Pegasystems Investor Presentation Q3 2026

NASDAQ: PEGA

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October 20, 2026

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Safe Harbor Statement

Certain statements in this presentation may be “forward-looking statements” as defined in the Private Securities Litigation Reform Act of 1995, including the size of the current and future market opportunity, and growth of the business. Words such as expects, anticipates, intends, plans, believes, will, could, should, estimates, may, targets, strategies, intends to, projects, positions, forecasts, guidance, likely, and usually or variations of such words and other similar expressions identify forward-looking statements. These statements represent our views only as of the date the statement was made and are based on current expectations and assumptions.

Factors that could cause our results to differ materially from those expressed in forward-looking statements include unanticipated changes in the market for the our products and services, our future financial performance and business plans, the successful execution of investments in artificial intelligence, variation in demand for our products and services, reliance on key personnel, our client retention rate, competitive pressures, management of our growth, and other factors listed in our press release announcing our Q3 2026 results and in our filings with the Securities and Exchange Commission, including our Annual Report on Form 10-K for the year ended December 31, 2025 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 included 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 expressly disclaim any obligation to publicly update or revise these forward-looking statements, whether as the result of new information, future events, or otherwise. Any forward-looking statements in this presentation represent our views as of October 20, 2026.

Non-GAAP Financial Measures

Our non-GAAP financial measures should only be read in conjunction with our consolidated financial statements prepared in accordance with GAAP. We believe that these measures help investors understand our core operating results and prospects, which is consistent with how management measures and forecasts our performance without the effect of often one-time charges and other items outside our normal operations. Management uses these measures to assess the performance of the company's operations and establish operational goals and incentives. They are not a substitute for financial measures prepared under U.S. GAAP. Constant currency measures are calculated by applying the September 30, 2025 foreign exchange rates to current period shown. Reconciliations of GAAP and non-GAAP measures are in our press release announcing our Q3 2026 results and at the end of this presentation.

Additional Notes

This presentation may contain industry market data, industry forecasts, and other statistical information. Such information was obtained from publicly available information, industry publications, and other third-party sources, and we make no representations as to the accuracy of such information. We have 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.

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Pega overview

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The future belongs to the Autonomous Enterprise

Our vision

To change the way the world builds software to reimagine enterprise transformation with AI

Our software

AI-powered platform that optimizes and automates workflows and decisions, predictably and at scale

What we do

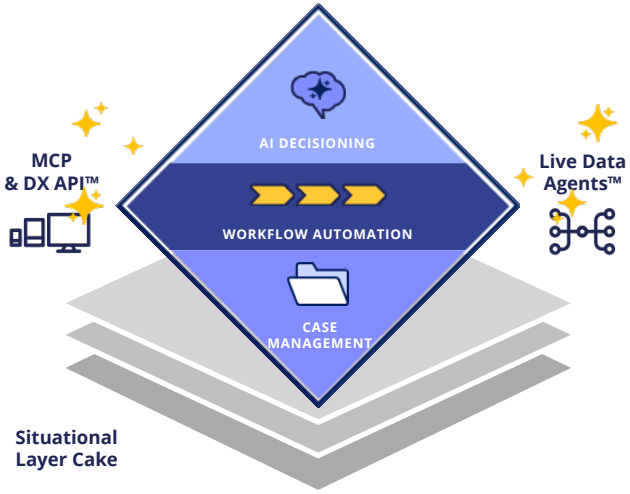
Accelerate transformation with Pega Blueprint® and Predictable AI™



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Pega Infinity™

Enterprise software built on a Center-out® agent architecture



Industry solutions

Business solution

1:1 Customer Engagement	Customer Service	Workflow Automation	Legacy Transformation
Drive more growth and retention with real-time AI to deliver next-best actions, orchestrate customer journeys, and optimize engagement across channels to improve outcomes and maximize enterprise value.	**Enhance customer satisfaction and reduce costs** with AI-powered case management automation and journey orchestration to streamline processes, improve responsive, and drive efficient resolutions.	**Increase operational efficiency and reduce costs** by automating workflows end-to-end with AI-powered orchestration, low-code tools, and unified data to streamline processes, improve agility, and drive fast deployment.	**Accelerate enterprise modernization and eliminate costs** by retiring legacy systems fast with AI-driven analysis and low-code automation to redesign workflows, integrate operations, and deploy cloud solutions.
Pega Customer Decision Hub™	**Pega Customer Service™** **Pega Sales Automation™**	**Pega Platform™** **Pega RPA™**	**Pega Platform™** **Pega Blueprint™**

Pega Blueprint®

Pega Cloud®

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Leading enterprises run mission-critical work on Pega

Connecting workflows and decisions across the customer lifecycle



Communications service providers

- 1:1 customer engagement
- Customer service
- Order management
- Network operations
- Shared services
- Sales management



Financial services

- 1:1 customer engagement
- Onboarding & KYC
- Lending
- Customer service
- Operations
- Payment exceptions
- Financial crime



Government

- Acquisition & supply chain modernization
- Citizen service
- Enterprise modernization
- Investigative case management
- Grants & financial management
- Licensing
- Customer engagement



Healthcare

- Customer engagement
- Onboarding & enrollment
- Customer service
- Claims
- Operations
- Care management services



Insurance

- Personalized engagement
- High performing sales
- Carrier distribution management
- Underwriting automation
- Service excellence
- Claims optimization

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Driving growth and free cash flow

Founded: 1983
HQ: Waltham, MA
Employees: 5,000+

Q3 2026

7%
ACV Growth
(in constant currency)[1]

20%
Pega Cloud ACV Growth
(in constant currency)[1]

$290M
Year-to-Date (YTD)
Free Cash Flow [2]

(1) Constant currency change since September 30, 2025.
(2) Our non-GAAP free cash flow is defined as cash provided by operating activities less investment in property and equipment. Investment in property and equipment fluctuates in amount and frequency and is significantly affected by the timing and size of investments in our facilities and equipment. We provide information on free cash flow to enable investors to assess our ability to generate cash without incurring additional external financings. This information is not a substitute for financial measures prepared under U.S. GAAP.

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Key investment highlights

- Growing enterprise software company, with a view towards a **$180B+ market opportunity**
- **Large enterprise client base in key verticals**: Communications service providers, financial services, government, healthcare, and insurance
- A proven **technology leader** in AI decisioning and business orchestration and automation
- **Mission critical** to our clients
- Managing the business with a **Rule of 40** mindset



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Solution overview

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Pega AI optimizes and automates workflows and decisions

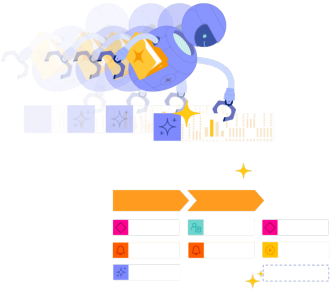
Reimagine how work gets done



Transform legacy systems and redesign processes for the AI era.

Pega Blueprint AI®

Run with **predictable outcomes and cost**



Orchestrate agents, people, & systems.

Open agentic orchestration with **Pega Platform™**

Build for change® at AI speed



Deliver fast and effectively without escalating tech debt.

Open agentic engineering with **Infinity Studio™**

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Enterprises transform mission-critical work with Pega Blueprint® and Predictable AI™

Reimagine work, run with predictable outcomes and cost, and Build For Change® at AI speed

Legacy Transformation

Modernize fast on a governed foundation

vodafone

GO-LIVE in 40 HOURS

Operations

Shrink cycle time without losing control

citi

FROM 1 DAY to <3 SECS

Service & Sales

Improve efficiency + experience reliably

Virgin media

30%+ NPS GAINS

Engagement

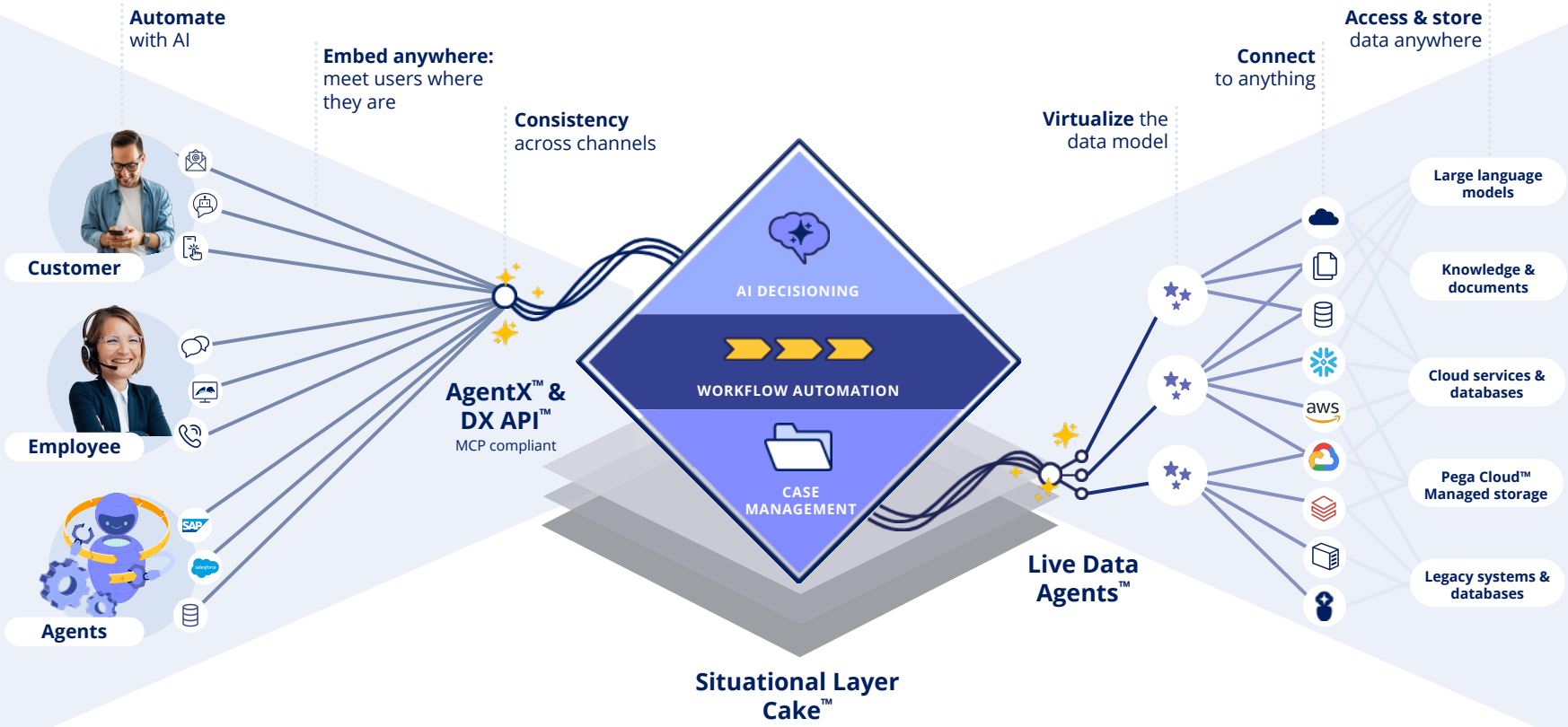
Scale decisioning leaders can stand behind

WELLS FARGO

10x CONVERSION

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Center out® is *the* application architecture for the AI world



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Reimagine your business with Pega Blueprint AI™

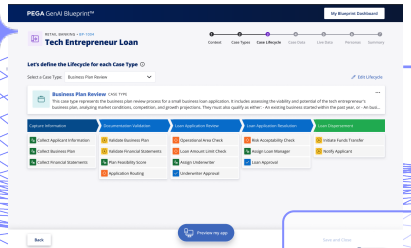
Rapid discovery → **Design, build & optimize workflows and apps** → **Unlock logic & data to the cloud**



Pega Blueprint
AI Agents

Design-time AI reasoning applies best practices from: Pega, partners, the client, and the internet

aws



aws

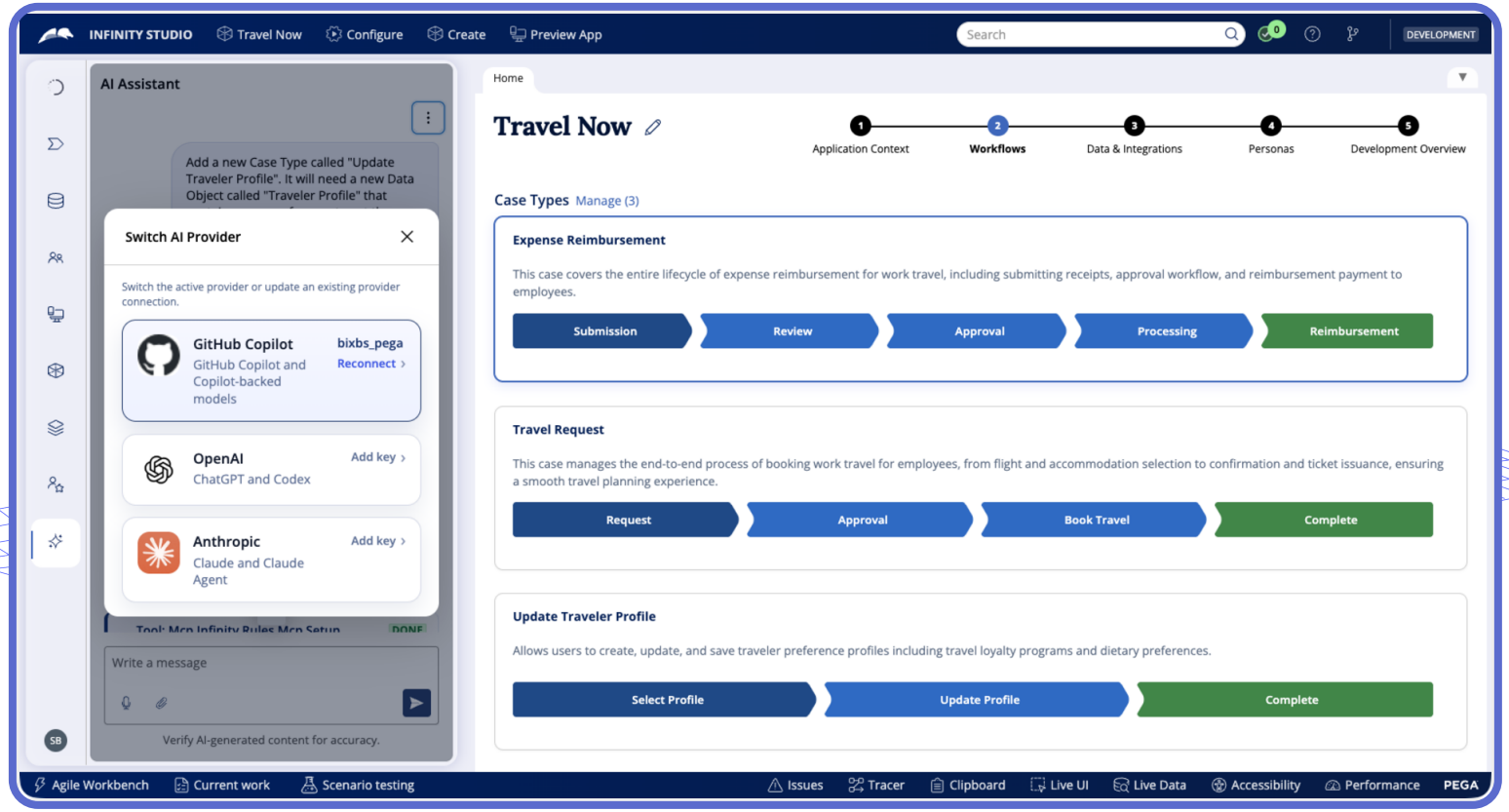


Your data stays *yours*

- Documents stored securely & privately
- Enterprise-grade privacy & compliance
- Your data is never used to train models

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Build better and faster with Infinity Studio™



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Orchestrate mission critical work predictably

Invoke processes from agents and agents from processes



Pega Conversational Agent

Any Agent

aws

MCP / A2A

Application control agent leverages *Semantic AI* to find the right workflow, agents, knowledge

Intake | Review | Process | Resolve

Collect information

Agent step

MCP / A2A

Orchestrate any agent

PEGA aws

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Orchestrate mission critical work predictably

Invoke processes from agents and agents from processes in any application



Pega Conversational Agent

Any Agent

aws – – A\ –

MCP / A2A

Fabric control agent leverages *Semantic AI* to find the right workflow, agents, knowledge

Fabric registry

Agentic Process Fabric weaves together workflows, knowledge, and data across Pega apps

Intake | Review | Process | Resolve

Collect information

Agent step

MCP / A2A

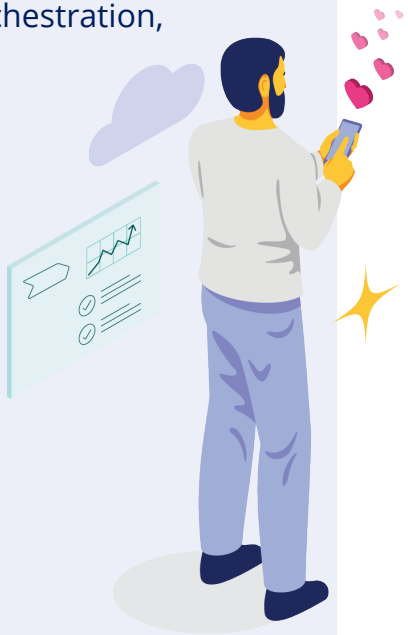
Orchestrate any agent

PEGA – aws – – A\ –

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Change you can trust, validated by evidence

recognized by leading industry analysts for decisioning, orchestration, and process intelligence



The Forrester Wave™
AI Platforms, Q3 2026

The Forrester Wave™
Real-Time Interaction Management, Q4 2025

The Forrester Wave™
Customer Service Solutions, Q1 2026

2026 Gartner® Magic Quadrant™
for Business Orchestration and Automation Technologies

2026 Gartner® Magic Quadrant™
for Process Intelligence Platforms

The Forrester Wave™
Digital Process Automation Software, Q3 2025

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Business overview

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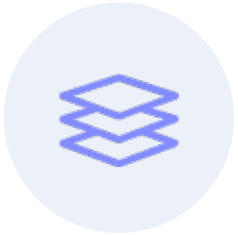
Why Pega wins



Differentiated architecture



Ease of integration



Depth of platform functionality



Strong team



Deep Vertical Expertise



Robust ROI

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Financial details

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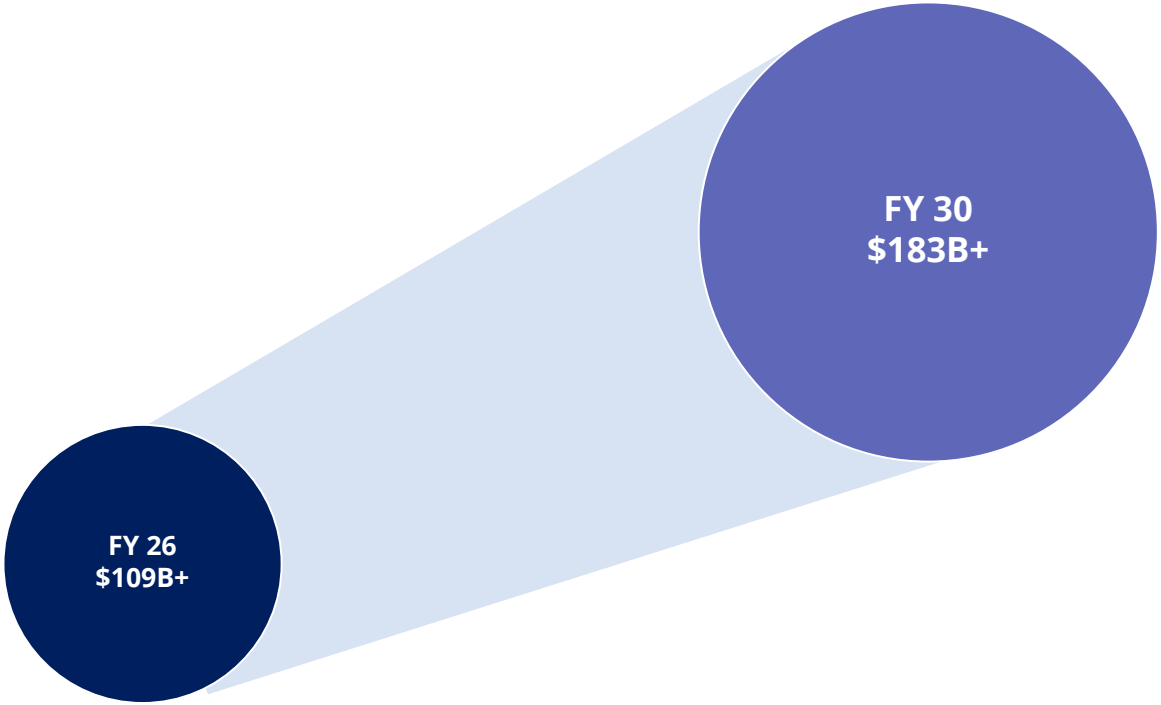
Financial outlook

- Massive market opportunity
- Subscription journey
- Recurring model
- Margin expansion opportunities



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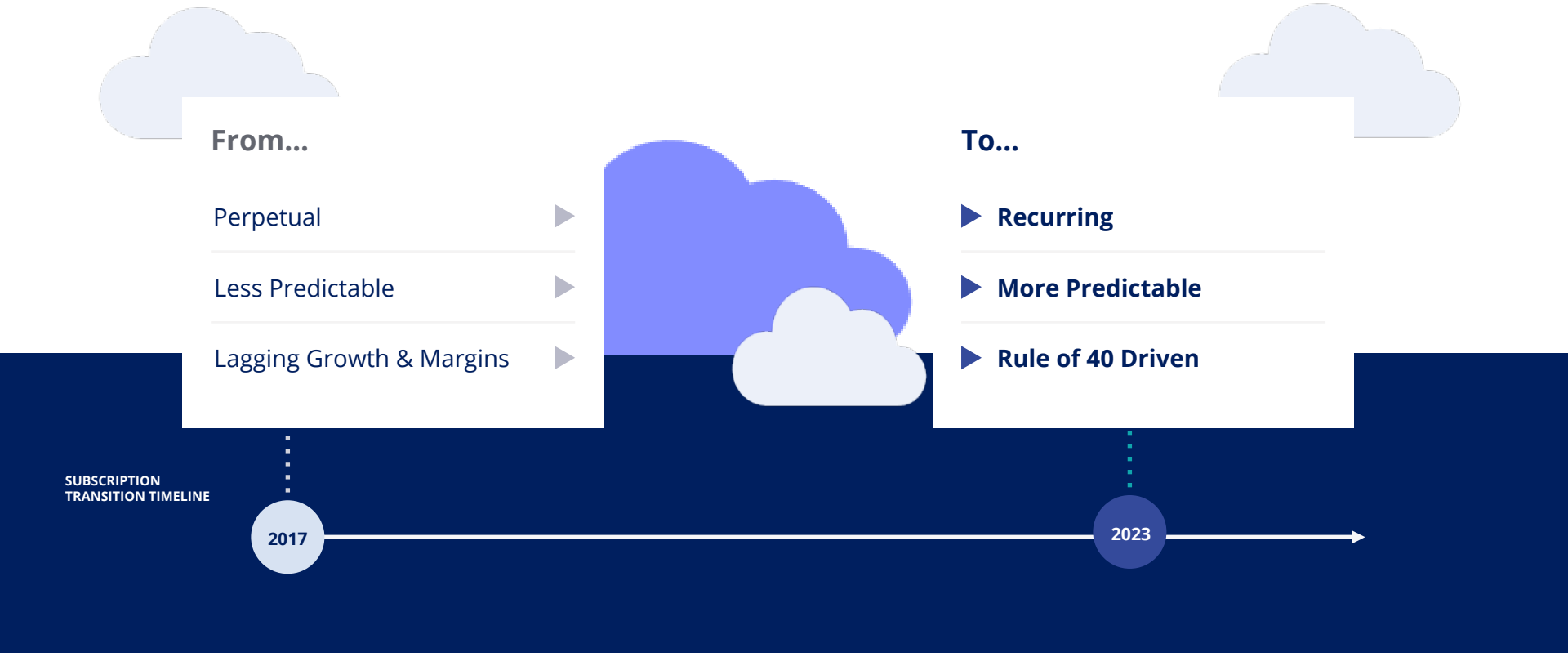
Pursuing a massive market opportunity in platform & CRM



Source: IDC Worldwide Semi-annual Software Tracker (May 2026)

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Evolution of our subscription journey

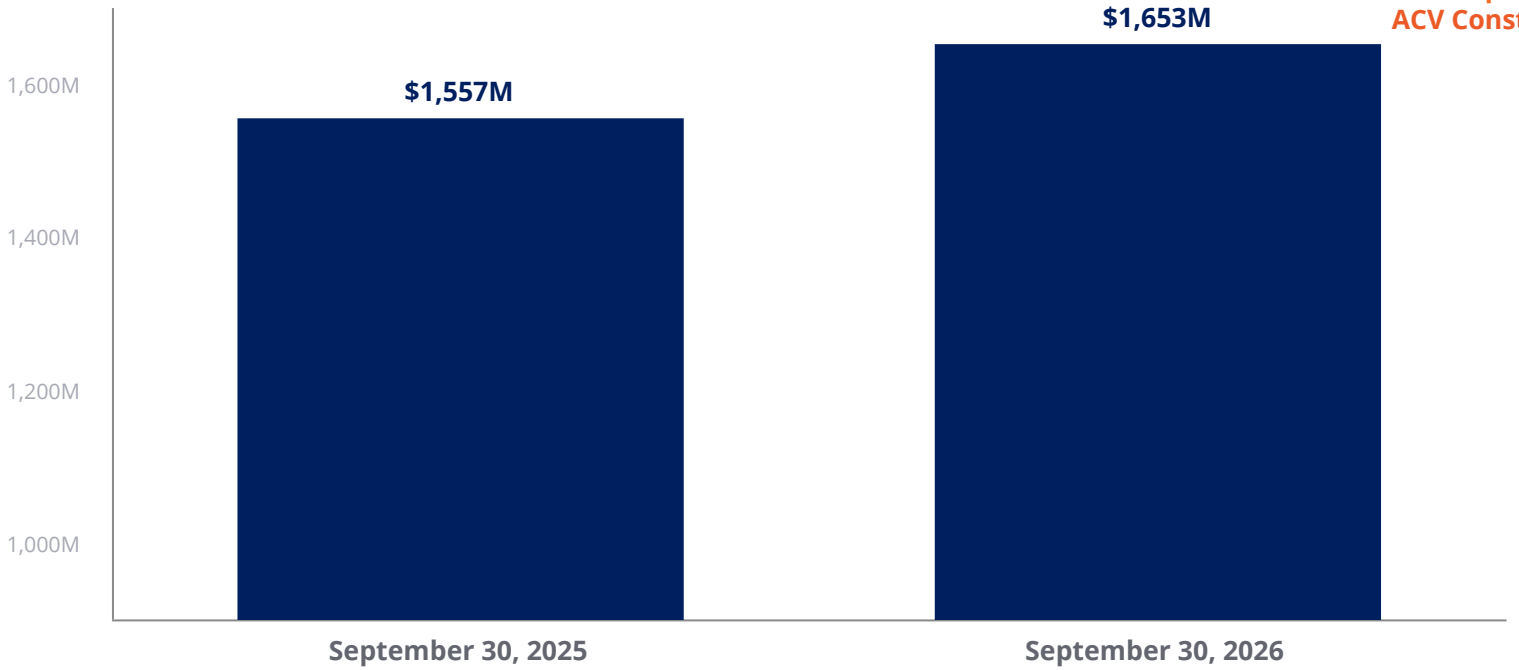


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Recurring subscription model

Annual Contract Value (ACV) as reported

Growth since September 30, 2025
ACV Reported: 6%
ACV Constant Currency: 7%

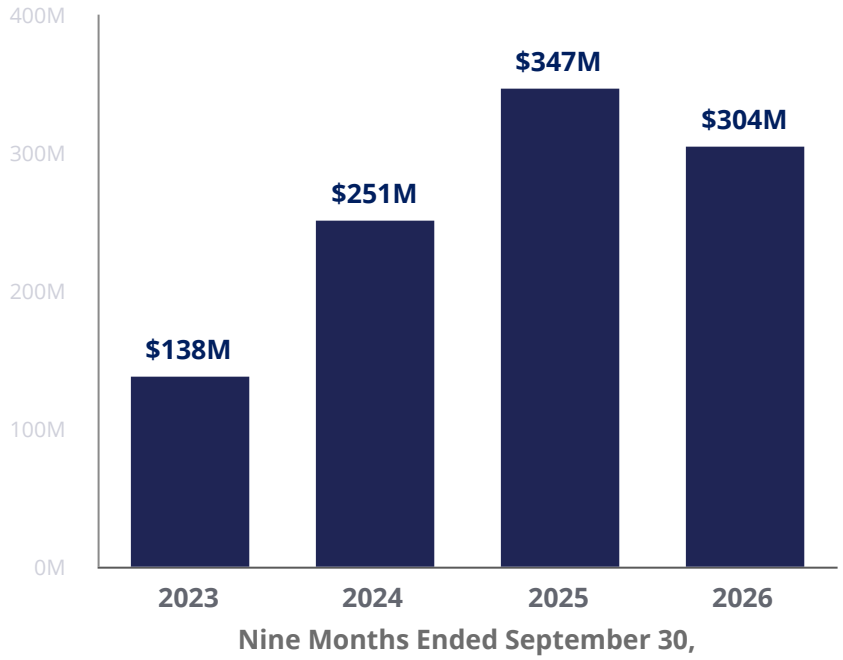


ACV represents the annualized value of our active contracts as of the measurement date. The contract's total value is divided by its duration in years to calculate ACV. ACV is a performance measure that we believe provides useful information to our management and investors.

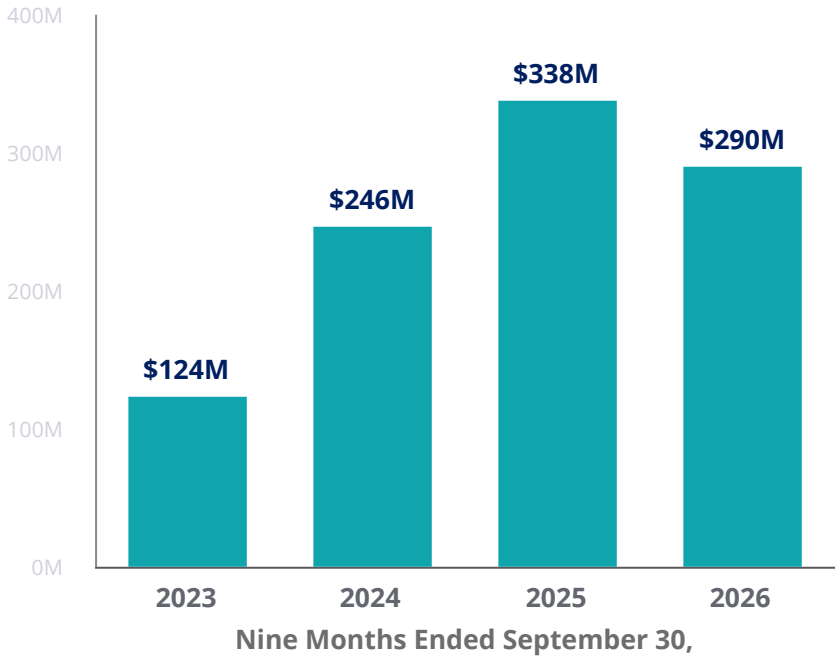
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Cash flow growth

Operating Cash Flow Growth



Free Cash Flow Growth

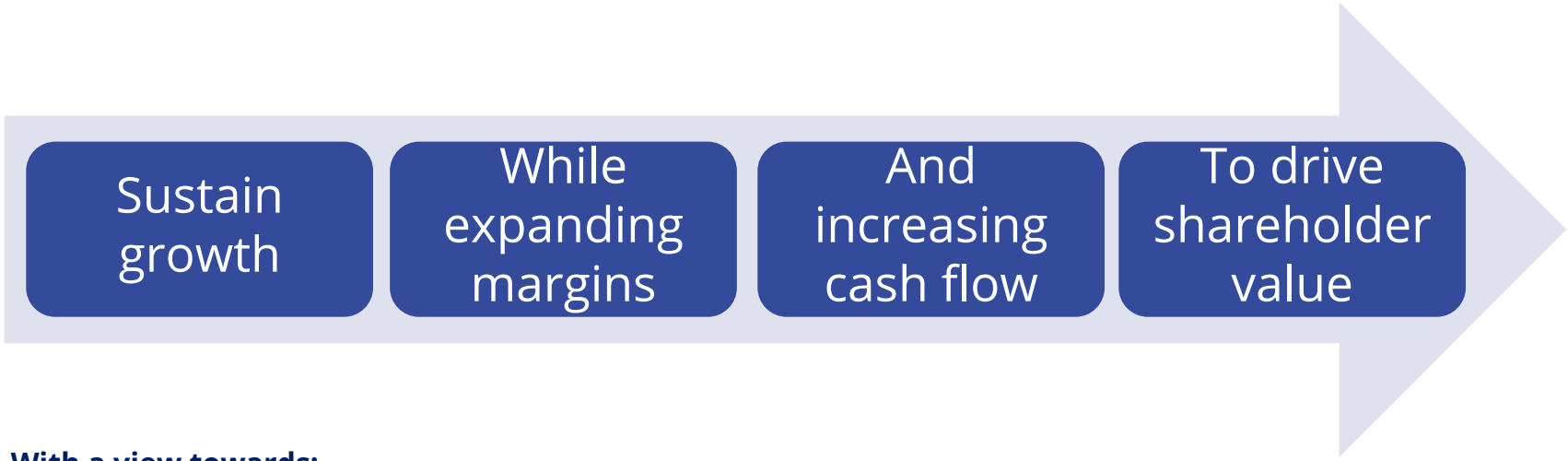


Note: For additional information refer to explanatory notes on slide 34

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What this all means

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



With a view towards:

- Continuing our technology leadership
- Improving sales productivity
- Executing our target organization go-to-market strategy
- Driving ACV growth
- Leveraging Pega Cloud
- Balancing growth & margin
- Returning capital to shareholders
- Rule of 40 driven

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Corporate Social Responsibility at Pega

E

ENVIRONMENTAL

We are committed to reducing the environmental impact of our operations on air, land, and water



S

SOCIAL

We strive to be a responsible corporate citizen and active contributor in communities where our employees, partners, and clients' work



G

GOVERNANCE

We believe that corporate governance is important to ensure that Pega is managed for the long-term benefit of all our stakeholders

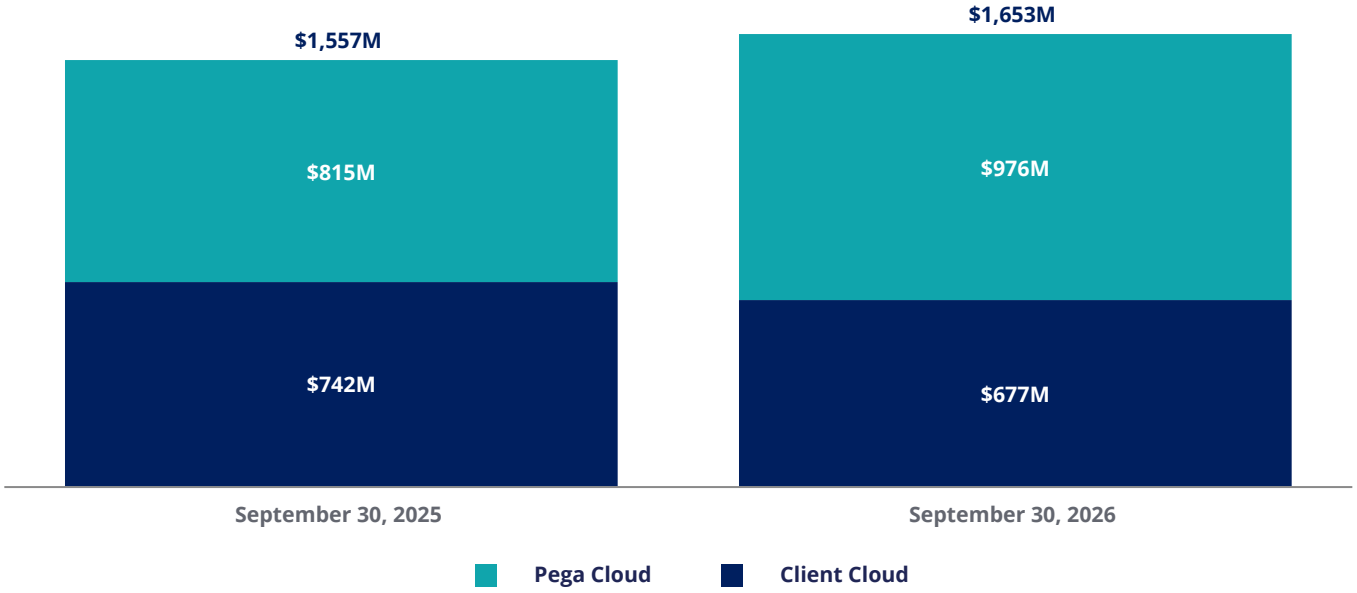


https://www.pega.com/corporate-social-responsibility

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Reported ACV:

Pega Cloud ACV up 20% as reported



Growth since September 30, 2025:

Total ACV: 6%
(7% constant currency)

Pega Cloud ACV: 20%

Client Cloud ACV: (9)%
((8)% constant currency)

ACV represents the annualized value of our active contracts as of the measurement date. The contract's total value is divided by its duration in years to calculate ACV. ACV is a performance measure that we believe provides useful information to our management and investors.

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Reported ACV:

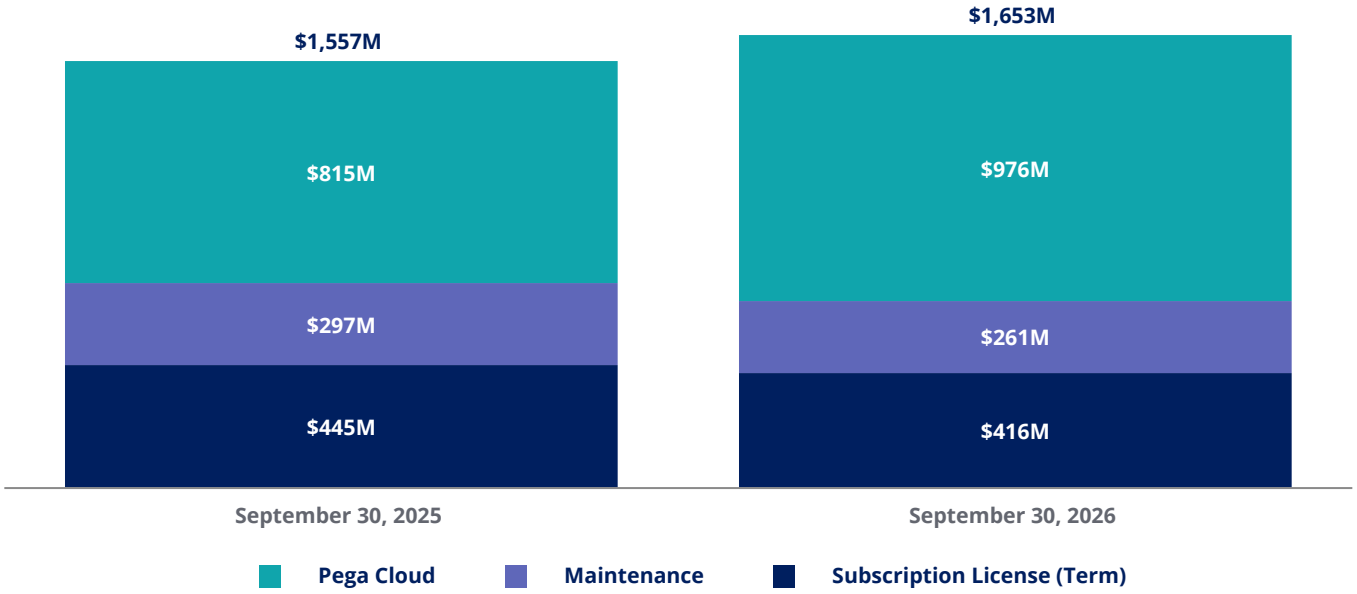
Pega Cloud, maintenance, and subscription license (term) as reported

Growth since September 30, 2025:

Total ACV: 6%
(7% constant currency)

Pega Cloud ACV: 20%

Client Cloud ACV: (9)%
((8)% constant currency)

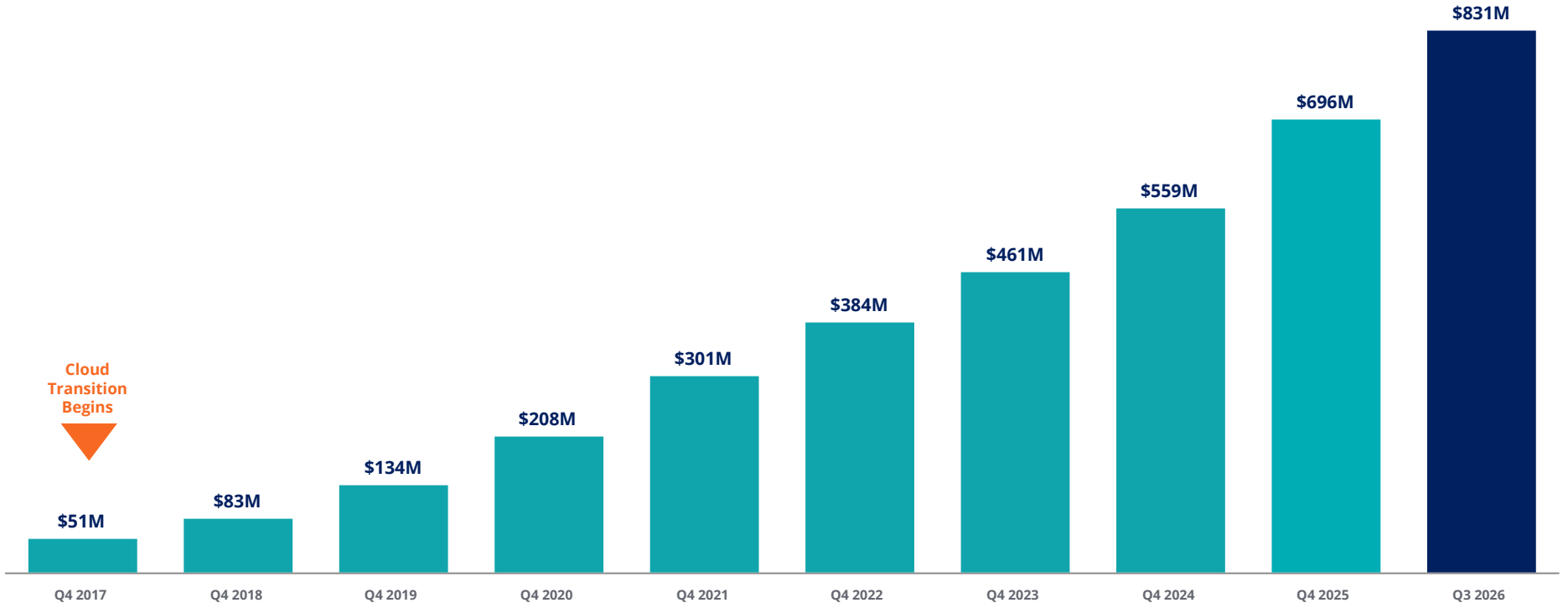


ACV represents the annualized value of our active contracts as of the measurement date. The contract's total value is divided by its duration in years to calculate ACV. ACV is a performance measure that we believe provides useful information to our management and investors.

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Pega Cloud Revenue

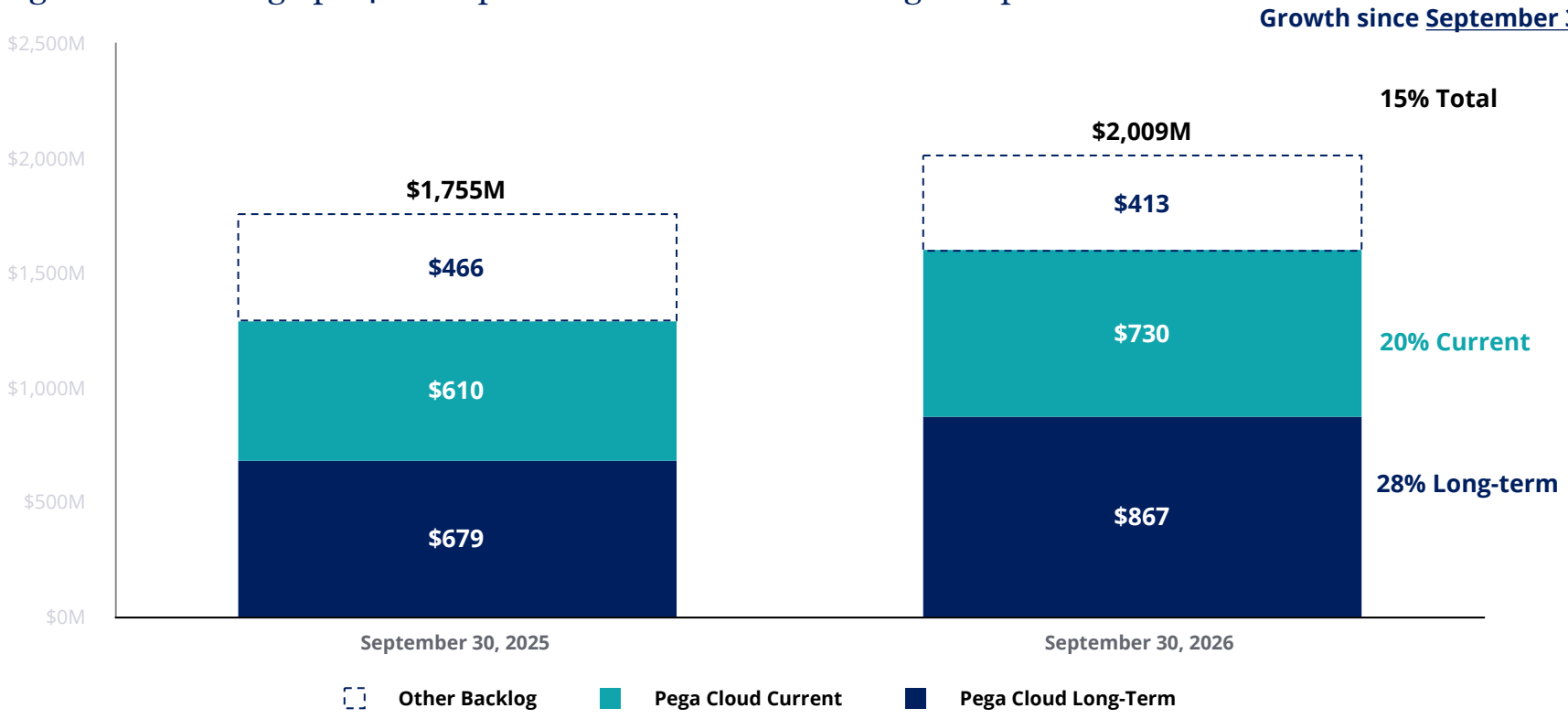
Trailing 12 Months



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Pega backlog:

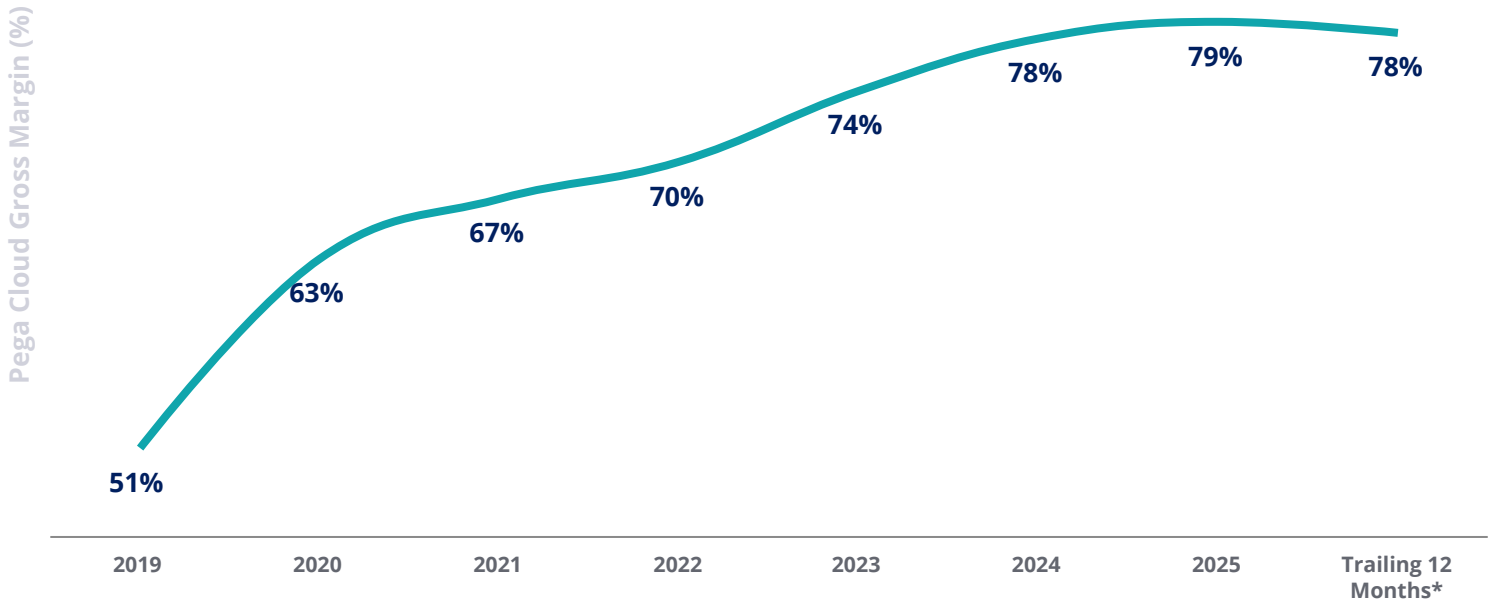
Pega Cloud backlog up 24% & represents 80% of total backlog as reported



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Pega Cloud gross margin

Pega Cloud gross margin has improved over time



*As of September 30, 2026

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Operating and free cash flow reconciliation

(dollars in thousands)	Nine Months Ended September 30, 2026	2025	2024	2023
Cash provided by operating activities	**$ 304,299**	**$ 346,796**	**$ 250,697**	**$ 137,920**
Investment in property and equipment	(14,474)	(8,485)	(4,921)	(14,271)
Free cash flow [1]	$ 289,825	$ 338,311	$ 245,776	$ 123,649
Supplemental information [2]				
Litigation settlement	$ 9,750	$ —		
Legal fees	32,864	15,022		
Restructuring	15,442	1,681		
Interest paid on convertible senior notes	—	1,754		
Other	(689)	—		
Income taxes, net of refunds	22,609	7,993		
	$ 79,976	$ 26,450		

(1) Our non-GAAP free cash flow is defined as cash provided by operating activities less investment in property and equipment. Investment in property and equipment fluctuates in amount and frequency and is significantly affected by the timing and size of investments in our facilities and equipment. We provide information on free cash flow to enable investors to assess our ability to generate cash without incurring additional external financings. This information is not a substitute for financial measures prepared under U.S. GAAP.
(2) The supplemental information below identifies certain items included in operating cash flow that may affect comparability between periods.

- *Litigation settlement: Cost to settle litigation arising from proceedings outside the ordinary course of business. See "Note 16. Commitments and Contingencies" in Item 1 of our Quarterly Report filing on Form 10-Q for the period ended September 30, 2026 and prior filings for further information.*
- *Legal fees: Legal and related fees arising from proceedings outside the ordinary course of business.*
- *Restructuring: Restructuring fluctuates in amount and frequency and is significantly affected by the timing and size of our restructuring activities.*
- *Interest on convertible senior notes: In February 2020, we issued convertible senior notes (the "Notes"), due March 1, 2025, in a private placement. The Notes accrued interest at an annual rate of 0.75%, paid semi-annually in arrears on March 1 and September 1. The outstanding Notes were repaid in their entirety at maturity.*
- *Other: One-time cash flow items not part of our ongoing operations.*
- *Income taxes, net of refunds: Direct income taxes paid net of refunds received.*

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