UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended March 31, 2023

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to

Commission File Number: 001-40550

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

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

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

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

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

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☐	Accelerated filer	☒
Non-accelerated filer	☐	Smaller reporting company	☐
Emerging growth company	☒		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of April 30, 2023, the registrant had 65,400,614 shares of common stock, $0.001 par value per share, outstanding.

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CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q, and the information incorporated herein by reference, particularly in the sections captioned "Risk Factors" under Part II, Item 1A, "Management's Discussion and Analysis of Financial Condition and Results of Operations" under Part I, Item 2, contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, or the Securities Act, and Section 21E of the Securities Exchange Act of 1934, as amended, or the Exchange Act, that are based on our management's beliefs and assumptions and on information currently available to our management. Forward-looking statements are inherently subject to risks and uncertainties, some of which cannot be predicted or quantified. All statements other than statements of historical facts contained in this Quarterly Report on Form 10-Q are forward-looking statements, including statements about:

- our ability to continue our growth at or near historical rates;
- our future financial performance and ability to be profitable;
- the effect of global events, such as outbreaks, epidemics, or pandemics involving public health, including the COVID-19 pandemic, and Russia's invasion of Ukraine, on the U.S. and global economies, our business, our employees, results of operations, financial condition, demand for our products, sales and implementation cycles, and the health of our clients' and partners' businesses;
- our ability to prevent and respond to data breaches, unauthorized access to client data or other disruptions of our solutions;
- our ability to effectively manage U.S. and global market and economic conditions, including inflationary pressures, economic and market downturns and volatility in the financial services industry, particularly adverse to our targeted industries;
- the length and variability of our sales cycle;
- our ability to attract and retain customers;
- our ability to attract and retain talent;
- our ability to compete in highly competitive markets;
- our ability to manage additional complexity, burdens, and volatility in connection with our international sales and operations;
- our ability to incur indebtedness in the future and the effect of conditions in credit markets;
- the sufficiency of our cash and cash equivalents to meet our liquidity needs; and
- our ability to maintain, protect, and enhance our intellectual property rights.

We caution you that the foregoing list may not contain all of the forward-looking statements made in this Quarterly Report on Form 10-Q. In some cases, you can identify forward-looking statements by the words "anticipate," "believe," "continue," "could," "estimate," "expect," "intend," "may," "might," "objective," "ongoing," "plan," "predict," "project," "potential," "should," "will," or "would," or the negative of these terms, or other comparable terminology intended to identify statements about the future. These statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, levels of activity, performance or achievements to be materially different from the information expressed or implied by these forward-looking statements.

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

You should read the section titled "Risk Factors" set forth in Part II, Item 1A of this Quarterly Report on Form 10-Q and in Part I, Item 1A. Risk Factors of our Annual Report on Form 10-K for the fiscal year ended June 30, 2022 for a discussion of important factors that may cause our actual results to differ materially from those expressed or implied by our forward-looking statements. Moreover, we operate in an evolving environment. New risk factors and uncertainties may emerge from time to time, and it is not possible for management to predict all risk factors and uncertainties. As a result of these factors, we cannot assure you that the forward-looking statements in this Quarterly Report on Form 10-Q will prove to be accurate. Except as required by applicable law, we do not plan to publicly update or revise any forward-looking statements contained herein, whether as a result of any new information, future events, changed circumstances or otherwise.

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

PART I—FINANCIAL INFORMATION

Item 1. Financial Statements

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

	March 31, 2023	June 30, 2022
Assets		
Current assets:		
Cash and cash equivalents	$ 53,159	$ 50,783
Restricted cash	807	3,528
Accounts receivable, net of allowance for doubtful accounts of $1,734 and $918 as of March 31, 2023 and June 30, 2022, respectively	68,397	66,947
Unbilled receivables, net	12,642	6,763
Other receivables, net	1,158	3,199
Prepaid expenses	8,637	5,984
Deferred commissions, current	11,240	10,187
Total current assets	156,040	147,391
Property and equipment, net	15,495	12,283
Operating lease right-of-use assets	15,784	—
Goodwill	270,043	269,103
Intangible assets, net	40,338	48,430
Deferred commissions, noncurrent	15,818	14,755
Other assets	1,828	2,451
Total assets	$ 515,346	$ 494,413
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	$ 4,697	$ 4,220
Accrued compensation	33,824	40,004
Accrued expenses	9,749	8,774
Deferred revenue, net	165,885	142,768
Other current liabilities	13,095	27,753
Total current liabilities	227,250	223,519
Deferred tax liabilities	1,647	2,099
Deferred revenue, noncurrent	1,852	2,712
Operating lease liabilities, noncurrent	16,172	—
Other liabilities	3,530	10,201
Total liabilities	250,451	238,531
Commitments and contingencies (Note 8)		
Stockholders' equity:		
Preferred stock, $0.001 par value per share, 50,000 shares authorized; no shares issued or outstanding	—	—
Common stock, $0.001 par value per share, 700,000 shares authorized; 65,221 and 62,739 shares issued and outstanding as of March 31, 2023 and June 30, 2022, respectively	65	63
Additional paid-in capital	710,040	643,227
Accumulated other comprehensive loss	(1,519)	(1,672)
Accumulated deficit	(443,691)	(385,736)
Total stockholders' equity	264,895	255,882
Total liabilities and stockholders' equity	$ 515,346	$ 494,413

See accompanying notes to unaudited condensed consolidated financial statements.

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

	Three Months Ended March 31,		Nine Months Ended March 31,	
	2023	**2022**	**2023**	**2022**
Revenues				
SaaS and support	$ 66,051	$ 49,808	$ 184,469	$ 140,267
Subscription license	13,577	10,904	36,804	30,811
Total recurring revenues	79,628	60,712	221,273	171,078
Professional services	12,396	8,951	34,981	25,472
Total revenues	92,024	69,663	256,254	196,550
Cost of revenues				
SaaS and support	13,644	13,490	38,498	37,007
Total cost of recurring revenues	13,644	13,490	38,498	37,007
Professional services	14,846	12,510	42,111	34,922
Total cost of revenues	28,490	26,000	80,609	71,929
Gross profit	63,534	43,663	175,645	124,621
Operating expenses:				
Research and development	25,281	20,425	68,352	54,781
Sales and marketing	34,946	28,759	99,796	81,244
General and administrative	21,552	23,175	62,715	65,222
Lease modification and impairment	—	—	1,601	—
Total operating expenses	81,779	72,359	232,464	201,247
Operating loss	(18,245)	(28,696)	(56,819)	(76,626)
Loss on debt extinguishment	—	—	—	(2,407)
Interest expense	(39)	(39)	(117)	(236)
Other income (expense), net	(214)	(272)	(719)	188
Net loss before income taxes	(18,498)	(29,007)	(57,655)	(79,081)
Income tax benefit (expense)	351	271	(300)	990
Net loss	$ (18,147)	$ (28,736)	$ (57,955)	$ (78,091)
Net loss per share, basic and diluted	$ (0.28)	$ (0.47)	$ (0.91)	$ (1.28)
Weighted-average shares used to compute net loss per share, basic and diluted	64,327	61,564	63,487	60,868

See accompanying notes to unaudited condensed consolidated financial statements.

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

	Three Months Ended March 31,		Nine Months Ended March 31,	
	2023	2022	2023	2022
Net loss	$ (18,147)	$ (28,736)	$ (57,955)	$ (78,091)
Other comprehensive income (loss):				
Foreign currency translation adjustments	180	(265)	153	(502)
Other comprehensive income (loss)	180	(265)	153	(502)
Comprehensive loss	$ (17,967)	$ (29,001)	$ (57,802)	$ (78,593)

See accompanying notes to unaudited condensed consolidated financial statements.

INTAPP, INC.

CONDENSED CONSOLIDATED STATEMENTS OF CONVERTIBLE PREFERRED STOCK AND STOCKHOLDERS' EQUITY (DEFICIT)

(in thousands)

(unaudited)

	Three Months Ended March 31, 2023					
	Common Stock		Additional Paid-in Capital	Accumulated Other Comprehensive Loss	Accumulated Deficit	Total Stockholders' Equity
	Shares	Amount				
Balance as of December 31, 2022	63,651	$ 64	$ 680,035	$ (1,699)	$ (425,544)	$ 252,856
Issuance of common stock upon exercise of stock options	1,108	1	11,246	—	—	11,247
Vesting of performance stock units and restricted stock units	462	—	—	—	—	—
Issuance of common stock under employee stock purchase plan	—	—	—	—	—	—
Stock-based compensation	—	—	18,759	—	—	18,759
Foreign currency translation adjustments	—	—	—	180	—	180
Net loss	—	—	—	—	(18,147)	(18,147)
Balance as of March 31, 2023	65,221	$ 65	$ 710,040	$ (1,519)	$ (443,691)	$ 264,895

	Three Months Ended March 31, 2022					
	Common Stock		Additional Paid-in Capital	Accumulated Other Comprehensive Loss	Accumulated Deficit	Total Stockholders' Equity
	Shares	Amount				
Balance as of December 31, 2021	61,149	$ 61	$ 599,401	$ (731)	$ (335,413)	$ 263,318
Issuance of common stock upon exercise of stock options	709	1	4,186	—	—	4,187
Vesting of performance stock units and restricted stock units, net of shares withheld for taxes	293	—	(3,924)	—	—	(3,924)
Stock-based compensation	—	—	22,827	—	—	22,827
Foreign currency translation adjustments	—	—	—	(265)	—	(265)
Net loss	—	—	—	—	(28,736)	(28,736)
Balance as of March 31, 2022	62,151	$ 62	$ 622,490	$ (996)	$ (364,149)	$ 257,407

INTAPP, INC.

CONDENSED CONSOLIDATED STATEMENTS OF CONVERTIBLE PREFERRED STOCK AND STOCKHOLDERS' EQUITY (DEFICIT)

(in thousands)
(unaudited)

	Nine Months Ended March 31, 2023						
	Common stock		Additional Paid-in Capital	Accumulated Other Comprehensive Loss	Accumulated Deficit	Total Stockholders' Equity
	Shares	Amount				
Balance as of June 30, 2022	62,739	$ 63	$ 643,227	$ (1,672)	$ (385,736)	$ 255,882
Issuance of common stock upon exercise of stock options	1,531	2	15,725	—	—	15,727
Vesting of performance stock units and restricted stock units, net of shares withheld for taxes	885	—	(4,948)	—	—	(4,948)
Issuance of common stock under employee stock purchase plan	66	—	1,241	—	—	1,241
Stock-based compensation	—	—	54,795	—	—	54,795
Foreign currency translation adjustments	—	—	—	153	—	153
Net loss	—	—	—	—	(57,955)	(57,955)
Balance as of March 31, 2023	65,221	$ 65	$ 710,040	$ (1,519)	$ (443,691)	$ 264,895

	Nine Months Ended March 31, 2022								
	Convertible Preferred Stock		Common Stock		Additional Paid-in Capital	Accumulated Other Comprehensive Loss	Accumulated Deficit	Total Stockholders' Equity (Deficit)
	Shares	Amount	Shares	Amount				
Balance as of June 30, 2021	19,034	$ 144,148	29,445	$ 29	$ 128,943	$ (494)	$ (286,058)	$ (157,580)
Conversion of convertible preferred stock to common stock upon initial public offering	(19,034)	(144,148)	19,034	19	144,129	—	—	144,148
Issuance of common stock upon initial public offering, net of offering costs of $9,767	—	—	12,075	12	282,979	—	—	282,991
Issuance of common stock upon exercise of stock options	—	—	1,304	2	8,068	—	—	8,070
Vesting of performance stock units and restricted stock units, net of shares withheld for taxes	—	—	293	—	(3,924)	—	—	(3,924)
Stock-based compensation	—	—	—	—	62,295	—	—	62,295
Foreign currency translation adjustments	—	—	—	—	—	(502)	—	(502)
Net loss	—	—	—	—	—	—	(78,091)	(78,091)
Balance as of March 31, 2022	—	$ —	62,151	$ 62	$ 622,490	$ (996)	$ (364,149)	$ 257,407

See accompanying notes to unaudited condensed consolidated financial statements.

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

	Nine Months Ended March 31,	
	2023	2022
Cash Flows from Operating Activities:		
Net loss	$ (57,955)	$ (78,091)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation and amortization	11,406	12,510
Amortization of deferred financing costs	115	75
Amortization of operating lease right-of-use assets	3,510	—
Provision for doubtful accounts	1,402	804
Stock-based compensation	54,795	62,295
Lease modification and impairment	1,601	—
Loss on debt extinguishment	—	2,407
Change in fair value of contingent consideration, including unrealized foreign exchange gain	(873)	(364)
Payment of contingent consideration in excess of acquisition date fair value	—	(279)
Deferred income taxes	(452)	(1,084)
Other	—	32
Changes in operating assets and liabilities:		
Accounts receivable	(2,370)	557
Unbilled receivables, current	(5,879)	(1,694)
Prepaid expenses and other assets	214	782
Deferred commissions	(2,116)	(3,962)
Accounts payable and accrued liabilities	(5,472)	2,108
Deferred revenue, net	22,257	13,525
Operating lease liabilities	(4,594)	—
Other liabilities	1,245	(5,051)
Net cash provided by operating activities	16,834	4,570
Cash Flows from Investing Activities:		
Purchases of property and equipment	(2,054)	(281)
Capitalized internal-use software costs	(3,876)	(3,052)
Investment in note receivable	(500)	—
Net cash used in investing activities	(6,430)	(3,333)
Cash Flows from Financing Activities:		
Payments on borrowings	—	(278,000)
Proceeds from initial public offering, net of underwriting discounts	—	292,758
Payments for deferred offering costs	(57)	(4,358)
Proceeds from stock option exercises	15,727	8,070
Proceeds from employee stock purchase plan	1,241	—
Payments related to tax withholding for vested equity awards	(4,948)	(3,913)
Payments of deferred contingent consideration and holdback associated with acquisitions	(22,290)	(10,435)
Payment of deferred financing costs	—	(769)
Net cash provided by (used in) financing activities	(10,327)	3,353
Effect of foreign currency exchange rate changes on cash and cash equivalents	(422)	160
Net increase (decrease) in cash, cash equivalents and restricted cash	(345)	4,750
Cash, cash equivalents and restricted cash - beginning of period	54,311	41,463
Cash, cash equivalents and restricted cash - end of period	$ 53,966	$ 46,213
Reconciliation of cash, cash equivalents and restricted cash to the condensed consolidated balance sheets:		
Cash and cash equivalents	$ 53,159	$ 42,685
Restricted cash	807	3,528
Total cash, cash equivalents and restricted cash	$ 53,966	$ 46,213
Supplemental Disclosures of Cash Flow Information:		
Cash paid for interest	$ 2	$ 5,950
Cash paid for income taxes	$ 1,570	$ 437
Non-cash investing and financing activities:		
Purchases of property and equipment in accounts payable and accrued liabilities	$ 186	$ 36
Capitalized internal-use software costs in accounts payable and accrued liabilities	$ 412	$ —
Deferred offering costs in accounts payable and accrued liabilities	$ 11	$ —
Conversion of convertible preferred stock to common stock upon initial public offering	$ —	$ 144,148

See accompanying notes to unaudited condensed consolidated financial statements.

Intapp, Inc.
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Note 1. Description of Business

Intapp, Inc. (“Intapp” or the “Company”), formerly known as LegalApp Holdings, Inc., was incorporated in Delaware on November 27, 2012 to facilitate the acquisition of Integration Appliance, Inc., which became a wholly owned subsidiary of Intapp, Inc. on December 21, 2012. LegalApp Holdings, Inc. changed its name to Intapp, Inc. in February 2021. Intapp has no significant assets or operations other than the ownership of Integration Appliance, Inc.

The Company is a leading provider of industry-specific, cloud-based software solutions for the global professional and financial services industry. The Company empowers private capital, investment banking, legal, accounting, and consulting firms with the technology they need to meet rapidly changing client, investor, and regulatory requirements, deliver the right insights to the right professionals, replace legacy systems, and operate more competitively. The Company serves clients primarily in the United States, United Kingdom and Australian markets. References to “the Company,” “us,” “we,” or “our” in these unaudited condensed consolidated financial statements refer to the consolidated operations of Intapp and its consolidated subsidiaries.

Initial Public Offering

On July 2, 2021, the Company completed its initial public offering (“IPO”), in which it sold 10,500,000 shares of common stock at a public offering price of $26.00 per share for net proceeds of $244.8 million after deducting underwriting discounts of $18.4 million and offering costs of $9.8 million. Upon the closing of the IPO, all outstanding shares of Series A and Series A-1 convertible preferred stock automatically converted into 19,034,437 shares of common stock on a one-for-one basis.

On July 8, 2021, the underwriters of the Company’s IPO exercised in full their right to purchase an additional 1,575,000 shares of common stock at the public offering price of $26.00 per share, resulting in additional net proceeds of $38.2 million after deducting underwriting discounts of $2.8 million.

Note 2. Summary of Significant Accounting Policies

Basis of Presentation and Principles of Consolidation

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with generally accepted accounting principles in the United States of America (“GAAP”) and the requirements of the U.S. Securities and Exchange Commission (the “SEC”) for interim reporting. Certain information and disclosures normally included in the financial statements prepared in accordance with GAAP have been condensed or omitted pursuant to such rules and regulations. Therefore, these unaudited condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements and notes included in the Company's Annual Report on Form 10-K for the fiscal year ended June 30, 2022 filed with the SEC on September 9, 2022. The unaudited condensed consolidated financial statements include accounts of the Company and its consolidated subsidiaries, after eliminating all inter-company transactions and balances.

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

Use of Estimates

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

Significant Accounting Policies

The Company's significant accounting policies are described in Note 2, *Summary of Significant Accounting Policies*, to the consolidated financial statements included in the Company's Annual Report on Form 10-K for the fiscal year ended June 30, 2022. Except for the accounting policy for leases, which was updated as a result of adopting a new accounting standard, there have been no material changes to the significant accounting policies during the three and nine months ended March 31, 2023.

See "Recently Adopted Accounting Pronouncements" below for additional information on the impact of the adoption of the new accounting standard for leases on the Company's condensed consolidated financial statements.

Revenue Recognition

The Company's revenues are derived from contracts with our clients. The majority of the Company's revenues are derived from the sale of our software as a service ("SaaS") solutions and subscriptions to our term software applications, including support services, as well as the provision of professional services for the implementation of our solutions. The Company accounts for revenues in accordance with Accounting Standards Codification 606, Revenue from Contracts with Customers ("ASC 606"), which the Company adopted on July 1, 2020 using the full retrospective method of adoption.

The core principle of ASC 606 is to recognize revenues upon the transfer of control of services or products to customers in an amount that reflects the consideration the Company expects to be entitled to in exchange for those services or products. The Company applies the following framework to recognize revenues:

Identification of the contract, or contracts, with our clients

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

Identification of the performance obligation in the contract

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

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

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

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

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

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

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

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

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

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

Determination of the transaction price

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

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

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

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

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

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

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

Performance obligations satisfied at a point in time

Subscription licenses

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

Performance obligations satisfied over a period of time

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

SaaS and support

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

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

Professional services

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

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

Contract Modifications

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

Balance Sheet Presentation

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

- Accounts receivable, net represents amounts billed to clients in accordance with contract terms for which payment has not yet been received. It is presented net of the allowance for doubtful accounts as part of current assets in the consolidated balance sheets.
- Unbilled receivables, net represents amounts that are unbilled due to agreed-upon contractual terms in which billing occurs subsequent to revenue recognition. This generally occurs in multi-year subscription license arrangements where control of the software license is transferred at the inception of the contract, but the client is invoiced annually in advance over the term of the license. Unbilled receivables are presented net of the allowance for doubtful accounts, if applicable, in the consolidated balance sheets with the long-term portion included in other assets. Under ASC 606, these balances represent contract assets.
- Contract costs consist principally of client acquisition costs (sales commissions). The Company classifies deferred commissions as current or non-current on our consolidated balance sheets based on the timing of when the Company expects to recognize the expense.
- Deferred revenue, net represents amounts that have been invoiced to the client for which the Company has the right to invoice, but that have not been recognized as revenues because the related products or services have not been transferred to the client. Deferred revenue that will be realized within twelve months of the balance sheet date is classified as current. The remaining deferred revenue is presented as non-current. Under ASC 606, these balances represent contract liabilities.

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

Concentrations of Credit Risk and Significant Clients

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

No client individually accounted for 10% or more of the Company's revenues for any of the three and nine months ended March 31, 2023 and 2022. As of March 31, 2023, no client individually accounted for 10% or more of the Company's total accounts receivable. As of June 30, 2022, one client individually accounted for 20% of the Company's total accounts receivable.

Leases

The Company leases its office space under non-cancelable operating lease agreements with expiration dates through 2030. The Company determines whether an arrangement constitutes a lease and records lease liabilities and right-of-use (ROU) assets on its unaudited condensed consolidated balance sheets at the lease commencement date. Lease liabilities are measured based on the present value of the total lease payments not yet paid, discounted based on either the rate implicit in the lease or the Company's incremental borrowing rate, whichever is more readily determinable. Lease liabilities due within 12 months are included within other current liabilities on the Company's unaudited condensed consolidated balance sheets. The incremental borrowing rate is based on an estimate of the Company's expected senior unsecured borrowing rate based on synthetic credit rating, adjusted for collateralization. ROU assets are measured based on the corresponding lease liability adjusted for (i) payments made to the lessor at or before the lease commencement date, (ii) initial direct costs incurred, and (iii) tenant incentives received, incurred or payable under the lease. Recognition of rent expense begins when the lessor makes the underlying asset available to the Company.

The Company does not assume renewals or early terminations of its leases unless it is reasonably certain to exercise these options at commencement and does not allocate consideration between lease and non-lease components. For short-term leases, the Company records rent expense in its unaudited condensed consolidated statements of operations on a straight-line basis over the lease term and records variable lease payments as incurred.

ROU assets are evaluated for impairment whenever events or changes in the circumstances indicate that the carrying amount may not be recoverable.

Recent Accounting Pronouncements

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

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

Recently Adopted Accounting Pronouncements

In February 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update (“ASU”) No. 2016-02, *Leases (ASC 842)*. The guidance requires lessees to put most leases on their balance sheets but recognize the expenses on their income statements in a manner similar to current practice. The guidance states that a lessee would recognize a lease liability for the obligation to make lease payments and a ROU asset for the right to use the underlying asset for the lease term. The Company adopted this guidance on July 1, 2022 using the optional transition method under the modified retrospective approach under which the results for the comparative prior periods were not restated.

The Company elected the package of transitional practical expedients, which allows the Company not to reassess under the new guidance our prior conclusions about lease identification, lease classification and initial direct costs, for any existing leases on the adoption date. The Company elected to combine the lease and non-lease components for all asset classes. The Company also elected not to record leases that, at the commencement date, have a lease term of 12 months or less. The Company did not elect to apply the hindsight practical expedient when determining lease term and assessing impairment of its ROU assets.

The Company elected to determine the discount rate for existing leases based on the remaining lease term and remaining minimum lease payments as of the adoption date.

Upon the adoption of ASC 842, the Company recognized ROU assets of $21.3 million with corresponding lease liabilities of $24.7 million on the unaudited condensed consolidated balance sheet. The ROU assets are net of adjustments of $3.4 million consisting of prepayments, deferred rent and accrued lease incentives related to its operating leases as of the adoption date.

See Note 7 *Leases* in the Notes to unaudited condensed consolidated financial statements for additional information.

In December 2019, the FASB issued ASU No. 2019-12, *Income Taxes (ASC 740): Simplifying the Accounting for Income Taxes*, which is intended to simplify the accounting for income taxes by removing certain exceptions and by updating accounting requirements around franchise taxes, goodwill recognized for tax purposes, the allocation of current and deferred tax expense among legal entities, among other minor changes. Most amendments within the standard are required to be applied on a prospective basis, while certain amendments must be applied on a retrospective or modified retrospective basis. The Company adopted this standard effective July 1, 2022. The adoption did not have a material impact on its condensed consolidated financial statements.

Accounting Pronouncements Not Yet Adopted

In June 2016, the FASB issued ASU No. 2016-13, *Financial Instruments – Credit Losses*, which requires the establishment of an allowance for estimated credit losses on financial assets, including trade and other receivables, at each reporting date. The guidance is effective for the Company beginning July 1, 2023. The Company is currently evaluating the impact of the adoption on its consolidated financial statements.

Note 3. Revenues

Disaggregation of Revenues

Revenues by geography were as follows (in thousands):

	Three Months Ended March 31,		Nine Months Ended March 31,	
	2023	2022	2023	2022
United States	$ 64,666	$ 49,002	$ 178,205	$ 136,107
United Kingdom	13,506	10,043	40,029	33,363
Rest of the world	13,852	10,618	38,020	27,080
Total	$ 92,024	$ 69,663	$ 256,254	$ 196,550

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

Contract balances

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

	March 31, 2023	June 30, 2022
Unbilled accounts receivable, net[(1)]	$ 12,714	$ 6,922
Deferred revenue, net	167,737	145,480

(1) The long-term portion of $72 and $159 as of March 31, 2023 and June 30, 2022, respectively, is included in other assets.

There was no allowance for doubtful accounts associated with unbilled receivables as of March 31, 2023 and June 30, 2022. During the nine months ended March 31, 2023, the Company recognized $125.2 million in revenue pertaining to deferred revenue as of June 30, 2022.

Performance Obligations

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

As of March 31, 2023, approximately $380.3 million of revenues is expected to be recognized from remaining performance obligations with approximately 62% over the next 12 months and the remainder thereafter.

Note 4. Goodwill and Intangible Assets

Goodwill

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

	Nine Months Ended March 31,	
	2023	2022
Balance, beginning of period	$ 269,103	$ 262,270
Purchase price adjustment	784	—
Foreign currency translation adjustment	156	(479)
Balance, end of period	$ 270,043	$ 261,791

During the nine months ended March 31, 2023, the Company recognized a purchase price adjustment of $0.8 million related to the Billstream acquisition that occurred in June 2022, which increased goodwill and deferred consideration.

Intangible Assets

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

	March 31, 2023			
	Useful Life (In years)	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Client relationships	9 to 15	$ 47,600	$ (23,192)	$ 24,408
Non-compete agreements	4 to 5	4,407	(3,234)	1,173
Trademarks and trade names	Indefinite	4,683	—	4,683
Trademarks and trade names	5 to 10	7,822	(5,000)	2,822
Core technology	4 to 5	49,219	(42,266)	6,953
Backlog	2	500	(201)	299
Intangible assets, net		$ 114,231	$ (73,893)	$ 40,338

	June 30, 2022			
	Useful Life (In years)	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Client relationships	9 to 15	$ 47,600	$ (19,789)	$ 27,811
Non-compete agreements	4 to 5	4,407	(2,871)	1,536
Trademarks and trade names	Indefinite	4,683	—	4,683
Trademarks and trade names	5 to 10	7,822	(4,190)	3,632
Core technology	4 to 5	49,219	(38,936)	10,283
Backlog	2	500	(15)	485
Intangible assets, net		$ 114,231	$ (65,801)	$ 48,430

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

	Three Months Ended March 31,		Nine Months Ended March 31,	
	2023	2022	2023	2022
Cost of SaaS and support	$ 918	$ 1,964	$ 3,331	$ 5,891
Sales and marketing	1,467	1,448	4,398	3,927
General and administrative	120	106	363	319
Total amortization expense	$ 2,505	$ 3,518	$ 8,092	$ 10,137

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

Fiscal Year Ending June 30,	Amount
2023 (remaining 3 months)	$ 2,506
2024	9,104
2025	6,451
2026	4,271
2027	4,245
2028 and thereafter	9,078
Total remaining amortization	$ 35,655

Note 5. Fair Value Measurements

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

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

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

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

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

	March 31, 2023			
	Level 1	Level 2	Level 3	Total
Liabilities:				
Liability for contingent consideration, current portion	—	—	3,253	3,253
Total	$ —	$ —	$ 3,253	$ 3,253

	June 30, 2022			
	Level 1	Level 2	Level 3	Total
Liabilities:				
Liability for contingent consideration, current portion	$ —	$ —	$ 9,709	$ 9,709
Liability for contingent consideration, non-current portion	—	—	4,126	4,126
Total	$ —	$ —	$ 13,835	$ 13,835

In connection with the acquisition of Repstor, Limited ("Repstor") in June 2021, the Company recorded contingent consideration liabilities representing the amounts payable to former Repstor shareholders based upon the achievement of certain performance measures. During the nine months ended March 31, 2023, the Company paid $9.3 million in full consideration for the remaining contingent consideration.

In connection with the acquisition of Billstream in June 2022, the Company recorded $4.1 million on the acquisition date for the estimated fair value of the contingent consideration. The fair value was measured based on the probability of achieving certain performance measures pursuant to the acquisition agreement. The liability was included in other liabilities on the audited consolidated balance sheet as of June 30, 2022. As of March 31, 2023, the fair value of the contingent consideration was re-measured at $3.3 million and reclassified to other current liabilities.

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

Changes in the fair value of contingent consideration liabilities during the nine months ended March 31, 2023 were as follows (in thousands):

	Amount
Balance as of June 30, 2022	$ 13,835
Payment of contingent consideration	(9,299)
Change in fair value of contingent consideration	(873)
Effect of foreign currency exchange rate changes	(410)
Balance as of March 31, 2023	$ 3,253

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

Note 6. Property and Equipment

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

	March 31, 2023	June 30, 2022
Computer equipment and software	$ 1,887	$ 1,197
Capitalized internal-use software	15,364	11,076
Furniture and office equipment	2,433	1,959
Leasehold improvements	5,887	5,284
Construction in progress	310	281
Total property and equipment	25,881	19,797
Less: accumulated depreciation and amortization	(10,386)	(7,514)
Property and equipment, net	$ 15,495	$ 12,283

Depreciation expense, excluding the amortization of capitalized internal-use software development costs, was $0.4 million for each of the three months ended March 31, 2023 and 2022, and was $1.2 million and $1.0 million for the nine months ended March 31, 2023 and 2022, respectively.

The Company capitalized $4.3 million and $3.1 million of costs related to software developed for internal use during the nine months ended March 31, 2023 and 2022, respectively. Amortization expense related to capitalized internal-use software was $0.8 million and $0.5 million for the three months ended March 31, 2023 and 2022, respectively, and was $2.1 million and $1.4 million for the nine months ended March 31, 2023 and 2022, respectively. The net book value of capitalized software development costs was $9.5 million and $7.3 million as of March 31, 2023 and June 30, 2022, respectively.

Note 7. Leases

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

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

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

Operating Leases	Three Months Ended March 31, 2023	Nine Months Ended March 31, 2023
Operating lease cost (1)	$ 1,462	$ 4,652
Short-term lease cost	198	596

(1) Amount excluded a net charge of $1.6 million related to lease modification and impairment for the nine months ended March 31, 2023 as described above.

Rent expense for operating leases recognized prior to the adoption of ASC 842 for the three and nine months ended March 31, 2022 was $2.2 million and $6.6 million, respectively.

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

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

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

	Nine Months Ended March 31, 2023
Cash payments included in the measurement of operating lease liabilities	$ 5,777
ROU assets obtained in exchange for new operating lease liabilities	713

Current operating lease liabilities of $3.5 million were included in other current liabilities on the Company's unaudited condensed consolidated balance sheet as of March 31, 2023.

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

Fiscal Year Ending June 30,	Amount
2023 (remaining 3 months)	$ 1,803
2024	3,769
2025	3,341
2026	3,389
2027	2,849
2028 and thereafter	9,548
Total lease payments	24,699
Less: imputed interest	(5,020)
Present value of operating lease liabilities	$ 19,679

Future minimum lease payments under non-cancelable operating leases as of June 30, 2022 under ASC 840 were as follows (in thousands):

Fiscal Year Ending June 30,	Amount
2023	$ 7,882
2024	3,625
2025	3,311
2026	3,359
2027	2,721
2028 and thereafter	9,379
Total future minimum lease payments	$ 30,277

Note 8. Commitments and Contingencies

Software and Other Commitments

In the ordinary course of business, the Company enters into commitments to purchase or subscribe to software that is required to conduct its business activities. The Company also has commitments towards its cloud hosting service providers. There were no material purchase commitments that were entered into during the nine months ended March 31, 2023.

In December 2021, the Company entered into an agreement with Microsoft, pursuant to which the Company is committed to spend a minimum of $110.0 million on cloud services. Payments under this agreement commenced during the three months ended March 31, 2023. The committed spend period concludes at the end of December 2028, with the Company having the option to extend any remaining commitment into a further 12 month period to the end of December 2029.

Litigation

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

Note 9. Debt

As of June 30, 2021, the Company had outstanding borrowings of $273.0 million under a term loan and $5.0 million under an associated revolving credit facility (together, the "Prior Credit Facility"). On July 12, 2021, amounts outstanding under the Prior Credit Facility were repaid in full from proceeds of the IPO. As a result of the extinguishment of the debt, a loss of $2.4 million related to the write-off of unamortized financing costs, has been recorded as a loss on debt extinguishment in the unaudited condensed consolidated statement of operations for the nine months ended March 31, 2022.

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

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

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

As of March 31, 2023, there were no outstanding borrowings under the JPMorgan Credit Facility.

Note 10. Stockholders' Equity and Stock-Based Compensation

On July 2, 2021, in conjunction with the closing of the IPO, the Company's Amended and Restated Certificate of Incorporation became effective, pursuant to which the Company's authorized capital stock was increased to 700,000,000 shares of common stock, par value $0.001 per share, and 50,000,000 shares of preferred stock, par value $0.001 per share.

On July 2, 2021, upon the closing of the IPO, all outstanding shares of Series A and Series A-1 convertible preferred stock were automatically converted into 19,034,437 shares of the Company's common stock on a one-for-one basis.

Equity Incentive Plans

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

Both the 2021 Plan and ESPP include a provision to increase the share reserves on July 1 of each year through 2031. On July 1, 2022, 3,999,369 and 799,873 shares were added to the 2021 Plan and ESPP, respectively.

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

	March 31, 2023
Stock plans:	
Outstanding stock options	10,942
Unvested performance stock units and restricted stock units	6,335
Reserved for ESPP	2,132
Reserved for future stock award grants	3,213
Total shares of common stock reserved for issuance	22,622

Stock Awards

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

Stock Options

Stock options granted generally become exercisable ratably over a four-year period following the date of grant and expire ten years from the date of grant. The exercise price of incentive stock options granted under the Plan prior to the IPO must have been at least equal to 100% of the fair value of the Company's common stock at the date of grant, as determined by the Board of Directors. The exercise price of stock options granted under the Plan after the IPO was determined based on the fair market value of Company's common stock on the date of grant.

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

	Number of Options	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Term (in years)	Aggregate Intrinsic Value [(1)]
Outstanding as of June 30, 2022	12,773	$ 10.56	6.5	$ 65,284
Granted	—	—		
Exercised	(1,531)	10.27		
Forfeited	(300)	18.09		
Outstanding as of March 31, 2023	10,942	$ 10.39	5.7	$ 376,967
Vested and exercisable as of March 31, 2023	9,921	$ 9.53	5.5	$ 350,261
Vested and expected to vest as of March 31, 2023	10,942	$ 10.39	5.7	$ 376,967

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

The total intrinsic value of stock options exercised and the proceeds from option exercises during the nine months ended March 31, 2023 were $34.6 million and $15.7 million, respectively.

Performance Stock Units and Restricted Stock Units

The Company granted stock units to certain of its employees with vesting terms based on meeting certain revenue and profitability targets, and continued service. The Company also granted stock units to certain employees that vest based on continued service.

Performance stock unit activity during the nine months ended March 31, 2023 was as follows (in thousands, except per share data):

	Number of Shares	Weighted-Average Grant Date Fair Value
Balance as of June 30, 2022	3,470	$ 26.40
Granted	1,604	16.69
Vested	(786)	24.60
Forfeited	(150)	24.68
Balance as of March 31, 2023	4,138	$ 23.04

Restricted stock unit activity during the nine months ended March 31, 2023 was as follows (in thousands, except per share data):

	Number of Shares	Weighted-Average Grant Date Fair Value
Balance as of June 30, 2022	1,001	$ 29.18
Granted	1,669	20.02
Vested	(357)	26.01
Forfeited	(116)	23.94
Balance as of March 31, 2023	2,197	$ 22.99

Stock-Based Compensation Expense

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

	Three Months Ended March 31,		Nine Months Ended March 31,	
	2023	2022	2023	2022
Cost of revenues				
Cost of SaaS and support	$ 486	$ 359	$ 1,317	$ 882
Cost of professional services	1,038	869	2,931	2,284
Research and development	4,571	5,136	11,351	13,771
Sales and marketing	6,029	7,330	18,134	20,687
General and administrative	6,635	9,133	21,062	24,671
Total stock-based compensation	$ 18,759	$ 22,827	$ 54,795	$ 62,295

As of March 31, 2023, there was a total of $91.0 million in unrecognized compensation cost related to unvested stock-based awards, which is expected to be recognized over a weighted-average period of approximately 2.3 years.

Employee Stock Purchase Plan

Under the ESPP, eligible employees may purchase the Company's common stock at a price equal to 85% of the lower of the fair market value of the Company’s common stock on the offering date or the applicable purchase date. The initial offering period for the ESPP began on December 16, 2021 with two subsequent offering periods that began on June 1, 2022 and December 1, 2022, respectively. These offering periods will end on November 30, 2023. Each offering period consists of two or more purchase dates at six-month intervals. During the nine months ended March 31, 2023, 65,514 shares have been purchased under the ESPP.

As of March 31, 2023, total unrecognized compensation cost related to the ESPP was $1.0 million, which will be amortized over a weighted-average vesting term of 0.7 years.

Note 11. Income Taxes

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

The Company files income tax returns in the U.S. federal jurisdiction, various state jurisdictions and various foreign jurisdictions. In the normal course of business, the Company is subject to examination by taxing authorities. The Company is not currently under audit by the Internal Revenue Service or other similar tax authorities. The Company's tax returns remain open to examination as follows: U.S. federal and states, all tax years; and significant foreign jurisdictions, generally 2018 through 2022.

Note 12. Net Loss Per Share

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

The following table sets forth the computation of basic and diluted net loss per share for the periods presented (in thousands, except per share data):

	Three Months Ended March 31,		Nine Months Ended March 31,	
	2023	2022	2023	2022
Numerator:				
Net loss	$ (18,147)	$ (28,736)	$ (57,955)	$ (78,091)
Denominator:				
Weighted-average shares used to compute net loss per share - basic and diluted	64,327	61,564	63,487	60,868
Net loss per share - basic and diluted	$ (0.28)	$ (0.47)	$ (0.91)	$ (1.28)

Basic net loss per share is the same as diluted net loss per share because the Company reported net losses for all periods presented. The Company excluded the following potential shares of common stock from the calculation of diluted net loss per share because their effect would be anti-dilutive (in thousands):

	As of March 31,	
	2023	2022
Outstanding stock options to purchase common stock	10,942	13,096
Unvested performance stock units and restricted stock units	6,335	4,581
Shares issuable under employee stock purchase plan	52	41
Total	17,329	17,718

Note 13. Subsequent Event

On May 2, 2023, the Company, through its wholly-owned subsidiary, acquired a 100% equity interest in Paragon Data Labs, Inc. ("Paragon"), a Delaware corporation, in accordance with the terms of the Agreement and Plan of Merger, dated as of the same date. The total consideration for the acquisition consisted of $7.6 million (in cash and shares of its common stock) paid at closing, $2.2 million of deferred consideration and holdback and a maximum $10.2 million of contingent consideration payable on achievement of certain performance measures (payable in cash and shares of its common stock).

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

Cautionary Notes Regarding Forward-Looking Statements

The following discussion and analysis of our financial condition and results of operations should be read together with our unaudited condensed consolidated financial statements and related notes and other financial information included in this Quarterly Report on Form 10-Q and audited consolidated financial statements included in our Annual Report on Form 10-K for the fiscal year ended June 30, 2022 filed with the SEC on September 9, 2022. The following discussion contains forward-looking statements that reflect our plans, estimates, and beliefs. Our actual results could differ materially from those discussed in the forward-looking statements. Factors that could cause or contribute to these differences include those discussed below and elsewhere in this Quarterly Report on Form 10-Q and in our Annual Report on Form 10-K, particularly in the section titled "Risk Factors." Our historical results are not necessarily indicative of the results that may be expected for any period in the future. Unless otherwise noted, any reference to a year preceded by the word "fiscal" refers to the fiscal year ended June 30 of that year.

Overview

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

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

How We Generate Revenue

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

We expect the vast majority of our new ARR growth in the future to be from the sale of SaaS subscriptions.

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

Key Factors Affecting Our Performance

Market Adoption of our Cloud Platform. Our future growth depends on our ability to win new professional and financial services clients and expand within our existing client base, primarily through the continued acceptance of our cloud business. Our cloud business has historically grown faster than our overall business, and represents an increasing proportion of our ARR. We must demonstrate to new and existing clients the benefits of selecting our cloud platform, and support those deployments once live with reliable and secure service. From a sales perspective, our ability to add new clients and expand within existing accounts depends upon a number of factors, including the quality and effectiveness of our sales personnel and marketing efforts, and our ability to convince key decision makers within professional and financial services firms to embrace the Intapp Platform over point solutions, internally developed solutions, and horizontal solutions.

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

This metric accounts for changes in our recurring revenue base from cross-sell (additional solution capabilities sold), upsell (additional seats sold), price changes, and client attrition (including contraction of solution capabilities, contraction of seats and client churn). We upsold additional seats and cross-sold new solutions to our existing clients such that our trailing twelve months' net revenue retention rate as of March 31, 2023 was within our recently increased range of 113% to 117%. However, if our clients do not continue to see the ability of our platform to generate return on investment relative to other software alternatives, net revenue retention could suffer and our operating results may be adversely affected.

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

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

COVID-19 Expenses. In March 2022, with the easing of COVID-related restrictions, we announced a broad return to office on a voluntary basis and since then have experienced a resumption of more normal levels of business travel and in-person meetings and marketing events which has resulted in an increase in these costs. We continue to closely monitor the status of COVID-19 cases in the community to ensure the health and safety of our employees and clients and may reinstate travel and meeting restrictions from time to time in response to future COVID surges. We have also adopted a hybrid work model to allow flexibility for our employees which has resulted in a re-assessment of our facilities needs. During the nine months ended March 31, 2023, we exited certain leased space in Palo Alto, California and recorded a net charge of $1.6 million in connection with the impairment of the related operating lease right-of-use asset and the reassessment of the lease liability. We expect a reduction in rent expense for the remainder of fiscal year 2023. As we continue to evaluate our real estate needs, we may incur additional charges in the future in connection with exit activities.

Business Impact of Russia's Invasion of Ukraine. In March 2022, in response to Russia's invasion of Ukraine, we implemented contingency plans to ensure the safety of personnel and continuity of our contract research and development activity located in Ukraine, Russia and Belarus, including relocation of certain resources to other geographic locations and transitioning work previously performed by such teams to other teams outside of the conflict zone in the European Union, U.K. and Americas. We have officially ended all work performed by our contract resources in Russia and Belarus. As a result, we have incurred and expect to continue to incur a minor increase in research and development expenses due to increased labor rates pertaining to contract resources and relocation costs in connection with such resources, from Ukraine, Russia, and Belarus, to other jurisdictions and backfilling positions in other jurisdictions for those not willing or able to relocate. Any such increase has been and is expected to continue to be offset in part by cost reductions in future discretionary spending.

Key Business Metrics

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

Annual Recurring Revenues ("ARR")

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

ARR was $315.6 million and $253.5 million as of March 31, 2023 and 2022, respectively, an increase of 24%.

Cloud ARR

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

Cloud ARR was $206.3 million and $147.8 million as of March 31, 2023 and 2022, respectively, an increase of 40%, and represented 65% and 58% of ARR as of March 31, 2023 and 2022, respectively.

Number of Clients

We believe our ability to increase the number of clients on our platform is a key indicator of the growth of our business and our future business opportunities. We define a client at the end of any reporting period as an entity with at least one active subscription as of the measurement date. As of March 31, 2023, we had over 2,250 clients. No single client represented more than 10% of total revenues for any of the three and nine months ended March 31, 2023 and 2022.

Our client base includes some of the largest and most reputable professional and financial services firms globally. These clients have the financial and operating resources needed to purchase, deploy, and successfully use the full capabilities of our software platform, and as such, we believe the number of our clients with contracts greater than $100,000 of ARR is an important metric for highlighting our progress on the path to full adoption of our platform by our professional and financial services clients. As of March 31, 2023 and 2022, we had 572 and 484 clients, respectively, with contracts greater than $100,000 of ARR.

Components of Our Results of Operations

Revenues

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

SaaS and Support

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

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

Subscription License

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

Professional Services

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

Cost of Revenues

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

Cost of SaaS and Support

Our cost of SaaS and support revenues comprises the direct costs to deliver and support our products, including salaries, bonuses, benefits, stock-based compensation, as well as allocated overhead costs for facilities and IT, third-party hosting fees related to cloud services, amortization of capitalized internal-use software development costs and amortization of acquired intangible assets.

Cost of Professional Services

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

Operating Expenses

Research and Development

Our research and development expenses consist primarily of personnel-related costs for engineering and product development employees, costs of third-party services, and allocations of various overhead, cloud hosting costs and facilities costs. We expect our research and development expenses to continue to increase in absolute dollars for the foreseeable future as we continue to dedicate substantial internal resources to develop, improve and expand the functionality of our solutions. As noted above, we experienced a minor year-over-year increase in research and development expenses in connection with the relocation of contract resources primarily from Russia and Belarus to other geographic locations and transitioning work previously performed by such teams to other teams outside of the conflict zone in the European Union, U.K. and Americas.

Sales and Marketing

Our sales and marketing expenses consist primarily of costs incurred for personnel-related costs for our sales and marketing employees as well as commission payments to our sales employees, costs of marketing events and online advertising, allocations of various overhead and facilities costs and travel and entertainment expenses. We capitalize client acquisition costs (principally commissions paid to sales personnel) and subsequently amortize these costs over the expected period of benefit. In the medium-term, we expect to see an increase in sales and marketing expense as we continue to expand our direct sales force to take advantage of opportunities for growth and resume more normal levels of in-person meetings, conferences, and attendance at trade shows as the COVID-19 pandemic wanes.

General and Administrative

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

Lease Modification and Impairment

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

Loss on Debt Extinguishment

Loss on debt extinguishment consists of the write-off of unamortized deferred financing costs upon the repayment of our debt obligations.

Interest Expense

Interest expense consists primarily of the interest on our debt, which was repaid in full in July 2021, and the non-cash interest expense related to the amortization of deferred financing costs.

Other Income (Expense), Net

Other income (expense), net consists primarily of realized and unrealized foreign exchange gains and losses resulting from fluctuations in foreign currency exchange rates on monetary assets and liabilities denominated in currencies other than the U.S. dollar.

Income Tax Benefit (Expense)

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

Results of Operations

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

	Three Months Ended March 31,				Nine Months Ended March 31,			
	2023		2022		2023		2022	
	(in thousands, except for percentages)							
Revenues:								
SaaS and support	$ 66,051	72 %	$ 49,808	71 %	$ 184,469	72 %	$ 140,267	71 %
Subscription license	13,577	15	10,904	16	36,804	14	30,811	16
Total recurring revenues	79,628	87	60,712	87	221,273	86	171,078	87
Professional services	12,396	13	8,951	13	34,981	14	25,472	13
Total revenues	92,024	100	69,663	100	256,254	100	196,550	100
Cost of revenues (1):								
SaaS and support	13,644	15	13,490	19	38,498	15	37,007	19
Total cost of recurring revenues	13,644	15	13,490	19	38,498	15	37,007	19
Professional services	14,846	16	12,510	18	42,111	16	34,922	18
Total cost of revenues	28,490	31	26,000	37	80,609	31	71,929	37
Gross profit	63,534	69	43,663	63	175,645	69	124,621	63
Operating expenses (1):								
Research and development	25,281	27	20,425	29	68,352	27	54,781	28
Sales and marketing	34,946	38	28,759	41	99,796	39	81,244	41
General and administrative	21,552	23	23,175	33	62,715	24	65,222	33
Lease modification and impairment	—	—	—	—	1,601	1	—	—
Total operating expenses	81,779	89	72,359	104	232,464	91	201,247	102
Operating loss	(18,245)	(20)	(28,696)	(41)	(56,819)	(22)	(76,626)	(39)
Loss on debt extinguishment	—	—	—	—	—	—	(2,407)	(1)
Interest expense	(39)	—	(39)	—	(117)	—	(236)	—
Other income (expense), net	(214)	—	(272)	—	(719)	—	188	—
Net loss before income taxes	(18,498)	(20)	(29,007)	(42)	(57,655)	(22)	(79,081)	(40)
Income tax benefit (expense)	351	—	271	—	(300)	—	990	1
Net loss	$ (18,147)	(20) %	$ (28,736)	(41) %	$ (57,955)	(23) %	$ (78,091)	(40) %

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

	Three Months Ended March 31,				Nine Months Ended March 31,			
	2023		2022		2023		2022	
Cost of SaaS and support	$ 486	— %	$ 359	1 %	$ 1,317	1 %	$ 882	— %
Cost of professional services	1,038	1	869	1	2,931	1	2,284	1
Research and development	4,571	5	5,136	7	11,351	4	13,771	7
Sales and marketing	6,029	7	7,330	11	18,134	7	20,687	11
General and administrative	6,635	7	9,133	13	21,062	8	24,671	13
Total stock-based compensation expense	$ 18,759	20 %	$ 22,827	33 %	$ 54,795	21 %	$ 62,295	32 %

Comparison of the Three and Nine Months Ended March 31, 2023 and 2022

Revenues

	Three Months Ended March 31,		Change		Nine Months Ended March 31,		Change	
	2023	2022	Amount	%	2023	2022	Amount	%
	(in thousands, except for percentages)							
Revenues:								
SaaS and support	$ 66,051	$ 49,808	$ 16,243	33 %	$ 184,469	$ 140,267	$ 44,202	32 %
Subscription license	13,577	10,904	2,673	25 %	36,804	30,811	5,993	19 %
Total recurring revenues	79,628	60,712	18,916	31 %	221,273	171,078	50,195	29 %
Professional services	12,396	8,951	3,445	38 %	34,981	25,472	9,509	37 %
Total revenues	$ 92,024	$ 69,663	$ 22,361	32 %	$ 256,254	$ 196,550	$ 59,704	30 %

Recurring Revenues

Recurring revenues from the sale of our SaaS solutions, from subscriptions to our term software solutions, and from providing support for these solutions increased by $18.9 million, or 31%, and $50.2 million, or 29%, respectively, in the three and nine months ended March 31, 2023 compared to the same periods in the prior year.

Our SaaS and support revenues grew $16.2 million, or 33%, and $44.2 million, or 32%, respectively, in the three and nine months ended March 31, 2023 compared to the same periods in the prior year, due to sales to new clients and expansion of existing clients from both cross-selling and upselling sales motions. The continuation of clients migrating from using our on-premise solutions to our cloud solutions also contributed to the growth.

Subscription license revenues increased by $2.7 million, or 25%, and $6.0 million, or 19%, respectively, in the three and nine months ended March 31, 2023 compared to the same periods in the prior year, reflecting larger CPI-based price increases on annual renewals, some multi-year renewals, as well as annual renewals on multi-year contracts upon expiration of their initial term.

Professional Services

Professional services revenues increased by $3.4 million, or 38%, and $9.5 million, or 37%, respectively, for the three and nine months ended March 31, 2023 compared to the same periods in the prior year. This reflects a continuation in demand for implementation, upgrade and migration services consistent with our revenue growth.

Cost of Revenues and Gross Profit

	Three Months Ended March 31,		Change		Nine Months Ended March 31,		Change	
	2023	2022	Amount	%	2023	2022	Amount	%
	(in thousands, except for percentages)							
Cost of revenues:								
SaaS and support	$ 13,644	$ 13,490	$ 154	1 %	$ 38,498	$ 37,007	$ 1,491	4 %
Total cost of recurring revenues	13,644	13,490	154	1 %	38,498	37,007	1,491	4 %
Professional services	14,846	12,510	2,336	19 %	42,111	34,922	7,189	21 %
Total cost of revenues	28,490	26,000	2,490	10 %	80,609	71,929	8,680	12 %
Gross profit:								
SaaS and support	52,407	36,318	16,089	44 %	145,971	103,260	42,711	41 %
Subscription license	13,577	10,904	2,673	25 %	36,804	30,811	5,993	19 %
Total gross profit - recurring revenues	65,984	47,222	18,762	40 %	182,775	134,071	48,704	36 %
Professional services	(2,450)	(3,559)	1,109	(31)%	(7,130)	(9,450)	2,320	(25)%
Gross profit	$ 63,534	$ 43,663	$ 19,871	46 %	$ 175,645	$ 124,621	$ 51,024	41 %

Cost of SaaS and Support

Cost of SaaS and support revenues increased by $0.2 million, or 1%, for the three months ended March 31, 2023 compared to the three months ended March 31, 2022. The increase can be attributed primarily to an increase in cloud hosting costs of $0.7 million, royalty expense of $0.4 million relating to third-party products and amortization expense of $0.2 million relating to capitalized software development costs. These increases were partially offset by a decrease in amortization expense of $1.0 million relating to acquired intangible assets and a decrease in personnel-related costs of $0.3 million (which reflects a benefit of $2.2 million in the three months ended March 31, 2023 resulting from an organizational realignment which reclassified expenses from cost of SaaS and support to sales and marketing).

Cost of SaaS and support revenues increased by $1.5 million, or 4%, for the nine months ended March 31, 2023 compared to the nine months ended March 31, 2022. The increase can be attributed primarily to increases in cloud hosting costs of $1.5 million, royalty expense of $1.2 million relating to third-party products, amortization expense of $0.7 million relating to capitalized software development costs and personnel-related costs of $0.4 million (which reflects a benefit of $6.1 million in the nine months ended March 31, 2023 resulting from an organizational realignment which reclassified expenses from cost of SaaS and support to sales and marketing), partially offset by a decrease in amortization expense of $2.5 million relating to acquired intangible assets.

Cost of Professional Services

Cost of professional services revenues increased by $2.3 million, or 19%, for the three months ended March 31, 2023 compared to the three months ended March 31, 2022, primarily due to an increase in personnel-related costs of $1.4 million due to salary raises and increased headcount, and subcontractor costs of $1.0 million as we expanded our teams to provide implementation and migration services to our growing client base.

Cost of professional services revenues increased by $7.2 million, or 21%, for the nine months ended March 31, 2023 compared to the nine months ended March 31, 2022, primarily due to an increase in personnel-related costs of $4.0 million due to salary raises and increased headcount, sub-contractor costs of $2.2 million, and other allocated overhead costs of $0.6 million as we expanded our teams to provide implementation and migration services to our growing client base.

Gross Profit

Gross profit increased by $19.9 million, or 46%, for the three months ended March 31, 2023 compared to the three months ended March 31, 2022. Of this increase, $16.1 million was attributable to growth in SaaS and support revenues and the reduction in SaaS and support costs resulting from the organizational realignment of part of the client success team to sales and marketing. The improvement in gross profit was also attributable to the increase in subscription license revenue which contributed $2.7 million and the decrease in losses on professional services which contributed $1.1 million.

Gross profit increased by $51.0 million, or 41%, for the nine months ended March 31, 2023 compared to the nine months ended March 31, 2022. Of this increase, $42.7 million was attributable to growth in SaaS and support revenues and the reduction in SaaS and support costs resulting from the organizational realignment of part of the client success team to sales and marketing. The improvement in gross profit was also attributable to the increase in subscription license revenue which contributed $6.0 million and the decrease in losses on professional services which contributed $2.3 million.

Operating Expenses

	Three Months Ended March 31,		Change		Nine Months Ended March 31,		Change	
	2023	2022	Amount	%	2023	2022	Amount	%
	(in thousands, except for percentages)							
Operating expenses:								
Research and development	$ 25,281	$ 20,425	$ 4,856	24 %	$ 68,352	$ 54,781	$ 13,571	25 %
Sales and marketing	34,946	28,759	6,187	22 %	99,796	81,244	18,552	23 %
General and administrative	21,552	23,175	(1,623)	(7)%	62,715	65,222	(2,507)	(4)%
Lease modification and impairment	—	—	—	—	1,601	—	1,601	*
Total operating expenses	$ 81,779	$ 72,359	$ 9,420	13 %	$ 232,464	$ 201,247	$ 31,217	16 %

**Not meaningful*

Research and Development

Research and development expenses increased by $4.9 million, or 24%, for the three months ended March 31, 2023 compared to the three months ended March 31, 2022. Contractor and personnel-related costs increased by $3.1 million and $1.6 million, respectively, as we increased contract resources and our headcount to support on-going development of our cloud offerings. Cloud hosting costs increased by $0.6 million. These increases were partially offset by a decrease of $0.5 million in stock-based compensation expense.

Research and development expenses increased by $13.6 million, or 25%, for the nine months ended March 31, 2023 compared to the nine months ended March 31, 2022. Contractor and personnel-related costs increased by $8.2 million and $5.8 million, respectively, as we increased contract resources and our headcount to support on-going development of our cloud offerings. Cloud hosting costs increased by $1.4 million and allocated overhead costs increased by $0.6 million due to increased IT costs and headcount. These increases were partially offset by a decrease of $2.4 million in stock-based compensation expense arising primarily from the reversal of stock-based compensation expense on forfeitures of unvested performance stock awards.

Sales and Marketing

Sales and marketing expenses increased by $6.2 million, or 22%, for the three months ended March 31, 2023 compared to the three months ended March 31, 2022. Personnel-related costs increased by $5.7 million due to annual salary increase and increased headcount ($2.2 million of which was due to the organizational realignment of part of the client success team to sales and marketing), and higher sales commissions driven by increased sales. Marketing expenses increased by $1.2 million largely due to a return to more normal levels of travel and company and marketing events following the easing of COVID-related restrictions on travel and in-person events. Allocated overhead costs increased by $0.4 million due to increased IT costs and headcount. These increases were partially offset by a decrease of $1.3 million in stock-based compensation expense due to achievement of performance milestones on previously granted awards.

Sales and marketing expenses increased by $18.6 million, or 23%, for the nine months ended March 31, 2023 compared to the nine months ended March 31, 2022. Personnel-related costs increased by $15.1 million due to annual salary increase and increased headcount ($6.1 million of which was due to the organizational realignment of part of the client success team to sales and marketing), and higher sales commissions driven by increased sales. Marketing expenses increased by $3.5 million largely due to a return to more normal levels of travel and company and marketing events following the easing of COVID-related restrictions on travel and in-person events. Allocated overhead costs increased by $1.9 million due to increased IT costs and headcount. These increases were partially offset by a decrease of $2.6 million in stock-based compensation expense due to achievement of performance milestones on previously granted awards.

General and Administrative

General and administrative expenses decreased by $1.6 million, or 7%, for the three months ended March 31, 2023 compared to the three months ended March 31, 2022. The decrease was primarily driven by a decrease of $2.5 million in stock-based compensation expense due to achievement of performance milestones on previously granted awards and a decrease of $0.6 million from change in fair value of contingent consideration related to prior acquisitions. These decreases were partially offset by an increase of $1.3 million in personnel-related costs primarily due to annual salary increases and increased headcount and an increase of $0.9 million in travel and company event related expenses.

General and administrative expenses decreased by $2.5 million, or 4%, for the nine months ended March 31, 2023 compared to the nine months ended March 31, 2022. The decrease was primarily driven by a decrease of $3.6 million in stock-based compensation expense due to achievement of performance milestones on previously granted awards, an increase of $2.7 million in costs allocated to other functions due to increased IT costs as well as increase in headcount in other departments, a decrease of $1.6 million from change in fair value of contingent consideration related to prior acquisitions and a decrease of $1.0 million in third-party professional fees. These decreases were partially offset by an increase of $5.2 million in personnel-related costs primarily due to annual salary increases and increased headcount and an increase of $1.5 million in travel and company event related expenses.

Lease modification and impairment

Lease modification and impairment net charge of $1.6 million during the nine months ended March 31, 2023 related to accelerated amortization expense associated with a right-of-use leased asset on the early exit of a leased office space, offset by a benefit arising from the amendment to the underlying lease agreement which resulted in a reduction in the related lease payment obligation.

Loss on Debt Extinguishment

	Three Months Ended March 31,		Change		Nine Months Ended March 31,		Change	
	2023	2022	Amount	%	2023	2022	Amount	%
	(in thousands, except for percentages)							
Loss on debt extinguishment	$ —	$ —	$ —	—	$ —	$ (2,407)	$ 2,407	*

**Not meaningful*

Loss on debt extinguishment of $2.4 million during the nine months ended March 31, 2022 related to the write-off of unamortized deferred financing costs upon the full repayment of our debt under the Prior Credit Facility in July 2021.

Interest Expense and Other Income (Expense), Net

	Three Months Ended March 31,		Change		Nine Months Ended March 31,		Change	
	2023	2022	Amount	%	2023	2022	Amount	%
	(in thousands, except for percentages)							
Interest expense	$ (39)	$ (39)	$ —	—	$ (117)	$ (236)	$ 119	(50)%
Other income (expense), net	$ (214)	$ (272)	$ 58	(21)%	$ (719)	$ 188	$ (907)	(482)%

Interest expense decreased by $0.1 million in the nine months ended March 31, 2023 compared to the nine months ended March 31, 2022. The decrease was due to the full repayment of our debt under the Prior Credit Facility in July 2021.

The change in other income (expense), net, was primarily due to the impact of fluctuations in foreign currency rates on our monetary asset and liability balances denominated in currencies other than the U.S. dollar, primarily British Pounds.

We had foreign exchange losses on our monetary asset and liability balances as a result of the British Pound strengthening against the U.S. dollar during the nine months ended March 31, 2023. We had foreign exchange gains arising on our cash, accounts receivable balances and contingent consideration relating to the acquisition of Repstor denominated in British Pounds during the same period in the prior year.

Income Tax Benefit (Expense)

	Three Months Ended March 31,		Change		Nine Months Ended March 31,		Change	
	2023	2022	Amount	%	2023	2022	Amount	%
	(in thousands, except for percentages)							
Income tax benefit (expense)	$ 351	$ 271	$ 80	30%	$ (300)	$ 990	$ (1,290)	(130)%

Income tax benefit was $0.4 million and $0.3 million for the three months ended March 31, 2023 and 2022, respectively. Income tax expense was $0.3 million for the nine months ended March 31, 2023 compared to an income tax benefit of $1.0 million recorded during the nine months ended March 31, 2022. Our income tax benefit during the three months ended March 31, 2023 and the three and nine months ended March 31, 2022 was primarily attributable to income tax benefits from net losses in our foreign jurisdictions. Our income tax expense for the nine months ended March 31, 2023 was primarily attributable to income tax expense in a number of U.S. state jurisdictions and foreign jurisdictions.

Liquidity and Capital Resources

Sources of Liquidity

As of March 31, 2023, we had cash, cash equivalents, and restricted cash of $54.0 million. We finance our liquidity needs primarily through collections from clients and the issuance of equity securities. We generally bill and collect from our clients annually in advance. Our billings are subject to seasonality with billings in the fourth quarter higher than in the other quarters.

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

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

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

Cash Flows

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

	Nine Months Ended March 31,	
	2023	2022
Net cash provided by operating activities [1]	$ 16,834	$ 4,570
Net cash used in investing activities	(6,430)	(3,333)
Net cash provided by (used in) financing activities	(10,327)	3,353
Effect of foreign currency exchange rate changes on cash and cash equivalents	(422)	160
Net increase (decrease) in cash, cash equivalents and restricted cash	$ (345)	$ 4,750

(1) Includes debt-related cash interest payments of $6.0 million during the nine months ended March 31, 2022.

Operating Activities

During the nine months ended March 31, 2023, net cash provided by operating activities was $16.8 million, as our operating loss of $58.0 million was reduced by $74.8 million of adjustments. These adjustments consisted of $71.5 million of non-cash charges (principally comprising stock-based compensation expense, depreciation and amortization, amortization of operating lease right-of-use assets, lease modification and impairment and provision of doubtful accounts), and net cash inflow of $3.3 million from net changes in operating assets and liabilities. The net cash inflow from changes in operating assets and liabilities was primarily driven by an increase in deferred revenue of $22.3 million due to our revenue growth and an increase in other liabilities of $1.2 million due to the timing of payments. These changes were partially offset by an increase in unbilled receivables of $5.9 million due to the timing of invoicing to our clients, a decrease in accounts payable and accrued liabilities of $5.5 million primarily due to payments for annual bonuses, a decrease in operating lease liabilities of $4.6 million due to lease payments, an increase in accounts receivable of $2.4 million due to the timing of billing and collections on our outstanding receivables and an increase in deferred commissions of $2.1 million due to increased sales.

During the nine months ended March 31, 2022, net cash provided by operating activities was $4.6 million, as our operating loss of $78.1 million, was reduced by $82.7 million of adjustments. These adjustments consisted of $76.4 million of non-cash charges (principally comprising stock-based compensation expense, depreciation and amortization and loss on debt extinguishment), and net cash inflow of $6.3 million from net changes in operating assets and liabilities. The net cash inflow from changes in operating assets and liabilities was primarily driven by an increase in deferred revenues of $13.5 million due to our revenue growth, an increase in accounts payable and accrued liabilities of $2.1 million due to timing of payments, a decrease in prepaid expenses and other assets of $0.8 million primarily due to the timing of prepaid operating expenses and a decrease in our accounts receivable of $0.6 million due to the timing of client payments. These changes were partially offset by a decrease in other liabilities of $5.1 million primarily due to a decrease in our accrued interest as our debt under the Prior Credit Facility was repaid in full in July 2021, an increase in deferred commissions of $4.0 million due to timing of payments for sales commissions and an increase in unbilled receivables of $1.7 million due to the timing of invoicing our clients.

Investing Activities

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

During the nine months ended March 31, 2023, net cash used in investing activities was $6.4 million, consisting of capitalized internal-use software costs of $3.9 million, capital expenditures of $2.0 million on property and equipment largely of computer equipment and leasehold improvements to our London office in U.K., and investment in note receivable of $0.5 million.

During the nine months ended March 31, 2022, net cash used in investing activities was $3.3 million, primarily consisting of capitalized internal-use software costs.

Financing Activities

During the nine months ended March 31, 2023, net cash used in financing activities was $10.3 million, primarily comprised of payments of $22.3 million which represented the final contingent consideration and cash holdback related to the acquisition of Repstor and deferred purchase consideration related to the acquisition of Billstream and $4.9 million of payments related to employee payroll tax withholding on vested equity awards, partially offset by $15.7 million of proceeds from stock option exercises and $1.2 million of proceeds from employee stock purchase plan.

During the nine months ended March 31, 2022, net cash provided by financing activities was $3.4 million, primarily comprised of $292.8 million in net proceeds from our IPO completed in July 2021 and $8.1 million of proceeds from stock option exercises, partially offset by $278.0 million used for the repayment of borrowings, $10.4 million of payment for contingent consideration related to the acquisition of Repstor, $4.4 million of payments related to deferred offering costs in connection with our IPO, $3.9 million of payments related to tax withholding for vested equity awards and $0.8 million of payments related to deferred financing costs.

Material Cash Requirements

Except as described below, there have been no significant changes in our material cash requirements from those disclosed in Part II, Item 7 “Management’s Discussion and Analysis of Financial Condition and Results of Operations” contained in our Annual Report on Form 10-K for the fiscal year ended June 30, 2022, filed with the SEC on September 9, 2022.

In connection with the acquisition of Repstor in June 2021, we were obligated to make certain earn-out payments upon the achievement of certain performance measures as well as a cash holdback payment. During the nine months ended March 31, 2023, we paid $9.3 million in full consideration for the remaining contingent consideration and $1.8 million for the cash holdback related to the acquisition of Repstor.

During the nine months ended March 31, 2023, we paid $11.2 million in deferred purchase consideration related to the June 2022 acquisition of Billstream.

Non-GAAP Financial Measures

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

Non-GAAP Gross Profit

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

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

	Three Months Ended March 31,		Nine Months Ended March 31,	
	2023	2022	2023	2022
GAAP gross profit	$ 63,534	$ 43,663	$ 175,645	$ 124,621
Adjusted to exclude the following:				
Stock-based compensation	1,524	1,228	4,248	3,166
Amortization of intangible assets	918	1,964	3,331	5,891
Non-GAAP gross profit	$ 65,976	$ 46,855	$ 183,224	$ 133,678

Non-GAAP Recurring Gross Profit

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

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

	Three Months Ended March 31,		Nine Months Ended March 31,	
	2023	2022	2023	2022
Total recurring revenues	$ 79,628	$ 60,712	$ 221,273	$ 171,078
Total cost of recurring revenues	13,644	13,490	38,498	37,007
Recurring gross profit	65,984	47,222	182,775	134,071
Adjusted to exclude the following:				
Stock-based compensation	486	359	1,317	882
Amortization of intangible assets	918	1,964	3,331	5,891
Non-GAAP recurring gross profit	$ 67,388	$ 49,545	$ 187,423	$ 140,844

Non-GAAP Operating Profit (Loss)

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

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

	Three Months Ended March 31,		Nine Months Ended March 31,	
	2023	2022	2023	2022
GAAP operating loss	$ (18,245)	$ (28,696)	$ (56,819)	$ (76,626)
Adjusted to exclude the following:				
Stock-based compensation	18,759	22,827	54,795	62,295
Amortization of intangible assets	2,505	3,518	8,092	10,137
Lease modification and impairment	—	—	1,601	—
Change in fair value of contingent consideration	(641)	—	(873)	727
Acquisition-related transaction costs	502	125	703	206
Non-GAAP operating profit (loss)	$ 2,880	$ (2,226)	$ 7,499	$ (3,261)

Indebtedness

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

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

Critical Accounting Policies and Estimates

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

There have been no significant changes in our critical accounting policies or estimates from those disclosed in our Annual Report on Form 10-K for the fiscal year ended June 30, 2022, filed with the SEC on September 9, 2022.

Recent Accounting Pronouncements

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

Emerging Growth Company Status

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

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

We will remain an emerging growth company until the earlier of (1) the last day of fiscal year in which we have more than $1.07 billion in annual revenues; (2) the date we qualify as a "large accelerated filer," which would occur if the market value of our common stock that is held by non-affiliates exceeds $700 million as of the last business day of the most recently completed second fiscal quarter, and we have been required to file annual, quarterly and current reports under the Exchange Act for at least twelve months, and we have filed at least one annual report pursuant to the Exchange Act; (3) the date on which we have, during the previous three-year period, issued more than $1.0 billion in non-convertible debt securities; and (4) the last day of fiscal year ending after the fifth anniversary of our initial public offering.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

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

Foreign Currency Exchange Risk

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

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

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

Credit Risk

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

Inflation Risk

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

Interest Rate Risk

Our exposure to market risk for changes in interest rates relates primarily to our senior secured revolving credit facility of up to $100.0 million. As of March 31, 2023, we had no outstanding loan balance under this facility. Future borrowings under this facility will accrue interest at a variable rate based on, at our election, either (a) an adjusted secured overnight financing rate (SOFR, as described in the Credit Agreement) plus a percentage spread (ranging from 1.75% to 2.50%) or (b) an alternate base rate (as described in the Credit Agreement) plus a percentage spread (ranging from 0.75% to 1.50%), in each case based on the Company’s total net leverage ratio. As a result, we will be exposed to increased interest rate risk if we draw down on the facility.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Our management, under the supervision and with the participation of our Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of our disclosure controls and procedures as of the end of the period covered by this Quarterly Report on Form 10-Q. The term “disclosure controls and procedures,” as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (“the Exchange Act”), means controls and other procedures of a company that are designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in the SEC’s rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is accumulated and communicated to the company’s management, including its principal executive and principal financial officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure. Based on such evaluation, our Chief Executive Officer and Chief Financial Officer concluded that, as of the end of the period covered by this Quarterly Report on Form 10-Q, our disclosure controls and procedures were effective at the reasonable assurance level.

Changes in Internal Control over Financial Reporting

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

Inherent Limitations on Effectiveness of Controls

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

PART II—OTHER INFORMATION

Item 1. Legal Proceedings

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

On February 11, 2021, Navatar Group, Inc. commenced an action in the United States District Court for the Southern District of New York captioned Navatar Group, Inc. v. DealCloud, Inc., 1:21-cv-01255. In its complaint, Navatar asserted false advertising and related claims, alleging that DealCloud, Inc., a subsidiary of the Company, had disseminated false and/or misleading statements about Navatar’s financial condition, current sales and sales staff levels. On February 7, 2023, the Court dismissed Navatar’s claims.

Item 1A. Risk Factors

Except as set forth below, there have been no material changes to the risk factors disclosed under Part I, Item 1A “Risk Factors” in our Annual Report on Form 10-K for the fiscal year ended June 30, 2022, the current effects of which are discussed in more detail in Part I, Item 2 “Management’s Discussion and Analysis of Financial Condition and Results of Operations” of this Quarterly Report on Form 10-Q. If any of these risks or uncertainties actually occur, our business, financial condition, prospects, results of operations and cash flow could be materially and adversely affected. In that case, the market price of our common stock could decline. These risks are not the only risks we face. Additional risks or uncertainties not currently known to us, or that we currently deem immaterial, may also have a material adverse effect on our business, financial condition, prospects, results of operations or cash flows, as well as the market price of our securities. We cannot assure you that any of the events discussed in the risk factors will not occur.

All of our revenues are generated by sales to clients in our targeted verticals, and factors, including the downturn in U.S. and global markets and economic conditions, that adversely affect the applicable industry could also adversely affect us.

Currently, all of our sales are to clients in the professional and financial services industry. Demand for our solutions could be affected by factors that are unique to and adversely affect our targeted verticals. In particular, our clients in the professional and financial services industry are highly regulated, subject to intense competition and impacted by changes in general economic and market conditions. For example, changes in applicable laws and regulations could significantly impact the software functionality demanded by our clients and require us to expend significant resources to ensure our solutions continue to meet their evolving needs. Also, changes in general economic and market conditions, including economic uncertainty, inflation and an increase in interest rates, have resulted in and could continue to result in stress and volatility in the financial services industry. In certain sectors of the financial services industry, companies face or may face liquidity or solvency concerns or potential consolidation or receivership, which could reduce demand for our solutions. In addition, other industry-specific factors, such as industry consolidation or the introduction of competing technology, could lead to a significant reduction in the number of clients that use our solutions within a particular vertical or the services demanded by these clients.

Additionally, inflation has risen significantly worldwide, and the United States has recently experienced historically high levels of inflation. This inflation and government efforts to combat inflation, such as recent and future significant increases to benchmark interest rates and other related monetary policies, have and could continue to increase market volatility and have an adverse effect on the domestic and international financial markets and general economic conditions which directly impact our clients in the professional and financial services industry. If the inflation rate continues to increase, it could also push up the costs of labor and our employee compensation expenses.

Further, our clients in the professional and financial services industry are particularly sensitive to U.S. and global market and economic conditions. Significant economic and market downturns make it difficult for our clients and us to forecast and plan future business activities accurately. Also, the effects of climate change may disrupt our clients’ businesses, by, among other things, increasing their costs and credit risk from their customers. Adverse changes in domestic and global economic and political conditions, including those associated with the withdrawal of the United Kingdom from the European Union (“Brexit”), outbreaks, epidemics, or pandemics involving public health, including the COVID-19 pandemic, Russian military action against Ukraine, inflation and the adverse economic downturn, stress and volatility in the financial services industry and impacts from climate change, could result in significant decreases in demand or lengthened sales cycles for our solutions, including the delay or cancellation of current or anticipated projects, and reduction in IT spending by our clients and potential clients, or could present difficulties in collecting accounts receivables from our clients if their financial condition deteriorates. Our existing clients may be acquired by or merged into other entities that use our competitors’ products, or they may decide to reduce the number of seats they use of our solutions or terminate their relationships with us for other reasons. Additionally, our market verticals are also interdependent. Our clients in the professional services industry rely significantly on revenues they receive from their own clients in the financial services industry, thus a decline in one vertical can lead to a decline in the other vertical. As a result, our ability to generate revenues from our clients could be adversely affected by specific factors that affect the professional and financial services industry.

Recent events affecting the financial services industry could have an adverse impact on the Company's business operations, financial condition, and results of operations.

On March 10, 2023, the FDIC was appointed as receiver of Silicon Valley Bank ("SVB") and on March 12, 2023, federal regulators announced that the FDIC would complete its resolution of SVB in a manner that fully protects all depositors. At the time of the closure, we maintained a depository relationship with SVB with respect to a relatively small amount of cash and regained full access to our deposits shortly thereafter. Although we seek to minimize our risk of losses by primarily using large money center banks, we may nevertheless be impacted by other disruptions to the U.S. banking system caused by the recent developments involving SVB, including potential delays in our ability to transfer funds, make payments, or receive funds whether held with SVB or other banks. Any such disruptions could adversely impact our financial condition and results of operations.

The closures of SVB, and subsequently other banks, have created broader financial institution risks and concerns. Future adverse developments with respect to specific financial institutions or the broader financial services industry may lead to market-wide liquidity shortages and impair the ability of companies to access financing for working capital needs. These events could also make any necessary debt or equity financing more difficult and/or costly. Our operations may be adversely affected by any such liquidity shortages or impairment in access to financing.

Concerns about the stability and solvency of other banks and financial institutions have resulted in a deterioration in confidence in economic conditions. Any downturn or prolonged disruption in the economy, including any adverse impacts of increasing interest rates, could result in a downturn of business for those of our clients who support capital markets activity, and that downturn may cause such clients to reduce their spending on our solutions or to seek to terminate or renegotiate their contracts with us.

There may be other risks we have not yet identified. We continue to work to identify any potential impact of these events on our business in order to minimize any disruptions to our operations. However, we cannot guarantee we will be able to avoid any negative consequences relating to these recent developments or any future related developments.

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

Effective May 2, 2023, the Company issued 27,104 shares of its common stock to a group of five owners of Paragon as a portion of consideration valued at approximately $1.2 million for the Company's acquisition of 100% of the equity interest of Paragon. The Company may also be obligated to issue up to 63,572 shares of its common stock over the next two years pursuant to certain time-based and earn-out provisions contained in the merger agreement.

The issuance of the shares was exempt from registration pursuant to the exemption for transactions by an issuer not involving any public offering under Section 4(a)(2) of the Securities Act of 1933, as amended. Each of the recipients of shares in this issuance represented to the Company that it is sophisticated and an "accredited investor" as defined in Rule 501 of the Securities Act, that it had adequate access to information about us and that the shares are being acquired solely for investment and with no intention to distribute. The certificates for the common shares issued bear appropriate legends. No underwriters or placement agents were involved in this transaction.

Item 3. Defaults Upon Senior Securities

Not applicable.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

None.

Item 6. Exhibits

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

		Incorporated by Reference				
Exhibit Number	**Description**	**Form**	**File Number**	**Date**	**Number**	**Filed Herewith**
31.1	Certification of Principal Executive Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.					X
31.2	Certification of Principal Financial Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.					X
32.1*	Certification of Principal Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.					X
32.2*	Certification of Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.					X
101.INS	Inline XBRL Instance Document – the instance document does not appear in the Interactive Data File because XBRL tags are embedded within the Inline XBRL document					X
101.SCH	Inline XBRL Taxonomy Extension Schema Document					X
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document					X
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document					X
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document					X
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document					X
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)					X

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

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

	Intapp, Inc.
Date: May 9, 2023	By: /s/ John Hall
	John Hall Chief Executive Officer *(Principal Executive Officer)*
Date: May 9, 2023	By: /s/ Stephen Robertson
	Stephen Robertson Chief Financial Officer *(Principal Financial Officer)*

Exhibit 31.1

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

I, John Hall, certify that:

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

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 9, 2023

By: /s/ John Hall

John Hall
Chief Executive Officer

Exhibit 31.2

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

I, Stephen Robertson, certify that:

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

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 9, 2023	By:	/s/ Stephen Robertson
		Stephen Robertson
		Chief Financial Officer

Exhibit 32.1

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

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

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

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

Date: May 9, 2023

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

Exhibit 32.2

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

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

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

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

Date: May 9, 2023

By: /s/ Stephen Robertson
Stephen Robertson
Chief Financial Officer