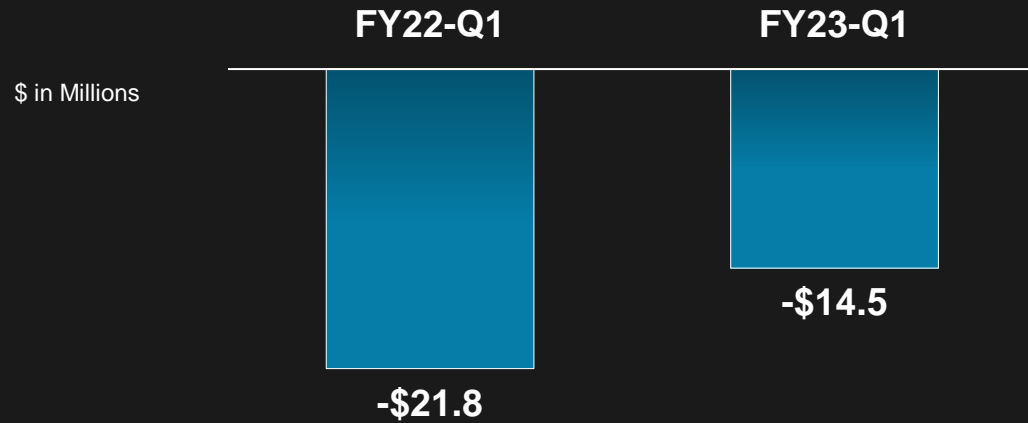
Non-GAAP Subscription Gross Margin



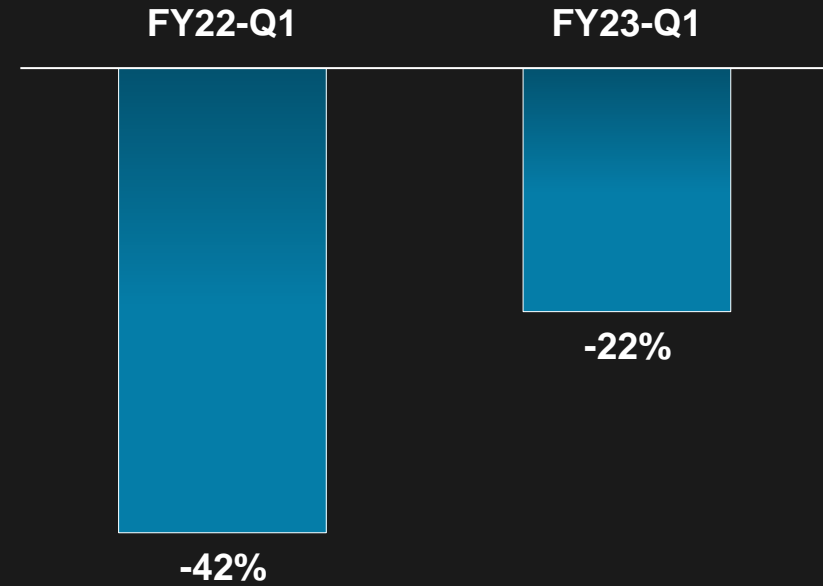
Note: Non-GAAP subscription and total gross margin are non-GAAP financial measures. Refer to the Appendix for a reconciliation of these non-GAAP financial measures to the most directly comparable GAAP measures. Percentages are rounded for presentation purposes.

Non-GAAP Operating Income and Margin

Non-GAAP Operating Income



Non-GAAP Operating Margin



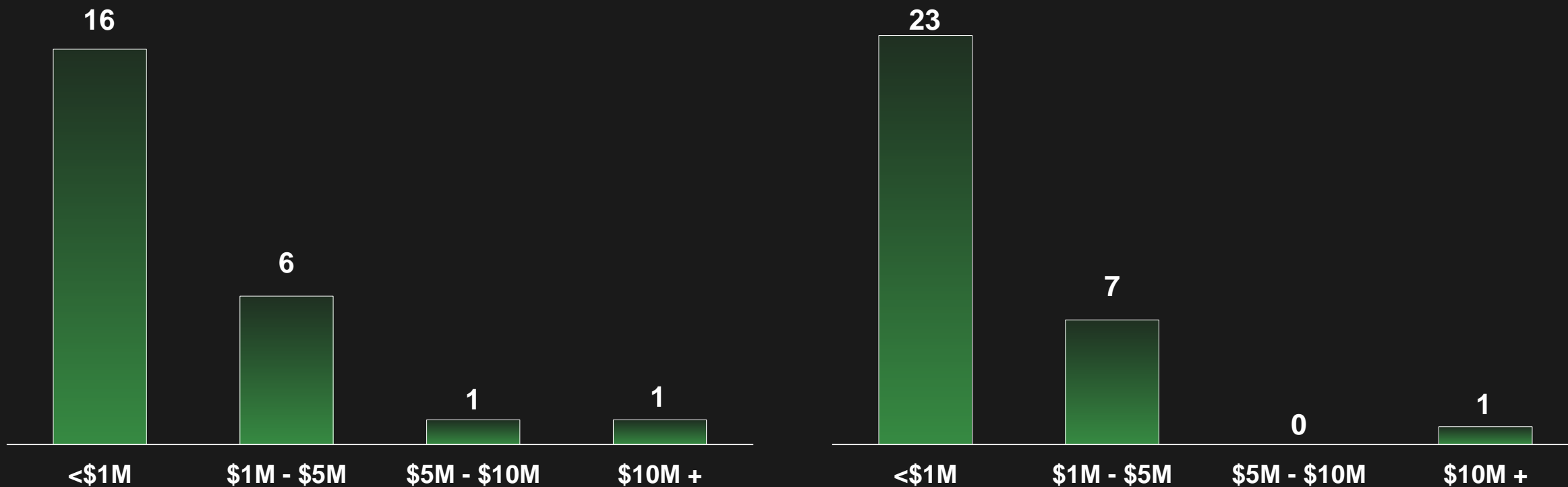
Note: Non-GAAP operating income and non-GAAP operating margin, are non-GAAP financial measures. Refer to the Appendix for reconciliations of these non-GAAP financial measures to the most directly comparable GAAP measures. Numbers and percentages are rounded for presentation purposes.

Deal Bands

\$ in Millions

FY22-Q1

FY23-Q1



Average TCV

\$1.9 M

\$1.4 M

Note: Fiscal year ends April 30. Numbers are rounded for presentation purposes.

C3 AI Investment Thesis

 Huge Addressable Market of \$596 Billion by 2025¹

 First-mover Advantage

 Patented Enterprise AI Application Platform

 Substantial Market Partner Ecosystem

 Recognized AI Market Leadership

 Proven Track Record of Success

 Veteran Disciplined Management Team

 High-Performance Corporate Culture

 Excellence in Execution

¹ Source: IDC's Worldwide Semiannual Artificial Intelligence Tracker, 2H20

Questions

 **C3.ai This is Enterprise AI.**

Appendix

Income Statement

	Three Months Ended							
	October 31, 2020	January 31, 2021	April 30, 2021	July 31, 2021	October 31, 2021	January 31, 2022	April 30, 2022	July 31, 2022
Revenue								
Subscription	\$ 35,854	\$ 42,699	\$ 43,118	\$ 46,122	\$ 47,408	\$ 57,084	\$ 56,302	\$ 57,026
Professional services	5,487	6,410	9,166	6,284	10,855	12,689	16,015	8,282
Total Revenue	41,341	49,109	52,284	52,406	58,263	69,773	72,317	65,308
Cost of revenue								
Subscription (1)(2)	7,084	7,023	8,621	9,213	11,392	12,275	12,958	14,092
Professional services (1)(2)	2,997	5,203	3,091	3,812	4,579	5,079	4,405	4,314
Total cost of revenue	10,081	12,226	11,712	13,025	15,971	17,354	17,363	18,406
Gross profit	31,260	36,883	40,572	39,381	42,292	52,419	54,954	46,902
Operating expenses								
Sales and marketing (1)(2)	22,088	28,450	32,093	36,822	46,166	43,146	47,450	42,987
Research and development (1)(2)	16,134	18,748	20,711	26,712	36,523	40,931	46,378	55,877
General and administrative (1)(2)	7,562	8,184	11,676	12,364	15,279	15,748	17,649	21,247
Total operating expenses	45,784	55,382	64,480	75,898	97,968	99,825	111,477	120,111
Loss from operations	(14,524)	(18,499)	(23,908)	(36,517)	(55,676)	(47,406)	(56,523)	(73,209)
Interest income	288	129	258	345	322	410	750	2,538
Other (expense) income, net	(578)	1,721	(152)	(899)	(1,372)	7,742	(2,452)	(1,021)
Net income (loss) before provision for income taxes	(14,814)	(16,649)	(23,802)	(37,071)	(56,726)	(39,254)	(58,225)	(71,692)
Provision for income taxes	130	203	248	388	13	193	195	179
Net income (loss)	\$ (14,944)	\$ (16,852)	\$ (24,050)	\$ (37,459)	\$ (56,739)	\$ (39,447)	\$ (58,420)	\$ (71,871)

(1) Includes stock-based compensation expense as follows:

	Three months ended							
	October 31, 2020	January 31, 2021	April 30, 2021	July 31, 2021	October 31, 2021	January 31, 2022	April 30, 2022	July 31, 2022
Cost of subscription	\$ 159	\$ 214	\$ 271	\$ 821	\$ 2,364	\$ 2,639	\$ 2,814	\$ 4,272
Cost of professional services	89	164	76	602	685	704	719	1,071
Sales and marketing	2190	2790	3,245	6,135	13,555	8,850	11,804	16,779
Research and development	648	846	997	2,758	10,256	12,846	13,340	25,217
General and administrative	2115	2575	2,881	3,596	5,680	6,322	6,951	9,291
Total stock-based compensation expense	\$ 5,201	\$ 6,589	\$ 7,470	\$ 13,912	\$ 32,540	\$ 31,361	\$ 35,628	\$ 56,630

(2) Includes employer payroll tax expense related to stock-based compensation as follows:

	Three months ended							
	October 31, 2020	January 31, 2021	April 30, 2021	July 31, 2021	October 31, 2021	January 31, 2022	April 30, 2022	July 31, 2022
Cost of subscription	\$ —	\$ —	\$ 30	\$ —	\$ —	\$ 7	\$ 35	\$ 286
Cost of professional services	—	—	3	65	—	1	6	100
Sales and marketing	—	—	338	301	215	202	42	530
Research and development	—	—	353	182	217	38	72	943
General and administrative	—	—	271	307	151	108	23	183
Total employer payroll tax expense	\$ —	\$ —	\$ 995	\$ 855	\$ 583	\$ 356	\$ 178	\$ 2042

GAAP to Non-GAAP Reconciliations

	Three Months Ended							
	October 31, 2020	January 31, 2021	April 30, 2021	July 31, 2021	October 31, 2021	January 31, 2022	April 30, 2022	July 31, 2022
Subscription revenue	\$ 35,854	\$ 42,699	\$ 43,118	\$ 46,122	\$ 47,408	\$ 57,084	\$ 56,302	\$ 57,026
Professional services revenue	5,487	6,410	9,166	6,284	10,855	12,689	16,015	8,282
Total Revenue	41,341	49,109	52,284	52,406	58,263	69,773	72,317	65,308
GAAP cost of subscription revenue	7,084	7,023	8,621	9,213	11,392	12,275	12,958	14,092
Stock-based compensation	159	214	271	821	2,364	2,639	2,814	4,272
Employer payroll tax expense related to employee stock-based compensation	—	—	30	—	—	7	35	286
Non-GAAP cost of subscription revenue	6,925	6,809	8,320	8,392	9,028	9,629	10,109	9,534
GAAP cost of professional services revenue	2,997	5,203	3,091	3,812	4,579	5,079	4,405	4,314
Stock-based compensation	89	164	76	602	685	704	719	1,071
Employer payroll tax expense related to employee stock-based compensation	—	—	3	65	—	1	6	100
Non-GAAP cost of professional services revenue	2,908	5,039	3,012	3,145	3,894	4,374	3,680	3,143
GAAP sales and marketing expense	22,088	28,450	32,093	36,822	46,166	43,146	47,450	42,987
Stock-based compensation	2,190	2,790	3,245	6,135	13,555	8,850	11,804	16,779
Employer payroll tax expense related to employee stock-based compensation	—	—	338	301	215	202	42	530
Non-GAAP sales and marketing expense	19,898	25,660	28,510	30,386	32,396	34,094	35,604	25,678
GAAP research and development expense	16,134	18,748	20,711	26,712	36,523	40,931	46,378	55,877
Stock-based compensation	648	846	997	2,758	10,256	12,846	13,340	25,217
Employer payroll tax expense related to employee stock-based compensation	—	—	353	182	217	38	72	943
Non-GAAP research and development expense	15,486	17,902	19,361	23,772	26,050	28,047	32,966	29,717
GAAP general and administrative expense	7,562	8,184	11,676	12,364	15,279	15,748	17,649	21,247
Stock-based compensation	2,115	2,575	2,881	3,596	5,680	6,322	6,951	9,291
Employer payroll tax expense related to employee stock-based compensation	—	—	271	307	151	108	23	183
Non-GAAP general and administrative expense	5,447	5,609	8,524	8,461	9,448	9,318	10,675	11,773
Gross profit on a GAAP basis	\$ 31,260	\$ 36,883	\$ 40,572	\$ 39,381	\$ 42,292	\$ 52,419	\$ 54,954	\$ 46,902
Stock-based compensation	248	378	347	1,423	3,049	3,343	3,533	5,343
Employer payroll tax expense related to employee stock-based compensation	—	—	33	65	—	8	41	386
Gross profit on a non-GAAP basis	31,508	37,261	40,952	40,869	45,341	55,770	58,528	52,631
Gross margin on a GAAP basis	76 %	75 %	78 %	75 %	73 %	75 %	76 %	72 %
Gross margin on a non-GAAP basis	76 %	76 %	78 %	78 %	78 %	80 %	81 %	81 %
Loss from operations on a GAAP basis	(14,524)	(18,499)	(23,908)	(36,517)	(55,676)	(47,406)	(56,523)	(73,209)
Stock-based compensation expense	5,201	6,589	7,470	13,912	32,540	31,361	35,628	56,630
Employer payroll tax expense related to employee stock-based compensation	—	—	995	855	583	356	178	2,042
Loss from operations on a non-GAAP basis	\$ (9,323)	\$ (11,910)	\$ (15,443)	\$ (21,750)	\$ (22,553)	\$ (15,689)	\$ (20,717)	\$ (14,537)
Operating margin on a GAAP basis	-35 %	-38 %	-46 %	-70 %	-96 %	-68 %	-78 %	-112 %
Operating margin on a non-GAAP basis	-23 %	-24 %	-30 %	-42 %	-39 %	-22 %	-29 %	-22 %
RPO	\$ 267,352	\$ 247,451	\$ 293,836	\$ 290,613	\$ 465,526	\$ 469,276	\$ 477,421	\$ 458,209
Cancellable amount of contract value	37,119	48,405	51,252	66,638	63,766	67,454	39,396	38,626
Non-GAAP RPO	\$ 304,471	\$ 295,856	\$ 345,088	\$ 357,251	\$ 529,292	\$ 536,730	\$ 516,817	\$ 496,835

Other Metrics

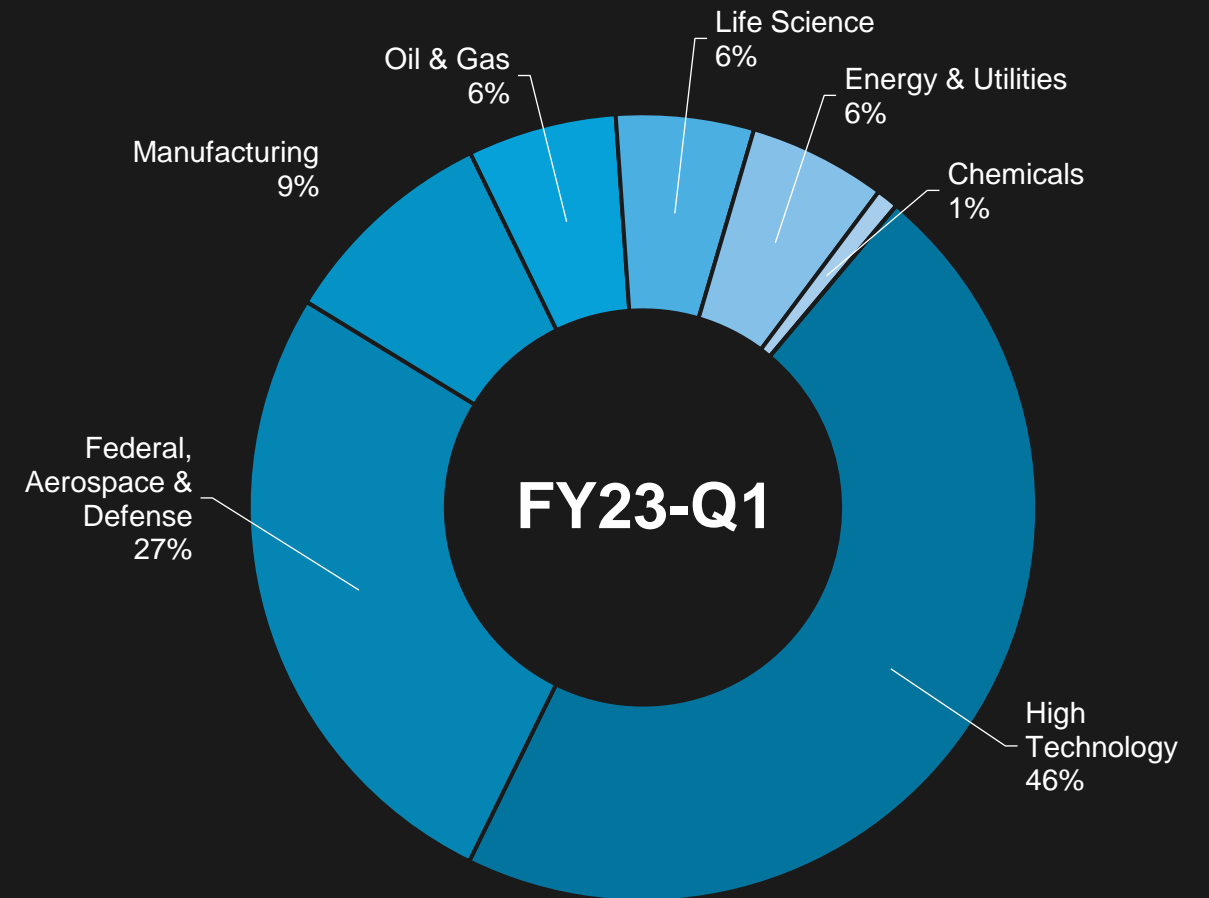
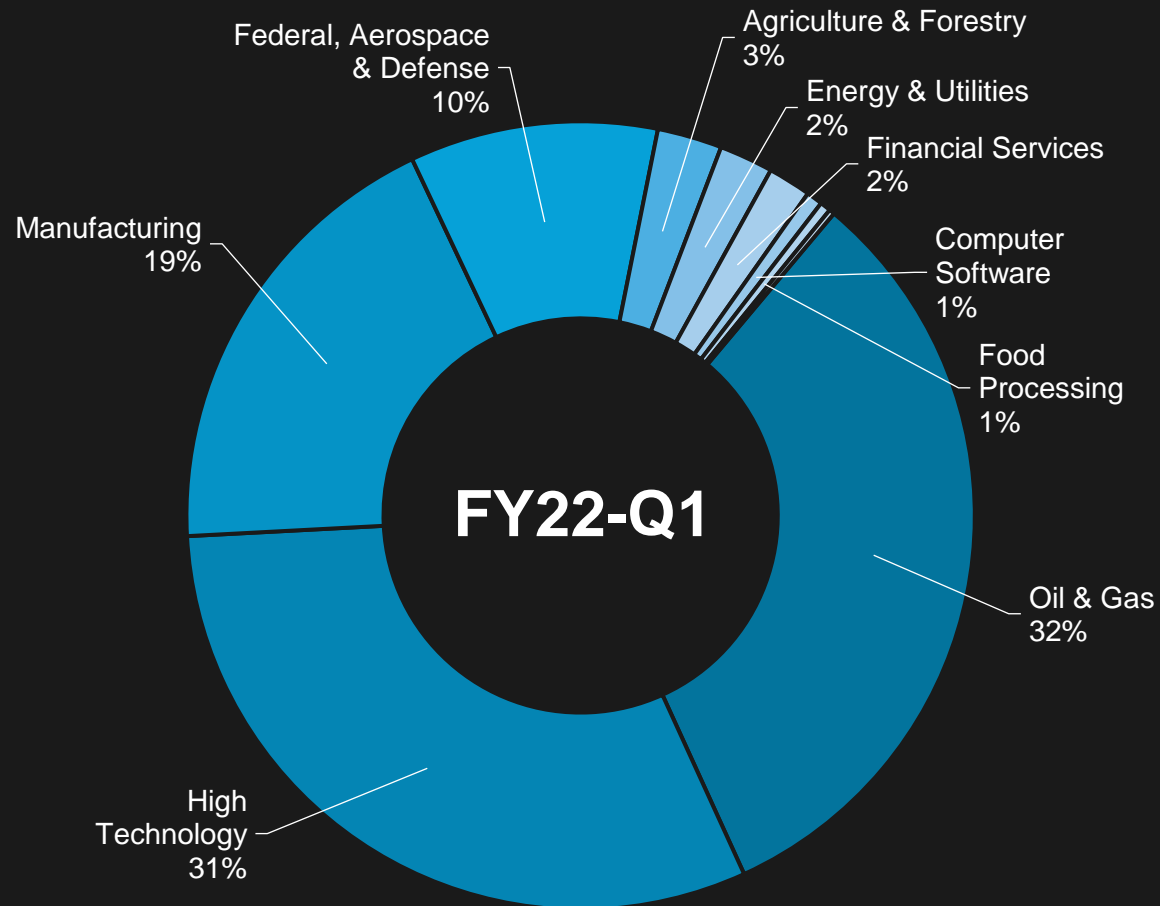
	July 31, 2021	October 31, 2021	January 31, 2022	April 30, 2022	July 31, 2022
Customer Count	180	203	218	223	228

We count as a Customer each distinct division, department, business unit, or group within a Customer-Entity that uses our product(s). In situations where our Customer (or Customer-Entity) has developed software using our C3 AI Application Platform or developed derivative works of our C3 AI Applications and has sold that software or service to its end customer(s), we also include such end customers in our Customer count. In addition, where our software is sold to a third-party under a reseller arrangement, we include the end customer of such arrangement in our Customer count. We only count Customers for which there is revenue in the period through a Customer-Entity contract. We exclude free trials from both our Customer counts.

Current RPO and BH related RPO

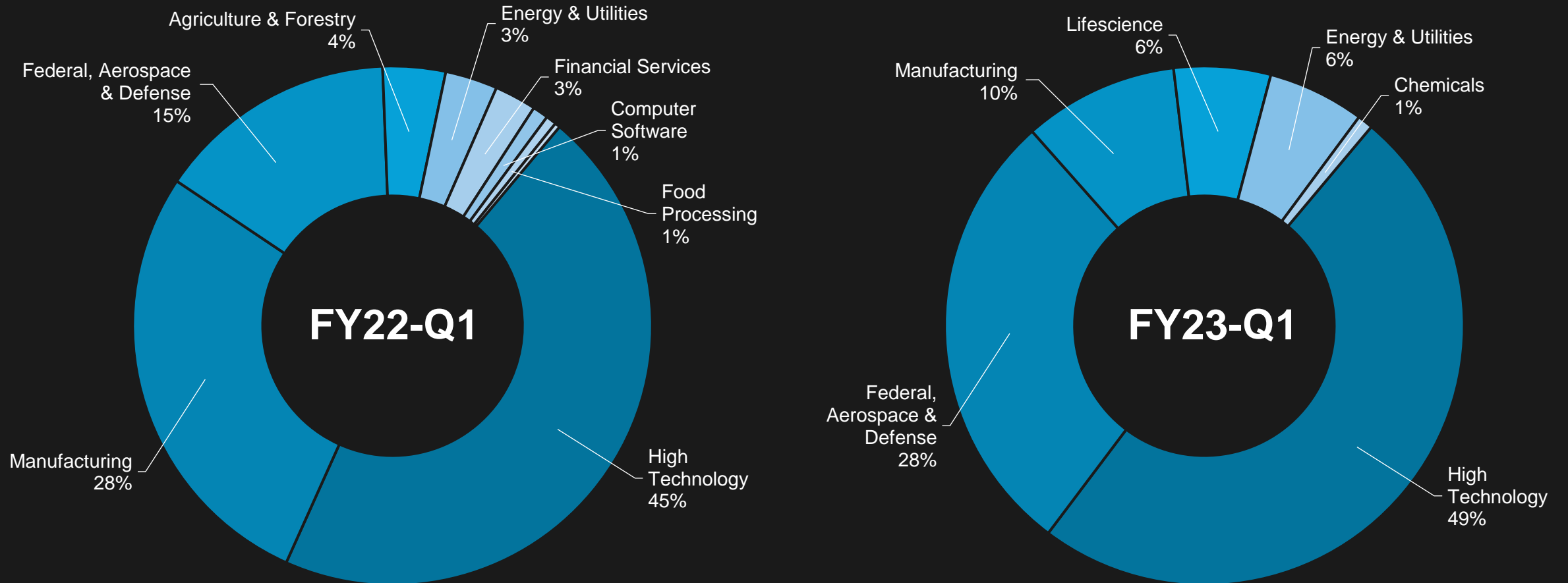
- Revenue expected to be recognized from remaining performance obligations was approximately \$458.2 million as of July 31, 2022 of which \$173.5 million is expected to be recognized over the next 12 months and the remainder thereafter.
- Our RPO related to Baker Hughes, which includes both direct subscriptions and reseller arrangements, is \$198.0 million.

Booking Diversity by Industry

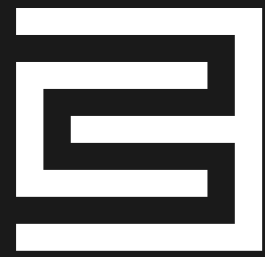


Note: Fiscal year ends April 30. Percentages are rounded for presentation purposes.

Booking Diversity by Industry (excluding Oil and Gas)



Note: Fiscal year ends April 30. Percentages are rounded for presentation purposes.



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