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Certain statements contained in this presentation may be construed as “forward-looking statements” as defined in the Private Securities Litigation Reform Act of 1995. The words expects, anticipates, intends, plans, believes, will, could, should, estimates, may, targets, strategies, intends to, projects, forecasts, guidance, likely, and usually or variations of such words and other similar expressions identify forward-looking statements, which speak only as of the date the statement was made and are based on current expectations and assumptions. Because such statements deal with future events, they are subject to various risks and uncertainties. Actual results for fiscal year 2020 and beyond could differ materially from the Company’s current expectations.

Factors that could cause the Company’s results to differ materially from those expressed in forward-looking statements are contained in the Company’s press release announcing its Q2 2020 earnings and in the Company’s filings with the Securities and Exchange Commission, including its Annual Report on Form 10-K for the year ended December 31, 2019 and other recent filings with the SEC. Investors are cautioned not to place undue reliance on such forward-looking statements and there are no assurances that the results contained in such statements will be achieved. Although subsequent events may cause our view to change, except as required by applicable law, we do not undertake and specifically disclaim any obligation to publicly update or revise these forward-looking statements whether as the result of new information, future events, or otherwise.

Additional Notes

This presentation may contain industry market data, industry forecasts and other statistical information. Such information has been obtained from publicly available information, industry publications and other third-party sources, and the Company makes no representations as to the accuracy of such information. The Company has not independently verified any such information. Certain information in this presentation is based upon management forecasts and reflects prevailing conditions and management’s views as of the date of this presentation, all of which are subject to change.
Pega Overview
OUR MISSION

Change the way the world builds software to create unprecedented business outcomes in customer engagement and operational excellence

Digital Transformation

Build for Change®
Leading Digital Transformation

Customer Engagement

Pega Customer Decision Hub™
Pega Customer Service™
Pega Sales Automation™

Intelligent Automation

Pega Robotic Automation™
Pega Platform™

Founded: 1983
HQ: Cambridge, MA
Over 5,500 staff

$986M
Trailing 12 Months Revenue

75%+
Subscription Revenue as % of Total 1H Revenue

21%
ACV Growth

54%
Cloud Revenue Growth

Source: Company filings

Every day, Pega powers...

**MILLIONS**
of automated processes

**BILLIONS**
of customer interactions

**TRILLIONS**
of dollars of business

If you’ve driven a car, used your credit card, called a company for service, opened an account, applied for a loan, accepted an offer, flown on an airplane, paid a bill, submitted a claim, or countless other things you do in your day...

...you’ve interacted with Pega.
Key Investment Highlights

• Rapidly growing enterprise software company, with a view towards a $50B+ digital transformation market opportunity

• Large enterprise client base in key verticals: financial services, insurance, telecommunications, health care, manufacturing, and public sector

• A proven technology leader in customer engagement and intelligent automation

• Mission critical to our clients

• Transition to a subscription business model underway

• Strong business driving to Rule of 40 effectiveness
Solution Overview
What are the Business Problems We Solve?

Pega drives better business outcomes by...

**Making Decisions**
Delivering 1:1 customer engagement powered by *real-time, omni-channel AI*

**Getting work done**
Making customer and employee-facing processes more efficient through *end-to-end automation & robotics*

...and very often we do both
For example, in the context of **Customer Service** or **KYC/CLM**, when customer interactions involve processing work to resolve a request.
Pega Infinity™

1:1 Customer Engagement
Customer Service
Intelligent Automation

MAKE DECISIONS
GET WORK DONE

REAL-TIME, OMNI-CHANNEL AI
END-TO-END AUTOMATION & ROBOTICS
MICROJOURNEY-CENTRIC RAPID DELIVERY
SITUATIONAL LAYER CAKE™
SOFTWARE THAT WRITES YOUR SOFTWARE
CLOUD CHOICE

Industry-leading technology
Start fast and scale
Future proof your investment

PEGA DX ARCHITECTURE™
Unified architecture for digital transformation

“The highest reference customer rating for customer usability. The best ability to build, maintain, and change complex cases. The highest overall product satisfaction ratings.”

Gartner
Business Overview
Why Pega Wins

Differentiated Architecture

Ease of Integration

Depth of Platform Functionality

Strong Team

Deep Vertical Expertise

Robust ROI

Financial Services

Healthcare

Manufacturing

Public Sector

Insurance

Telecommunications
# Selling High-Value Use Cases to Some of the World’s Largest Companies

<table>
<thead>
<tr>
<th>Buyer</th>
<th>Offering</th>
<th>Value Proposition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Robert Chief Customer Officer</td>
<td>1:1 Customer Engagement</td>
<td><strong>Maximize top-line growth</strong> with a centralized, real-time AI-powered customer decision hub that delivers next-best-actions at every customer interaction, across various channels.</td>
</tr>
<tr>
<td>Teresa SVP, Customer Service</td>
<td>Customer Service</td>
<td><strong>Reduce cost and streamline service</strong> experiences for customers and employees with a state-of-the-art customer service application and out-of-the-box, industry-specific microjourneys.</td>
</tr>
<tr>
<td>Chen SVP, Operations</td>
<td>Intelligent Automation</td>
<td><strong>Make customer and employee-facing processes more efficient</strong> through intelligent automation powered by end-to-end robotics and case management.</td>
</tr>
</tbody>
</table>
## How Do Our Clients Drive Value Using Pega?

<table>
<thead>
<tr>
<th>Client</th>
<th>Illustrative Use Case</th>
<th>Impact and Result</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Commonwealth Bank</strong></td>
<td>Retain customers</td>
<td>• 50 million next best action conversations delivered across 18 channels</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• +12 lead in NPS over the competition</td>
</tr>
<tr>
<td><strong>American Express</strong></td>
<td>Inquire into account info</td>
<td>• Tripled customer satisfaction</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Increased cardmember spend by 10%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Lowered card attrition 4x</td>
</tr>
<tr>
<td><strong>SIEMENS</strong></td>
<td>Streamline processes &amp; reduce costs</td>
<td>• Reduced process cycle time by 60%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• 65% decrease in customer onboarding time</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• 80% of common business processes standardized</td>
</tr>
</tbody>
</table>

1:1 Customer Engagement

Customer Service

Intelligent Automation

[https://www.pega.com/customers/cba-marketing](https://www.pega.com/customers/cba-marketing)

[https://www.pega.com/customers/american-express](https://www.pega.com/customers/american-express)

[https://www.pega.com/customers/siemens](https://www.pega.com/customers/siemens)
Financial Details
Financial Highlights

Massive Market Opportunity

Transition to Cloud Underway

High Growth, Recurring Revenue Model

Scale to Drive Margin Expansion
Pursuing a Massive Market Opportunity in Platform & CRM

Complementary to Other Major Players

FY 19
$50B+

FY 23
$80B+

CRM remains BOTH the largest and fastest growing enterprise application software category, according to Gartner*

Transition to Cloud Underway

From...
- Perpetual
- Less Predictable
- Lagging Growth & Margins

To...
- Recurring
- More Predictable
- Rule of 40

CLOUD TRANSITION TIMELINE

2017

2022
High Growth, Recurring Revenue Model

ACV Growth is the Best Indicator of Growth During the Cloud Transition

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Pega Cloud</th>
<th>Client Cloud</th>
<th>Total ACV</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1 18</td>
<td>$489</td>
<td>$418</td>
<td>$607</td>
</tr>
<tr>
<td>Q2 18</td>
<td>$512</td>
<td>$431</td>
<td>$593</td>
</tr>
<tr>
<td>Q3 18</td>
<td>$534</td>
<td>$437</td>
<td>$551</td>
</tr>
<tr>
<td>Q4 18</td>
<td>$568</td>
<td>$459</td>
<td>$557</td>
</tr>
<tr>
<td>Q1 19</td>
<td>$589</td>
<td>$461</td>
<td>$549</td>
</tr>
<tr>
<td>Q2 19</td>
<td>$611</td>
<td>$476</td>
<td>$577</td>
</tr>
<tr>
<td>Q3 19</td>
<td>$636</td>
<td>$490</td>
<td>$566</td>
</tr>
<tr>
<td>Q4 19</td>
<td>$691</td>
<td>$523</td>
<td>$536</td>
</tr>
<tr>
<td>Q1 20</td>
<td>$714</td>
<td>$530</td>
<td>$524</td>
</tr>
<tr>
<td>Q2 20</td>
<td>$738</td>
<td>$527</td>
<td>$515</td>
</tr>
</tbody>
</table>

Q2 2020 Growth vs Q2 2019

- Total ACV: 21%
- Pega Cloud ACV: 56%
- Client Cloud ACV: 11%

ACV represents the annualized value of our active contracts as of the measurement date. ACV for term license and Pega Cloud contracts is calculated by dividing the contract’s total value by the duration of the contract in years. ACV for maintenance is calculated as maintenance revenue for the quarter then ended multiplied by four. Client Cloud ACV is composed of maintenance ACV and ACV from term license contracts. We believe the presentation of ACV on a constant currency basis enhances the understanding of our results, as it provides visibility into the impact of changes in foreign currency exchange rates, which are outside of our control. All periods shown reflect foreign currency exchange rates as of June 30, 2020.
Fastest Growing Revenue Stream is Pega Cloud

Trailing 12 Months Pega GAAP Cloud Revenue Increased by 100%+ since Q4 2018

Source: Company filings
Remaining Performance Obligation (RPO) / Backlog is Growing

Pega Cloud RPO/Backlog up 26%, Total RPO/Backlog Up 30%

Pega Cloud RPO/Backlog

<table>
<thead>
<tr>
<th>Date</th>
<th>&gt;1 Year</th>
<th>≤1 Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>6/30/2019</td>
<td>$124</td>
<td>$238</td>
</tr>
<tr>
<td>6/30/2020</td>
<td>$191</td>
<td>$266</td>
</tr>
</tbody>
</table>

Total RPO/Backlog

<table>
<thead>
<tr>
<th>Date</th>
<th>&gt;1 Year</th>
<th>≤1 Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>6/30/2019</td>
<td>$360</td>
<td>$268</td>
</tr>
<tr>
<td>6/30/2020</td>
<td>$461</td>
<td>$356</td>
</tr>
</tbody>
</table>

+30%
What Does this All Mean?

Strive to build a growing, recurring business to drive increased value

- Capitalizing on high-growth markets
- Continuing our technology leadership
- Increasing sales capacity

With a view towards:

- Driving ACV growth
- Leveraging Cloud Choice differentiation
- Balancing growth & margin
- “Rule of 40”