

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

	<b>Three Months Ended</b>		<b>Twelve Months Ended</b>	
	<b>December 31, 2015</b>	<b>December 31, 2014</b>	<b>December 31, 2015</b>	<b>December 31, 2014</b>
	<b>(unaudited)</b>		<b>(unaudited)</b>	
<b>Revenues:</b>				
Subscription	\$ 244,702	\$ 166,751	\$ 848,278	\$ 567,217
Professional services and other	40,948	31,253	157,202	115,346
Total revenues	<u>285,650</u>	<u>198,004</u>	<u>1,005,480</u>	<u>682,563</u>
<b>Cost of revenues <sup>(1)</sup>:</b>				
Subscription	49,511	40,330	183,400	142,687
Professional services and other	41,398	30,308	146,013	106,089
Total cost of revenues	<u>90,909</u>	<u>70,638</u>	<u>329,413</u>	<u>248,776</u>
Gross profit	<u>194,741</u>	<u>127,366</u>	<u>676,067</u>	<u>433,787</u>
<b>Operating expenses <sup>(1)</sup>:</b>				
Sales and marketing	133,909	95,764	498,439	341,119
Research and development	58,443	42,026	217,389	148,258
General and administrative	33,247	26,260	126,604	96,245
Total operating expenses	<u>225,599</u>	<u>164,050</u>	<u>842,432</u>	<u>585,622</u>
Loss from operations	(30,858)	(36,684)	(166,365)	(151,835)
Interest and other expense, net	(4,796)	(6,562)	(26,647)	(23,705)
Loss before provision for income taxes	(35,654)	(43,246)	(193,012)	(175,540)
Provision for income taxes	1,724	1,417	5,414	3,847
Net loss	<u>\$ (37,378)</u>	<u>\$ (44,663)</u>	<u>\$ (198,426)</u>	<u>\$ (179,387)</u>
Net loss per share - Basic and Diluted	<u>\$ (0.23)</u>	<u>\$ (0.30)</u>	<u>\$ (1.27)</u>	<u>\$ (1.23)</u>
Weighted-average shares used to compute net loss per share - Basic and Diluted	<u>159,718,874</u>	<u>148,666,257</u>	<u>155,706,643</u>	<u>145,355,543</u>

<sup>(1)</sup> Includes total stock-based compensation expense for stock-based awards as follows:

	<b>Three Months Ended</b>		<b>Twelve Months Ended</b>	
	<b>December 31, 2015</b>	<b>December 31, 2014</b>	<b>December 31, 2015</b>	<b>December 31, 2014</b>
<b>Cost of revenues:</b>				
Subscription	\$ 6,233	\$ 4,092	\$ 23,416	\$ 14,988
Professional services and other	6,477	3,928	23,265	13,116
Sales and marketing	27,659	17,624	102,349	54,006
Research and development	18,623	12,562	70,326	42,535
General and administrative	9,190	7,790	38,357	29,674

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

	<b>December 31, 2015</b>	<b>December 31, 2014</b>
	<b>(unaudited)</b>	
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 412,305	\$ 252,455
Short-term investments	388,945	416,336
Accounts receivable, net	203,333	159,171
Current portion of deferred commissions	51,976	43,232
Prepaid expenses and other current assets	29,076	35,792
Total current assets	1,085,635	906,986
Deferred commissions, less current portion	33,016	29,453
Long-term investments	422,667	266,772
Property and equipment, net	144,714	104,237
Intangible assets, net	43,005	54,526
Goodwill	55,669	55,016
Other assets	22,346	7,762
Total assets	\$ 1,807,052	\$ 1,424,752
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current liabilities:		
Accounts payable	\$ 37,369	\$ 17,829
Accrued expenses and other current liabilities	101,264	79,497
Current portion of deferred revenue	593,003	409,671
Total current liabilities	731,636	506,997
Deferred revenue, less current portion	10,751	12,567
Convertible senior notes, net	474,534	443,437
Other long-term liabilities	23,317	33,076
Stockholders' equity	566,814	428,675
Total liabilities and stockholders' equity	\$ 1,807,052	\$ 1,424,752

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

	<u>Three Months Ended</u>		<u>Twelve Months Ended</u>	
	<u>December 31, 2015</u>	<u>December 31, 2014</u>	<u>December 31, 2015</u>	<u>December 31, 2014</u>
	(unaudited)		(unaudited)	
<b>Cash flows from operating activities:</b>				
Net loss	\$ (37,378)	\$ (44,663)	\$ (198,426)	\$ (179,387)
Adjustments to reconcile net loss to net cash provided by operating activities:			—	
Depreciation and amortization	16,399	13,325	60,356	42,059
Amortization of premiums on investments	1,684	2,040	7,064	8,084
Amortization of deferred commissions	17,486	14,872	65,541	51,270
Amortization of debt discount and issuance costs	7,973	7,451	31,097	29,059
Stock-based compensation	68,182	45,996	257,713	154,319
Tax benefit from employee stock plans	(1,482)	(847)	(2,663)	(2,037)
Deferred income tax	(1,282)	(1,198)	(1,282)	(1,198)
Other	(830)	(2,496)	(6,223)	(4,469)
Changes in operating assets and liabilities:				
Accounts receivable	(45,552)	(49,850)	(50,855)	(56,785)
Deferred commissions	(25,974)	(26,671)	(80,142)	(73,786)
Prepaid expenses and other assets	(2,046)	(3,154)	(10,961)	(5,540)
Accounts payable	6,473	6,331	14,785	10,223
Deferred revenue	80,088	76,042	195,900	168,393
Accrued expenses and other liabilities	21,331	10,446	33,187	(1,305)
Net cash provided by operating activities	<u>105,072</u>	<u>47,624</u>	<u>315,091</u>	<u>138,900</u>
<b>Cash flows from investing activities:</b>				
Purchases of property and equipment	(24,893)	(8,880)	(87,481)	(54,379)
Business combination, net of cash acquired	—	—	(1,100)	(99,813)
Purchase of other intangibles	(1,750)	—	(1,750)	—
Purchases of investments	(169,615)	(160,610)	(712,782)	(521,393)
Purchases of strategic investments	(500)	—	(10,500)	—
Sale of investments	34,414	69,190	277,045	166,997
Maturities of investments	101,415	57,097	305,047	191,715
Restricted cash	186	—	(222)	(55)
Net cash used in investing activities	<u>(60,743)</u>	<u>(43,203)</u>	<u>(231,743)</u>	<u>(316,928)</u>
<b>Cash flows from financing activities:</b>				
Proceeds from employee stock plans	20,001	14,998	93,348	69,396
Taxes paid related to net share settlement of equity awards	(192)	(167)	(12,795)	(661)
Tax benefit from employee stock plans	1,482	847	2,663	2,037
Payments on financing obligation	(111)	—	(223)	—
Net cash provided by financing activities	<u>21,180</u>	<u>15,678</u>	<u>82,993</u>	<u>70,772</u>
Foreign currency effect on cash and cash equivalents	(2,277)	(2,730)	(6,491)	(6,592)
Net increase/(decrease) in cash and cash equivalents	63,232	17,369	159,850	(113,848)
Cash and cash equivalents at beginning of period	349,073	235,086	252,455	366,303
Cash and cash equivalents at end of period	<u>\$ 412,305</u>	<u>\$ 252,455</u>	<u>\$ 412,305</u>	<u>\$ 252,455</u>
<b>Calculation of free cash flow (a non-GAAP measure):</b>				
Net cash provided by operating activities	\$ 105,072	\$ 47,624	\$ 315,091	\$ 138,900
Purchases of property and equipment	<u>(24,893)</u>	<u>(8,880)</u>	<u>(87,481)</u>	<u>(54,379)</u>
Free cash flow	<u>\$ 80,179</u>	<u>\$ 38,744</u>	<u>\$ 227,610</u>	<u>\$ 84,521</u>

**ServiceNow, Inc.**  
**Results of Operations GAAP to Non-GAAP Reconciliation**  
*(in thousands, except share and per share data)*  
(Unaudited)

	Three Months Ended		Growth rates	Constant currency growth rates <sup>(1)</sup>	Twelve Months Ended		Growth rates	Constant currency growth rates <sup>(1)</sup>
	December 31, 2015	December 31, 2014			December 31, 2015	December 31, 2014		
<b>Revenues:</b>								
GAAP subscription revenues	\$ 244,702	\$ 166,751			\$ 848,278	\$ 567,217		
GAAP professional services and other revenues	40,948	31,253			157,202	115,346		
GAAP total revenues	285,650	198,004	44%	51%	1,005,480	682,563	47%	56%
Change in deferred revenue from Consolidated Statements of Cash Flows	80,088	76,042			195,900	168,393		
Non-GAAP billings	\$ 365,738	\$ 274,046	33%	39%	\$ 1,201,380	\$ 850,956	41%	50%
<b>Cost of revenues:</b>								
GAAP subscription cost of revenues	\$ 49,511	\$ 40,330			\$ 183,400	\$ 142,687		
Add back:								
Stock-based compensation	(6,233)	(4,092)			(23,416)	(14,988)		
Amortization of intangibles <sup>(2)</sup>	(2,762)	(2,865)			(11,087)	(6,225)		
Business combination and other related costs	—	—			—	(2)		
Non-GAAP subscription cost of revenues	\$ 40,516	\$ 33,373			\$ 148,897	\$ 121,472		
GAAP professional services and other cost of revenues	\$ 41,398	\$ 30,308			\$ 146,013	\$ 106,089		
Add back:								
Stock-based compensation	(6,477)	(3,928)			(23,265)	(13,116)		
Business combination and other related costs	—	—			—	(9)		
Non-GAAP professional services and other costs of revenues	\$ 34,921	\$ 26,380			\$ 122,748	\$ 92,964		
<b>Gross profit:</b>								
Non-GAAP subscription gross profit	\$ 204,186	\$ 133,378			\$ 699,381	\$ 445,745		
Non-GAAP professional services and other gross profit	6,027	4,873			34,454	22,382		
Non-GAAP gross profit	\$ 210,213	\$ 138,251			\$ 733,835	\$ 468,127		
<b>Operating expenses:</b>								
GAAP sales and marketing expenses	\$ 133,909	\$ 95,764			\$ 498,439	\$ 341,119		
Add back:								
Stock-based compensation	(27,659)	(17,624)			(102,349)	(54,006)		
Amortization of intangibles	(145)	(194)			(581)	(480)		
Business combination and other related costs	—	—			—	(13)		
Non-GAAP sales and marketing expenses	\$ 106,105	\$ 77,946			\$ 395,509	\$ 286,620		
GAAP research and development expenses	\$ 58,443	\$ 42,026			\$ 217,389	\$ 148,258		
Add back:								
Stock-based compensation	(18,623)	(12,562)			(70,326)	(42,535)		
Business combination and other related costs	—	—			—	(31)		
Non-GAAP research and development expenses	\$ 39,820	\$ 29,464			\$ 147,063	\$ 105,692		
GAAP general and administrative expenses	\$ 33,247	\$ 26,260			\$ 126,604	\$ 96,245		
Add back:								
Stock-based compensation	(9,190)	(7,790)			(38,357)	(29,674)		
Amortization of intangibles <sup>(2)</sup>	(23)	(28)			(93)	(113)		
Business combination and other related costs	—	—			—	(1,117)		
Non-GAAP general and administrative expenses	\$ 24,034	\$ 18,442			\$ 88,154	\$ 65,341		
GAAP total operating expenses	\$ 225,599	\$ 164,050			\$ 842,432	\$ 585,622		
Add back:								
Stock-based compensation	(55,472)	(37,976)			(211,032)	(126,215)		
Amortization of intangibles <sup>(2)</sup>	(168)	(222)			(674)	(593)		
Business combination and other related costs	—	—			—	(1,161)		
Non-GAAP total operating expenses	\$ 169,959	\$ 125,852			\$ 630,726	\$ 457,653		
<b>Income (loss) from operations:</b>								
GAAP loss from operations	\$ (30,858)	\$ (36,684)			\$ (166,365)	\$ (151,835)		
Add back:								
Stock-based compensation	68,182	45,996			257,713	154,319		
Amortization of intangibles <sup>(2)</sup>	2,930	3,087			11,761	6,818		
Business combination and other related costs	—	—			—	1,172		
Non-GAAP income from operations	\$ 40,254	\$ 12,399			\$ 103,109	\$ 10,474		

ServiceNow, Inc.  
**Results of Operations GAAP to Non-GAAP Reconciliation**  
*(in thousands, except share and per share data)*  
(Unaudited)

	Three Months Ended			Constant currency growth rates <sup>(1)</sup>	Twelve Months Ended			Constant currency growth rates <sup>(1)</sup>
	December 31, 2015	December 31, 2014	Growth rates		December 31, 2015	December 31, 2014	Growth rates	
<b>Interest and other income (expense)</b>								
GAAP interest and other expense, net	\$ (4,796)	\$ (6,562)			\$ (26,647)	\$ (23,705)		
Add back:								
Amortization of debt discount and issuance costs for the convertible senior notes	7,973	7,451			31,097	29,059		
Non-GAAP interest and other income, net	<u>\$ 3,177</u>	<u>\$ 889</u>			<u>\$ 4,450</u>	<u>\$ 5,354</u>		
<b>Income/ (loss) before provision for income taxes</b>								
GAAP loss before provision for income taxes	\$ (35,654)	\$ (43,246)			\$ (193,012)	\$ (175,540)		
Add back:								
Stock-based compensation	68,182	45,996			257,713	154,319		
Amortization of intangibles <sup>(2)</sup>	2,930	3,087			11,761	6,818		
Business combination and other related costs	—	—			—	1,172		
Amortization of debt discount and issuance costs for the convertible senior notes	7,973	7,451			31,097	29,059		
Non-GAAP income before provision for income taxes	<u>\$ 43,431</u>	<u>\$ 13,288</u>			<u>\$ 107,559</u>	<u>\$ 15,828</u>		
<b>Provision for income taxes:</b>								
GAAP provision for income taxes	\$ 1,724	\$ 1,417			\$ 5,414	\$ 3,847		
Add back:								
Income tax expense effects related to the above adjustments	9,152	6,953			34,750	21,987		
Non-GAAP provision for income taxes	<u>\$ 10,876</u>	<u>\$ 8,370</u>			<u>\$ 40,164</u>	<u>\$ 25,834</u>		
<b>Net income (loss):</b>								
GAAP net loss	\$ (37,378)	\$ (44,663)			\$ (198,426)	\$ (179,387)		
Add back:								
Stock-based compensation	68,182	45,996			257,713	154,319		
Amortization of intangibles <sup>(2)</sup>	2,930	3,087			11,761	6,818		
Business combination and other related costs	—	—			—	1,172		
Amortization of debt discount and issuance costs for the convertible senior notes	7,973	7,451			31,097	29,059		
Income tax expense effects related to the above adjustments	(9,152)	(6,953)			(34,750)	(21,987)		
Non-GAAP net income (loss)	<u>\$ 32,555</u>	<u>\$ 4,918</u>			<u>\$ 67,395</u>	<u>\$ (10,006)</u>		
<b>Net income (loss) per share - basic and diluted:</b>								
GAAP net loss per share - basic and diluted	<u>\$ (0.23)</u>	<u>\$ (0.30)</u>			<u>\$ (1.27)</u>	<u>\$ (1.23)</u>		
Non-GAAP net income (loss) per share - basic	<u>\$ 0.20</u>	<u>\$ 0.03</u>			<u>\$ 0.43</u>	<u>\$ (0.07)</u>		
Non-GAAP net income (loss) per share - diluted	<u>\$ 0.19</u>	<u>\$ 0.03</u>			<u>\$ 0.40</u>	<u>\$ (0.07)</u>		
Weighted-average shares used to compute net income (loss) per share - basic	<u>159,718,874</u>	<u>148,666,257</u>			<u>155,706,643</u>	<u>145,355,543</u>		
GAAP weighted-average shares used to compute net loss per share - diluted	159,718,874	148,666,257			155,706,643	145,355,543		
Effect of dilutive securities (stock options, restricted stock units and common stock subject to repurchase)	<u>11,047,627</u>	<u>15,260,331</u>			<u>13,056,123</u>	<u>—</u>		
Non-GAAP weighted-average shares used to compute net income per share - diluted	<u>170,766,501</u>	<u>163,926,588</u>			<u>168,762,766</u>	<u>145,355,543</u>		

<sup>(1)</sup> Constant currency growth rates presented are derived from converting the current period results for entities reporting in currencies other than U.S. Dollars into U.S. Dollars at the exchange rates in effect during the prior period presented rather than the actual exchange rates in effect during the current period.

<sup>(2)</sup> The Non-GAAP amounts presented for the three and twelve months ended December 31, 2014 have been revised to exclude the amortization of other intangibles.

**ServiceNow, Inc.**  
**Reconciliation of Non-GAAP Financial Guidance**

The financial guidance provided below is an estimate based on information available as of December 31, 2015. The company's future performance and financial results are subject to risks and uncertainties, and actual results could differ materially from the guidance forth below. Some of the factors that could affect the company's financial results are stated above in this press release. More information on potential factors that could affect the company's financial results is included from time to time in the company's public reports filed with the SEC, including the company's Annual Report on Form 10-K filed on February 27, 2015, the company's Form 10-Q for the quarter ended September 30, 2015 filed on November 4, 2015 and the company's Form 10-K for the year ended December 31, 2015 to be filed with the SEC. The company assumes no obligation to update any forward-looking statements or information, which speak as of their respective dates.

	<b>Three Months Ended</b> <b>March 31, 2016</b>	<b>Three Months Ended</b> <b>March 31, 2015</b>	<b>Growth rates</b>	<b>Constant currency</b> <b>growth rates <sup>(1)</sup></b>
Non-GAAP billings	\$360 - \$365 million	\$268 million	34% - 36%	36% - 38%
Change in deferred revenue from Consolidated Statements of Cash Flows	62 million	56 million		
<b>GAAP revenue</b>	<b>\$298 - \$303 million</b>	<b>\$212 million</b>	41% - 43%	42% - 44%
Non-GAAP subscription gross margin	83%			
Stock-based compensation expense	(3%)			
Amortization of intangible assets	(1%)			
<b>GAAP subscription gross margin</b>	<b>79%</b>			
Non-GAAP professional services and other gross margin	9%			
Stock-based compensation expense	(18%)			
<b>GAAP professional services and other gross margin</b>	<b>(9%)</b>			
Non-GAAP total gross margin	73%			
Stock-based compensation expense	(5%)			
Amortization of intangible assets	(1%)			
<b>GAAP total gross margin</b>	<b>67%</b>			
Non-GAAP operating margin	5%			
Stock-based compensation expense	(27%)			
Amortization of intangible assets	(1%)			
<b>GAAP operating margin</b>	<b>(23%)</b>			
Non-GAAP free cash flow margin	21%			
Purchases of property and equipment as % of revenue	9%			
<b>GAAP net cash provided by operating activities as % of revenue</b>	<b>30%</b>			
Non-GAAP weighted-average shares used to compute net income per share - diluted	173 million			
Effect of dilutive securities (stock options, restricted stock units)	(10 million)			
<b>GAAP weighted-average shares used to compute net loss per share - diluted</b>	<b>163 million</b>			
	<b>Twelve Months Ended</b> <b>December 31, 2016</b>	<b>Twelve Months Ended</b> <b>December 31, 2015</b>	<b>Growth rates</b>	<b>Constant currency</b> <b>growth rates <sup>(1)</sup></b>
Non-GAAP billings	~\$1,600 million	\$1,201 million	33%	34%
Change in deferred revenue from cash flow	230 million - 260 million	196 million		
<b>GAAP revenue</b>	<b>\$1,340 million - \$1,370 million</b>	<b>\$1,005 million</b>	33% - 36%	34% - 37%
Non-GAAP operating margin	12%			
Stock-based compensation expense	(25%)			
Amortization of intangible assets	(1%)			
<b>GAAP operating margin</b>	<b>(14%)</b>			
Non-GAAP free cash flow margin	24%			
Purchases of property and equipment as % of revenue	8%			
<b>GAAP net cash provided by operating activities as % of revenue</b>	<b>32%</b>			
Non-GAAP weighted-average shares used to compute net income per share - diluted	177 million			
Effect of dilutive securities (stock options, restricted stock units)	(10 million)			
<b>GAAP weighted-average shares used to compute net loss per share - diluted</b>	<b>167 million</b>			

<sup>(1)</sup> Constant currency growth rates presented are derived from converting the current period estimates for entities reporting in currencies other than U.S. Dollars into U.S. Dollars at the exchange rates in effect during the prior period presented rather than the current period estimated exchange rates.