Blackbaud 2021 Virtual Investor Session

TICKER: BLKB

March 25, 2021

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Speakers & Agenda

Investor Session

The Opportunity Ahead

Mike Gianoni

Chief Executive Officer

Building for the Future

Kevin McDearis

Chief Products Officer

Executing a Winning Strategy

Kevin Gregoire

President, U.S. Markets

Driving International Growth

David Benjamin

President, International Markets

Our Path to Rule of 40

Tony Boor

Chief Financial Officer

5 Minute Break

Q&A Session

Forward-Looking Statements

This presentation contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Forward-looking statements in this presentation consist of, among other things, statements regarding future operating results, all of which are based on current expectations, estimates, and forecasts, and the beliefs and assumptions of the Company's management. Words such as "expects," "anticipates," "aims," "projects," "intends," "plans," "likely," "will," "should," "believes," "estimates," "seeks," variations of such words, and similar expressions are intended to identify such forward-looking statements. These forward-looking statements are subject to risks, uncertainties and assumptions that are difficult to predict. Therefore, actual results may differ materially and adversely from those expressed in any forward-looking statements. Factors that could cause actual results to differ materially from the Company's expectations expressed in this presentation include: expectations for continuing to successfully execute the Company's growth and operational improvement strategies; expectations of future growth in the social good software solutions market, segments within that market and the Company's total addressable market; expectations that achieving the Company's goals will extend its competitive advantage and provide improved product quality and innovative solutions for its customers; expectations that centers of excellence and use of best-of-breed platforms will drive increasing operating efficiency and contribute to margin improvement; expectations that the Company's financial position provides flexibility to fuel future growth through acquisitions or other opportunities; expectations that past acquisitions have expanded the Company's customer and market opportunities; risks associated with unfavorable media coverage; risks associated with acquisitions; risks inherent in the expansion of our international operations; risks related to the United Kingdom's departure from the European Union; the possibility of reduced growth or amount of charitable giving; uncertainty regarding increased business and renewals from existing customers; risks associated with implementation of software products; the ability to attract and retain key personnel; risks related to the Company's leverage, credit facility and share repurchase program; lengthy sales and implementation cycles; technological changes that make the Company's products and services less competitive; risk related to the adequacy of our data security procedures and cybersecurity and data protection risks; the implementation of our new global enterprise resource planning system; uncertainty regarding the COVID-19 disruption and potential legal proceedings involving us and uncertainty regarding existing legal proceedings and the other risk factors set forth from time to time in the Company's SEC filings. Factors that could cause or contribute to such differences include, but are not limited to, those summarized under Risk Factors in the Company's most recent annual report on Form 10-K, and any quarterly reports on Forms 10-Q thereafter, copies of which are available free of charge at the SEC's website at www.sec.gov or upon request from the Company's investor relations department. Given these risks and uncertainties, you should not place undue reliance on these forward-looking statements. Also, forward-looking statements represent the Company's beliefs and assumptions only as of the date of this presentation. Except as required by law, the Company does not intend, and undertakes no obligation, to revise or update these forward-looking statements, or to update the reasons actual results could differ materially from those anticipated in these forward-looking statements, even if new information becomes available in the future.

Trademark Usage

Non-GAAP Financial Measures

Use of Non-GAAP Financial Measures: The Company has provided in this presentation financial information that has not been prepared in accordance with GAAP. The Company uses these non-GAAP financial measures internally in analyzing its financial results and believes they are useful to investors, as a supplement to GAAP measures, in evaluating the Company's ongoing operational performance. The Company believes that the use of these non-GAAP financial measures provides an additional tool for investors to use in evaluating ongoing operating results and trends and in comparing its financial results from period to period with other companies in the Company's industry, many of which present similar non-GAAP financial measures to investors. These non-GAAP financial measures may not be completely comparable to similarly titled measures of other companies due to potential differences in the exact method of calculation between companies. The Company believes that these non-GAAP financial measures reflect the Company's ongoing business in a manner that allows for meaningful period-to-period comparison and analysis of trends in the Company's business. Non-GAAP financial measures should not be considered in isolation from, or as a substitute for, financial information prepared in accordance with GAAP. Investors are encouraged to review the reconciliation of these non-GAAP measures to their most directly comparable GAAP financial measures.

Blackbaud discusses non-GAAP organic revenue growth measures, including non-GAAP organic revenue growth, non-GAAP organic revenue growth on a constant currency basis and non-GAAP organic recurring revenue growth, which Blackbaud believes provide useful information for evaluating the periodic growth of its business as well as growth on a consistent basis. Each measure of non-GAAP organic revenue growth excludes incremental acquisition-related revenue attributable to companies acquired in the current fiscal year. For companies acquired in the immediately preceding fiscal year, if any, each measure of non-GAAP organic revenue growth reflects presentation of full year incremental non-GAAP revenue derived from such companies as if they were combined throughout the prior period, and it includes the current period non-GAAP revenue attributable to those companies, as if there were no acquisition-related write-downs of acquired deferred revenue to fair value as required by GAAP. In addition, each measure of non-GAAP organic revenue growth excludes prior period revenue associated with divested businesses. The exclusion of the prior period revenue is intended to present the results of the divested businesses within the results of the combined company for the same period of time in both the prior and current periods. Blackbaud believes this presentation provides a more comparable representation of our current business' organic revenue growth and revenue run-rate. In these materials, Blackbaud is presenting the following unaudited information: historical recurring and total revenue for the fiscal years ended December 31, 2020 and 2019 and the interim periods therein; calculations for recurring revenue growth and total revenue growth for the twelve month period ended December 31, 2020 and the interim periods therein; and calculations of non-GAAP organic recurring revenue growth, non-GAAP organic revenue growth and non-GAAP organic revenue growth on a constant currency basis for the same periods.

Rule of 40 is defined as non-GAAP organic revenue growth plus non-GAAP adjusted EBITDA margin. Non-GAAP adjusted EBITDA is defined as GAAP net income plus interest, net; income tax provision (benefit); depreciation; amortization of intangible assets from business combinations; amortization of software development costs and amortization expense from capitalized cloud computing implementation costs; acquisition-related deferred revenue write-down; stock-based compensation; acquisition-related integration costs; acquisition-related expenses; employee severance; and restructuring and other real estate activities.

Non-GAAP free cash flow is defined as operating cash flow less capital expenditures, including costs required to be capitalized for software development, and capital expenditures for property and equipment.

Historical Financial Statements Being Presented: In these materials, Blackbaud is presenting the following unaudited historical financial information: historical consolidated balance sheets as of the fiscal years ended December 31, 2020 and 2019 and interim consolidated balance sheets for each of the quarters within fiscal 2020 and 2019; historical consolidated statements of comprehensive income for the fiscal years ended December 31, 2020 and 2019 and interim consolidated statements of comprehensive income for each of the quarters within fiscal 2020 and 2019; historical consolidated statements of cash flows for the fiscal years ended December 31, 2020 and 2019 and interim consolidated statements of cash flows for each of the interim year-to-date periods within fiscal 2020 and 2019; and historical non-GAAP financial information for the fiscal years ended December 31, 2020 and 2019 and for each of the quarters within fiscal 2020 and 2019 as well as reconciliations of the non-GAAP measures to their most directly comparable GAAP measures and related non-GAAP adjustments. Blackbaud is providing this unaudited financial information to allow investors and analysts to more easily access and review the Company's historical consolidated financial data by including such information in one document.

Reconciliation of GAAP to Non-GAAP Financial Measures: Reconciliations of the most directly comparable GAAP measures to non-GAAP financial measures and related adjustments, as well as details of Blackbaud's methodology for calculating non-GAAP organic revenue growth, non-GAAP organic revenue growth on a constant currency basis, non-GAAP organic recurring revenue growth and Rule of 40 can be found in the Appendix to these materials and on the "Investor Relations" page of the Company's website.

Blackbaud has not reconciled forward-looking non-GAAP financial measures contained in this investor material to their most directly comparable GAAP measures. Such reconciliations would require unreasonable efforts at this time to estimate and quantify with a reasonable degree of certainty various necessary GAAP components, including for example those related to compensation, acquisition transactions and integration, tax items or others that may arise. These components and other factors could materially impact the amount of the future directly comparable GAAP measures, which may differ significantly from their non-GAAP counterparts.

The Opportunity Ahead

Mike Gianoni
Chief Executive Officer

Today's Key Themes

1

Leader in a large, resilient, and growing global market

2

Multiple levers exist to accelerate revenue growth

3

Revenue growth and scalability drive margin expansion

4

Rapidly innovating for our customers and positioned to capture digital shift

Driving toward our **long-term aspirational goal** to achieve:

Mid to High Single-Digit

organic revenue growth

40%+

using a Rule of 40 framework

Strong Executive Leadership Team

Mike Gianoni
CHIEF EXECUTIVE OFFICER

Anthony Boor
CHIEF FINANCIAL OFFICER

Catherine LaCour
CHIEF MARKETING OFFICER

David Benjamin
PRESIDENT, INTERNATIONAL MARKETS

Kevin Gregoire
PRESIDENT, U.S. MARKETS

Kevin McDearis
CHIEF PRODUCTS OFFICER

Kevin Mooney
CORPORATE STRATEGY & BUSINESS DEVELOPMENT

Maggie Driscoll
CHIEF PEOPLE OFFICER

Jon Olson
GENERAL COUNSEL

Todd Lant
CHIEF INFORMATION OFFICER

Stephen Halleck
BUSINESS OPERATIONS

Social good is a resilient, significant global sector

- ARTS AND CULTURAL ORGANIZATIONS
- COMPANIES
- FAITH COMMUNITIES
- FOUNDATIONS
- HEALTHCARE ORGANIZATIONS
- HIGHER EDUCATION INSTITUTIONS
- INDIVIDUAL CHANGE AGENTS
- K–12 SCHOOLS
- NONPROFITS

Blackbaud is the world's leading cloud software company powering social good

$100B+
raised, granted, and invested in their programming by our customers each year[1]

Millions
of users across 100+ countries[1]

80%
of the most influential nonprofits[2]

1 out of 3
Fortune 500 companies[3]

30 of 32
largest nonprofit hospitals[4]

93%
of higher education institutions with billion-dollar campaigns[5]

25
of the largest Catholic Dioceses in the US[1]

150+
experts dedicated to arts and cultural organizations[1]

Among the Top 40 Largest Cloud Software Providers Worldwide, 2020[6]

1st Place: Blackbaud Education Management Solutions

Nonprofit CRM Solution

Nonprofit Financial Accounting Solution

Source: (1) Internal Statistics, (2) Top 50 listed by The Street.com featured by MSN, (3) Fortune 500, (4) Becker's Hospital Review, (5) Council for Advancement and Support of Education, (6) IDC Worldwide Software as a Service and Cloud Software Market Shares, Jul 2020

Highly differentiated from the competition

Blackbaud is the **largest cloud software vendor** focused exclusively on the social good community

The market's most comprehensive portfolio of **purpose-built, integrated solutions**

Highly **fragmented competition** largely consists of legacy software and single-point solutions

Strong balance sheet and cash flows to support strategic acquisitions and internal product builds

Growth driven by a four-point strategy

1

Expand total addressable market

Acquiring, building, and partnering into near adjacent markets and expanding existing ones

2

Lead with world class teams and operations

Executing a world-class operating model on a journey to improve company performance as measured by 'Rule of 40'

3

Delight customers with innovative cloud solutions

Comprehensive, purpose-built cloud solutions – backed by service to deliver differentiated value

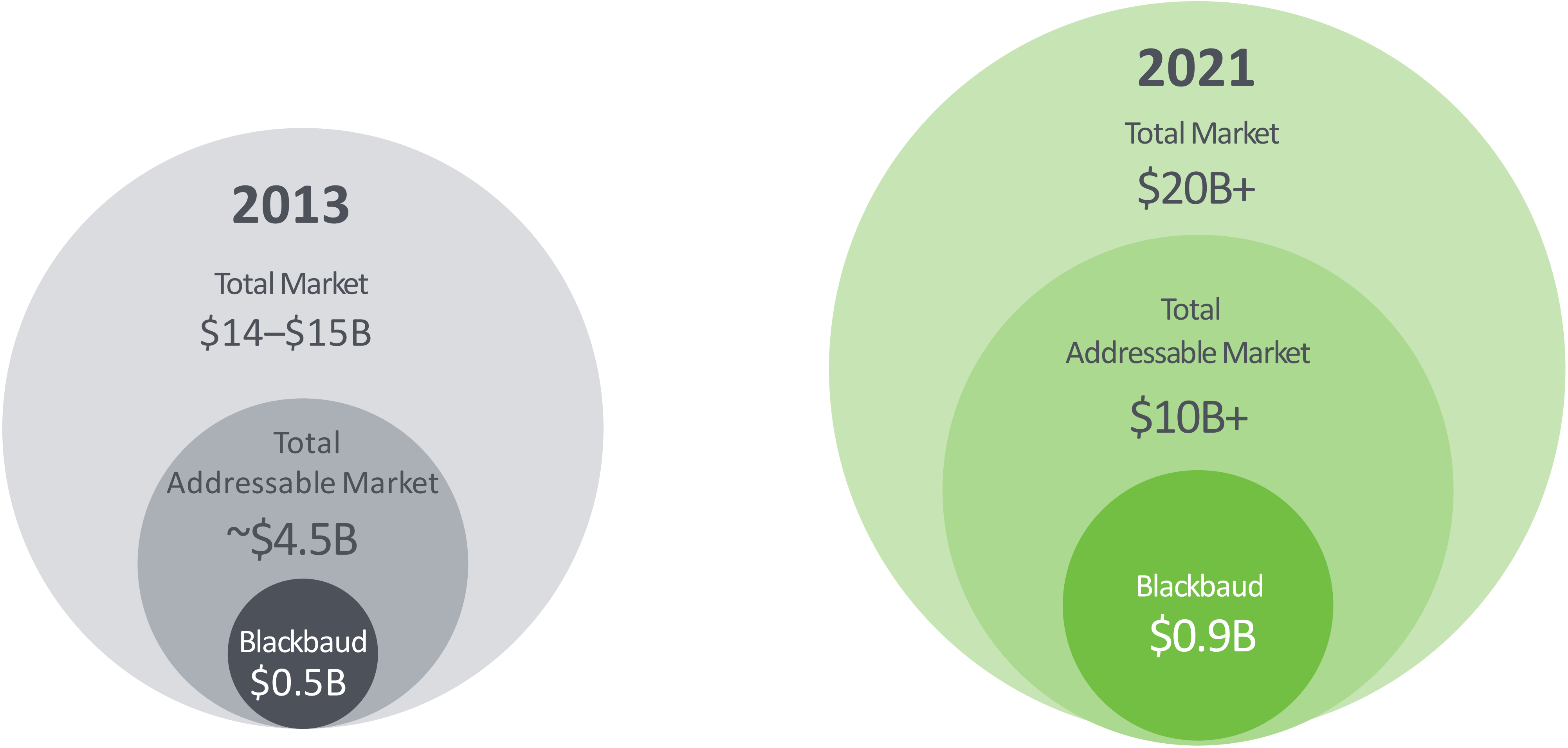
4

Focus on employees, culture, and ESG initiatives

ELEVATED

Continue to evolve our focus on people, culture, and corporate initiatives

Blackbaud's addressable opportunity has doubled in a large and growing market through innovation and winning M&A strategy



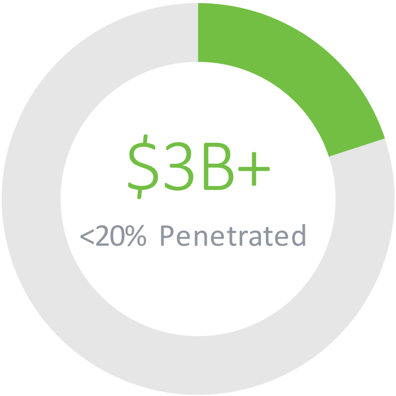
Sources: FY 2013 and 2020 Blackbaud Revenue. Global TAM based on IRS data, Canadian Revenue Agency, Private School Universe, IPEDS, Dun & Bradstreet, HIMSS, GuideStar, Blackbaud internal data. Third-party market study.

Substantial TAM with significant penetration opportunity

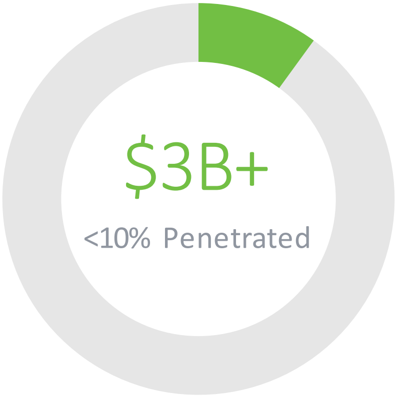
$10B+
2021 TAM

<10%
Revenue Penetration

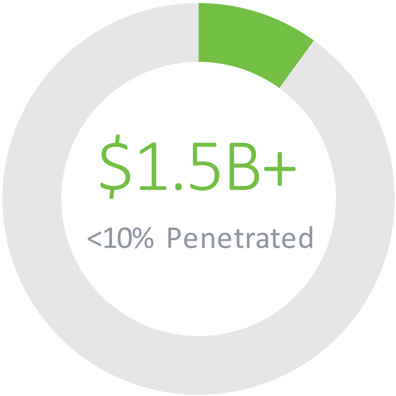
Fundraising, Relationship Management and Engagement



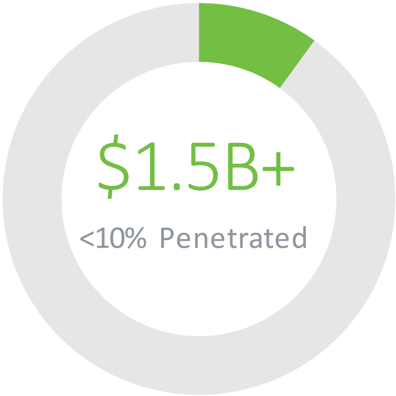
Payment Services



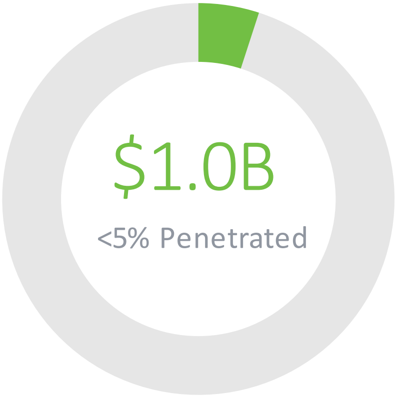
Financial Management, Grant and Award Management



Organizational and Program Management



Social Responsibility



Sources: FY 2020 Blackbaud Revenue. TAM based on IRS data, Canadian Revenue Agency, Private School Universe, IPEDS, Dun & Bradstreet, HIMSS, GuideStar, Blackbaud internal data

Digital transformation accelerating in the social good sector

SOCIAL GOOD TRENDS

Organizations and institutions are **more likely to increase** rather than decrease their **software investment** to help address the challenges brought on, or magnified, by the pandemic.

>40% increase in percent of total giving done online in 2020, up to 13% from under 10% for the past two decades[1]

>10% of U.S. private workforce employed by nonprofits and forced to adapt to a more virtual environment[2]

PROVEN LEADER

Blackbaud is **well positioned as the industry leader** to capitalize on the macro level trends in the social good industry accelerated by COVID

- Industry-leading innovation
- Purpose-built, scalable, modern cloud software solutions
- Unmatched industry expertise

[1]Blackbaud Charitable Giving Report 2020. [2]U.S. Bureau of Labor Statistics

Multiple growth drivers going forward

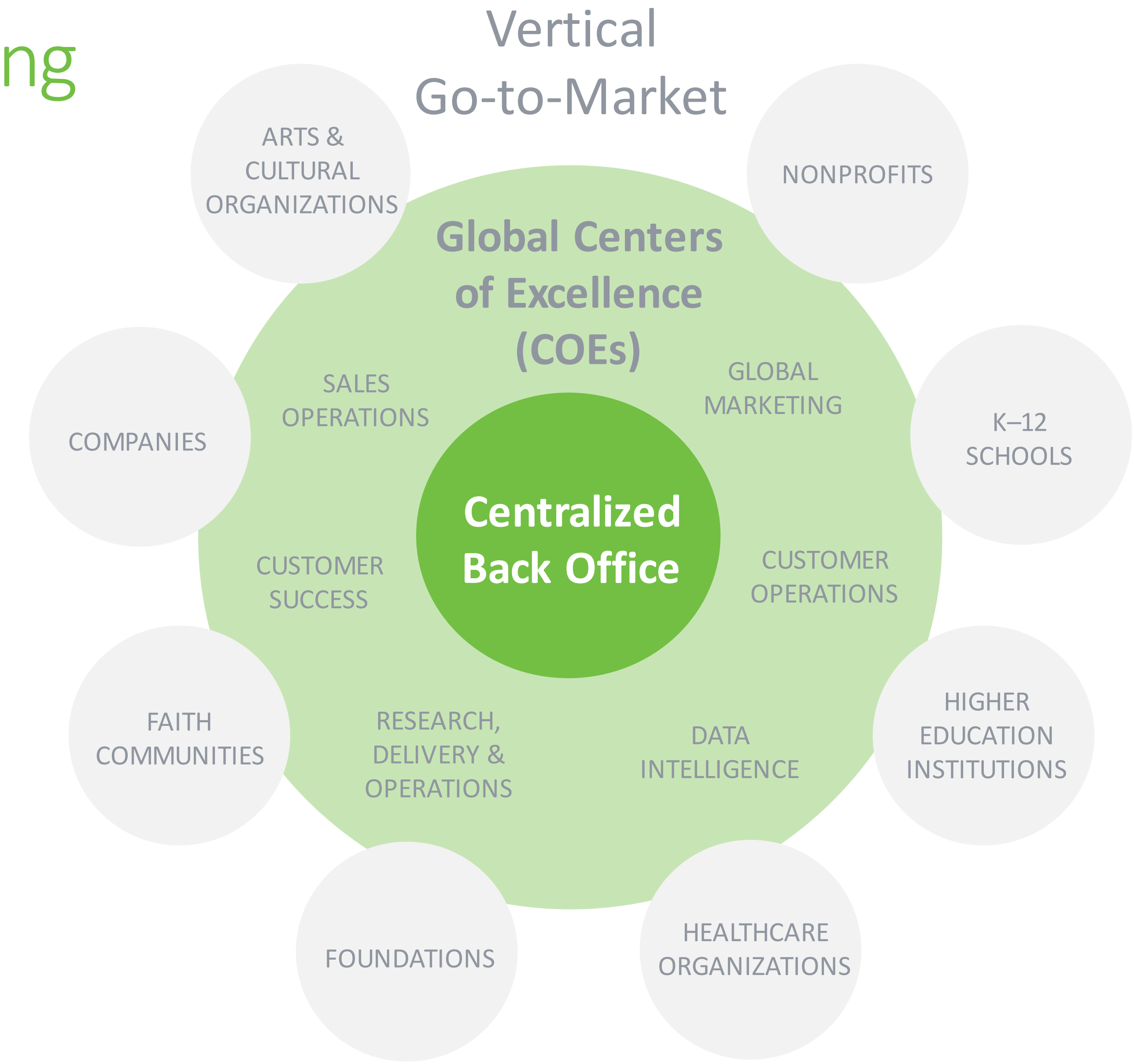
1. Near-Term Growth Drivers
2. Capture New Pricing Opportunities
3. Execute Current Growth Initiatives

Efficient, scalable operating model

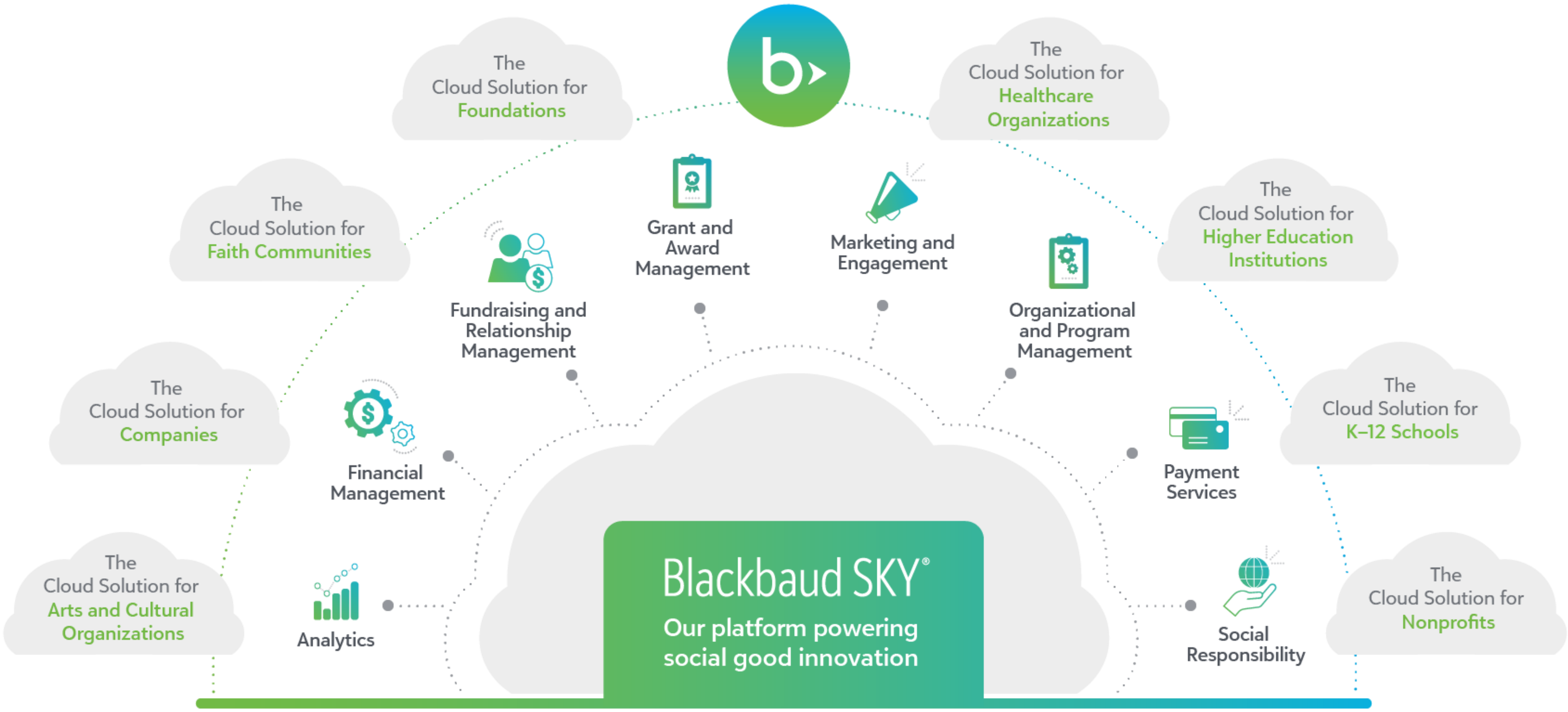
Vertical Go-to-market
focus on customer needs and solution selling

Centers of Excellence
support functions with common systems, metrics, and measurement

Productivity Improvement
continuous improvement across all functions of the organization



Delighting customers with innovative cloud solutions



A culture built on unmatched commitment to social good

We work as one.

We bring heart.

We invent possibilities.

We expect the best.

We give back.

9 out of 10

employees volunteer logging over 100,000 hours annually

1 out of 4

employees serve on nonprofit boards

600+

engineers; largest R&D investment in the sector

A

MSCI ESG Rating

500+

employees worked previously for social good organizations

9 out of 10

employees say Blackbaud's mission was important to their decision to join the company

1 out of 3

employees belong to an employee-led affinity group

1.2x

employee participation in our matching gift program vs global average

Note: Internal Statistics

Accelerating longstanding commitment to ESG and social responsibility

- Inaugural social responsibility report published
- Appointed first Head of Diversity & Inclusion
- CEO sponsorship for ESG program
- Selected SASB and GRI as ESG reporting frameworks
- Formed employee-led ESG steering committee
- Joined the UN Global Compact
- Board oversight established

Significant opportunity ahead

- **Large, resilient and growing global markets** allow for multiple levers to accelerate revenue growth
- Revenue growth and scalability drive **margin expansion**
- Rapidly **innovating for our customers** and positioned to capture **digital shift** in our markets
- Blackbaud is highly differentiated and leads with an **unmatched commitment to the social good sector**

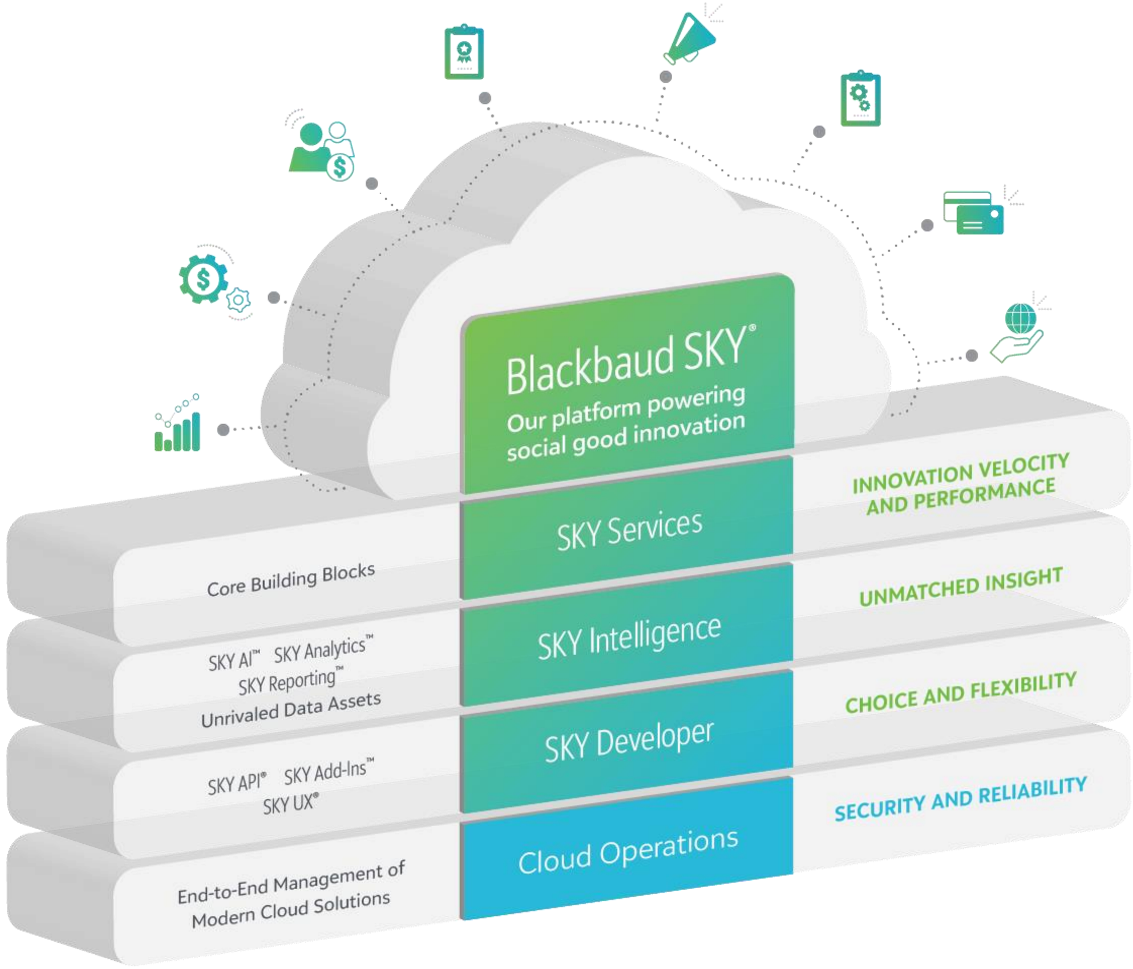
Building for the Future

Kevin McDearis
Chief Products Officer

Technology strategy enables scalable growth

Organize for the Cloud	Architect for Speed	Designed to be Simple	Lead in Cloud Technology
Tightly aligned development and delivery organizations	Rapid development	Integrated solutions	Rest APIs
Agile methodology to take advantage of cloud delivery model	Continuous feature deployment	Consistent user experience	Micro services architecture
Enable predictable results with quality	Common shared components	Enable client and partner ecosystem	Open environment

Industry leading cloud technology



Power of the Platform

Common shared components

Continuous innovation and feature deployment

Accelerated time to market

Integrated capabilities

Enables a network effect

Backed by a robust cybersecurity practice

5x

Increase

in Blackbaud's cybersecurity investments over the last five years

- Robust security function spanning development lifecycle
- Penetration tested by third parties
- Extensive training for all employees
- Internal red team constantly testing our defenses
- Talent is a critical element of our strength
- Governed by formal risk management, including board-level risk committee

Blackbaud internal data

Our success is measurable

	2015	2016	2017	2018	2019	2020
Scalability	#GIVINGTUESDAY	Online Transaction Volume Increase				144%
Product Quality		Product Quality Health Improvement				17%
Velocity	2x per Year	Average Release Velocity				Hourly
Openness	0	SKY Apps				>2,800
Efficiency	0	Products End of Support				31

Blackbaud internal data

Innovation fueling transformation and growth

End of service legacy and redundant offerings

1/3

Reduction of Portfolio Solutions

30+

Development Teams Redeployed

2/3

Customers Retained & Migrated

Blackbaud internal data

Driving efficiencies through our shift to third-party cloud

PROGRESS TO DATE

~20% cost reduction compared to hosting in private cloud[1]

~60% of hosting costs in the **private cloud**

~40% of hosting costs in the **public cloud**

ACCELERATING OUR SHIFT

Our customers need their solutions to be secure, stable, modernized and affordable solutions and our shift to third party cloud enhances each of those.

- ✓ Enabling more products for the public cloud
- ✓ Increasing customer eligibility and decreasing time to assess
- ✓ Increasing relocation velocity

[1] Blackbaud internal data.

Innovating four technology platforms

Commerce	Developer	Data	Engineering System
Enables rapid delivery of new or updated solutions to a target market	Public-facing portal includes tools and APIs for customers and partners to extend our solutions	Modern cloud-first data solution brings customer and operational data together to transform, enrich, and expose data in new ways	Industry leading Microsoft technologies and open-source solutions enabling a rate of delivery unseen in years past

Strengthening our industry leading solution set through a clear product strategy

1

Grow an integrated cloud portfolio

- Organic growth opportunity
- Improved total cost of ownership for clients

2

Integrated capabilities as a key differentiator

- Payments integrated to all applications
- Data insights significantly increase customer ROI

3

Leverage open architecture in the cloud

- Release of Blackbaud Marketplace
- Social good start up program as incubator for future partners

4

Expand offerings to new markets

- Corporate social responsibility, Church Management, Peer-to-Peer Fundraising and Grantmaking

5

Value driven monetization

- Subscription pricing scales with clients need
- Pricing optimization across portfolio

Translating product strategy into execution

Goals & Outcomes

All work aligned and effort focused on strategic objectives and outcomes using goal framework

Portfolio Management

Continuous Planning framework, to manage a complex portfolio at scale, reducing risk, and driving agility…

Work Systems

Single work system for portfolio and continuous planning, and engineering system integration with Service Cloud

Innovative, integrated, purpose-built cloud solutions

Modern Capabilities

- Buying scales from click-to-try
- Guided onboarding for value on day one
- Robust partner marketplace
- Renewal / Subscriptions self-service
- Usage driven improvement

Expanding the ecosystem through SKY developer

Blackbaud Marketplace

25%	4.5K	78
of customers have extended their Blackbaud solution with a SKY App	number of third-party registered SKY Developers	apps available in the Blackbaud Marketplace

blackbaud
SOCIAL GOOD
STARTUP PROGRAM

14	1st	50
First cohort in pilot program during 2020	First cohort graduated from pilot to program at bbcon 2020	applicants and invited our top 8 to join our 2021 cohort

Blackbaud internal data

Innovation in action, rapid response to customer needs

Our platform **drives agility and speed** and 2020 was a year of proof points…

- Enabled museums to reopen through timed entry and safer payment methods
- Made K12 students more successful by improving virtual classrooms and introduced new competency based-learning tools
- Connected congregants through the release of a virtual prayer wall
- Connected companies with nearly 5 million validated charities worldwide in 180+ countries
- Upgraded 99% of our grantmaking customers to a new SKY user experience version in one month’s time

Blackbaud internal data

Innovation for the future

- Online growth is accelerating in the social good sector and **our solutions enable digital transformation**
- Technology strategy **built for growth and scalability** while powering rapid innovation across the entire social good ecosystem
- **Extending our market leadership position** through a clear product strategy that drives value for Blackbaud and our customers
- **Accelerating our shift to third party cloud** realizing efficiencies and driving value for Blackbaud and our customers

Executing a Winning Strategy

Kevin Gregoire
President, U.S. Markets

Substantial opportunity to grow our U.S. business

~85%

of total company revenue

<10%

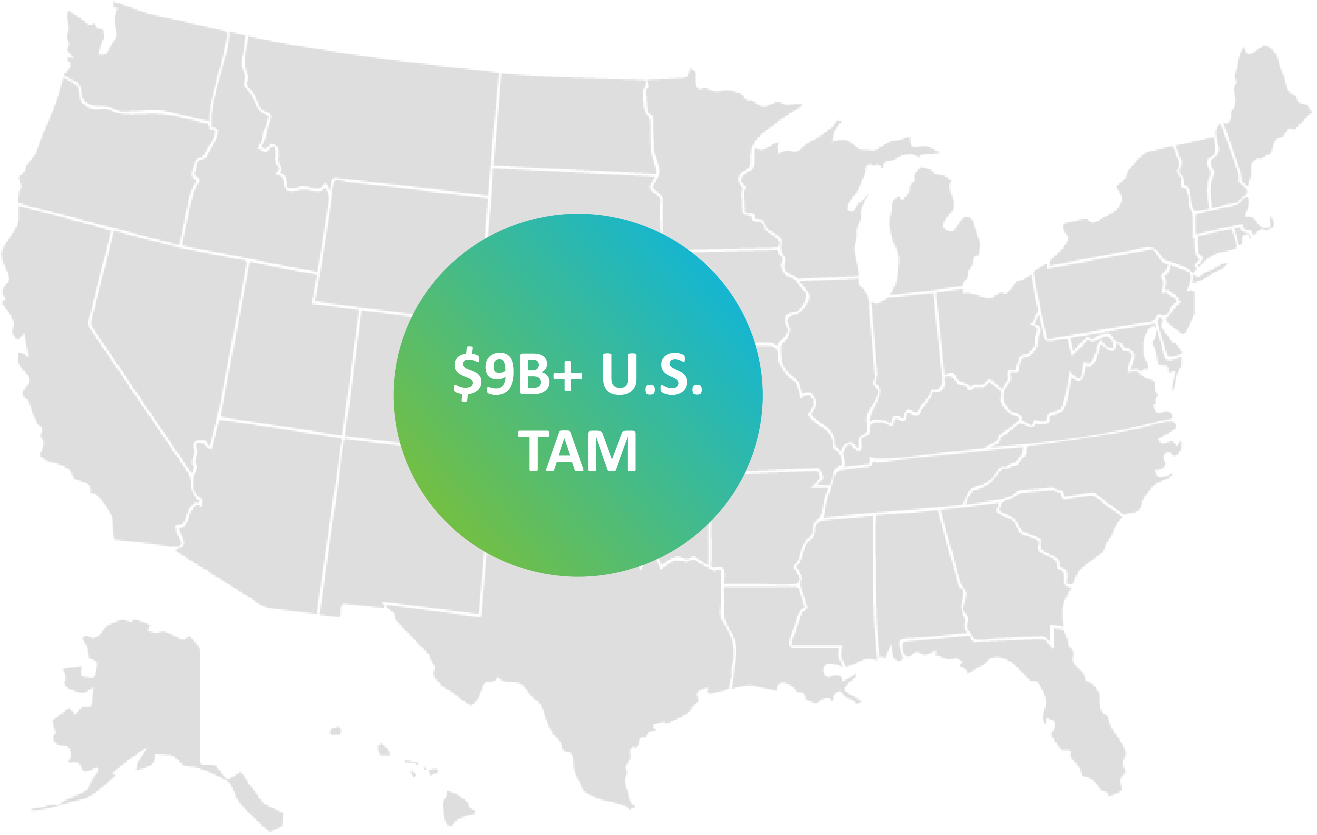
TAM Penetration

Diversified

Customer base spans multiple verticals and includes both large and small organizations

Differentiated

Industry leading cloud software and unmatched domain expertise



Sources: FY 2020 Blackbaud Revenue. TAM based on IRS data, Private School Universe, IPEDS, Dun & Bradstreet, HIMSS, GuideStar, Blackbaud internal data

Committed to growth across our vertical markets

Gain market share

Significant opportunities in underpenetrated markets

Expansion within existing customers

Increasing products per customer

Drive customer lifetime value

93% customer retention and aiming higher

Go-to-market model has been optimized to capture these massive growth opportunities

Prescriptive Selling

Deep vertical expertise backed with comprehensive cloud solutions

Scalable Model

Global sales operations with best-in-breed back-office systems

Driving go-to-market efficiency

Hyper-focused on productivity and accelerating sales velocity

Solid Start to 2021

40%

year over year increase in Time in Territory

Blackbaud internal data for January 2021

Enhancing buyer engagement through investments in digital and marketing sciences

- Expanded brand reach
- High velocity engagement
- Improved customer and prospect experience
- Increased sales velocity
- Predictive and strategic measurement

Solid Early Proof Points

~70%

of the visits to Blackbaud.com are after business hours

24/7

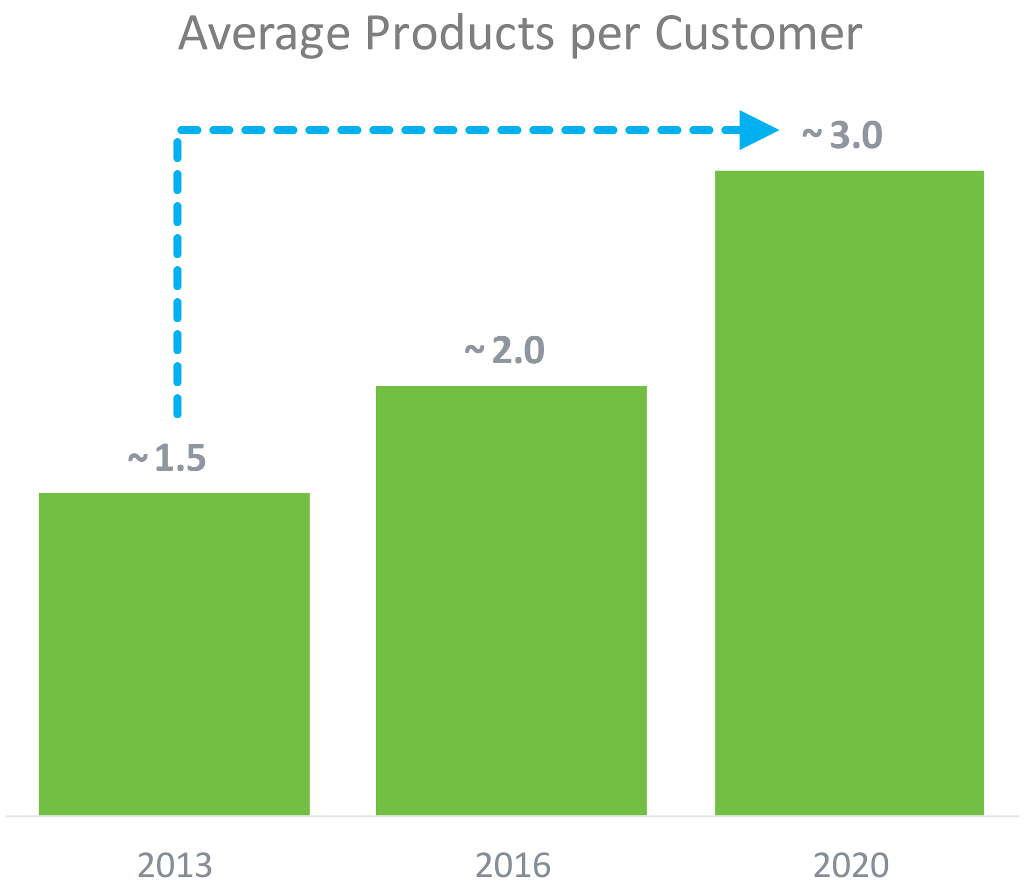
automated chat bot implementation generating leads with significantly shorter sales cycle and higher win rates

Blackbaud internal data

Building a successful partner network

Growing Network	Value-Added	Expand	Marketplace
Expanding partner network across the entire customer journey	Shifting more implementations to partners	Expanding reach through new pilot program for business process providers	Rapidly growing Blackbaud Marketplace extends and enhance the impact of Blackbaud solutions

Growing product portfolio boosts land and expand opportunity



2x

Increase in average number of products per customer

Drives increased retention rates

Blackbaud internal data

Case Study: Community College Foundation

I need to manage scholarship awards	Can you help me fundraise?		Financials?	What Else?
				Potential Future Opportunities
	Fundraising & Relationship Mgmt	Marketing & Engagement		Education Management
Award Management	Payment Services	Analytics	Financial Management	Peer-to-Peer Fundraising

Significant increase in Customer Lifetime Value since initial purchase

Attaching payments drives value for our customers and Blackbaud

Payments Highlights

$3B+
Payments TAM

~$230M
Global payments revenue

40%
Increase in online giving as a % of total giving

Integration Adds Value
Adoption drives customer retention to high 90%'s

Long runway for payments revenue growth

1. Event driven revenue returns
2. Capitalize on macro shift towards online giving
3. Market competitive pricing optimization
4. Increased adoption within existing customer base

Sources: FY 2020 Blackbaud Revenue. TAM based on IRS data, Canadian Revenue Agency, Private School Universe, IPEDS, Dun & Bradstreet, HIMSS, GuideStar, Blackbaud internal data, 2020 Blackbaud Institute Charitable Giving Report

Delivering consistently high retention rates and aiming higher

93%

Customer Retention

Executing retention improvement roadmaps aligned with each stage of the customer journey

Explore → Purchase → Get Started → Realize Value → Renew

2020 Customer Retention

Clear U.S. market leader with substantial runway for growth

- **Substantial runway for growth** in a growing $9B+ addressable market
- **Significant land and expand opportunity** with upside potential from digital lead generation and growing partner channel
- In the early innings of a **multi-billion dollar payments opportunity**
- Cultivating a culture focused on customer delight with an **opportunity to improve already strong retention rates**

Driving International Growth

David Benjamin
President, International Markets

International offers significant growth potential in resilient markets

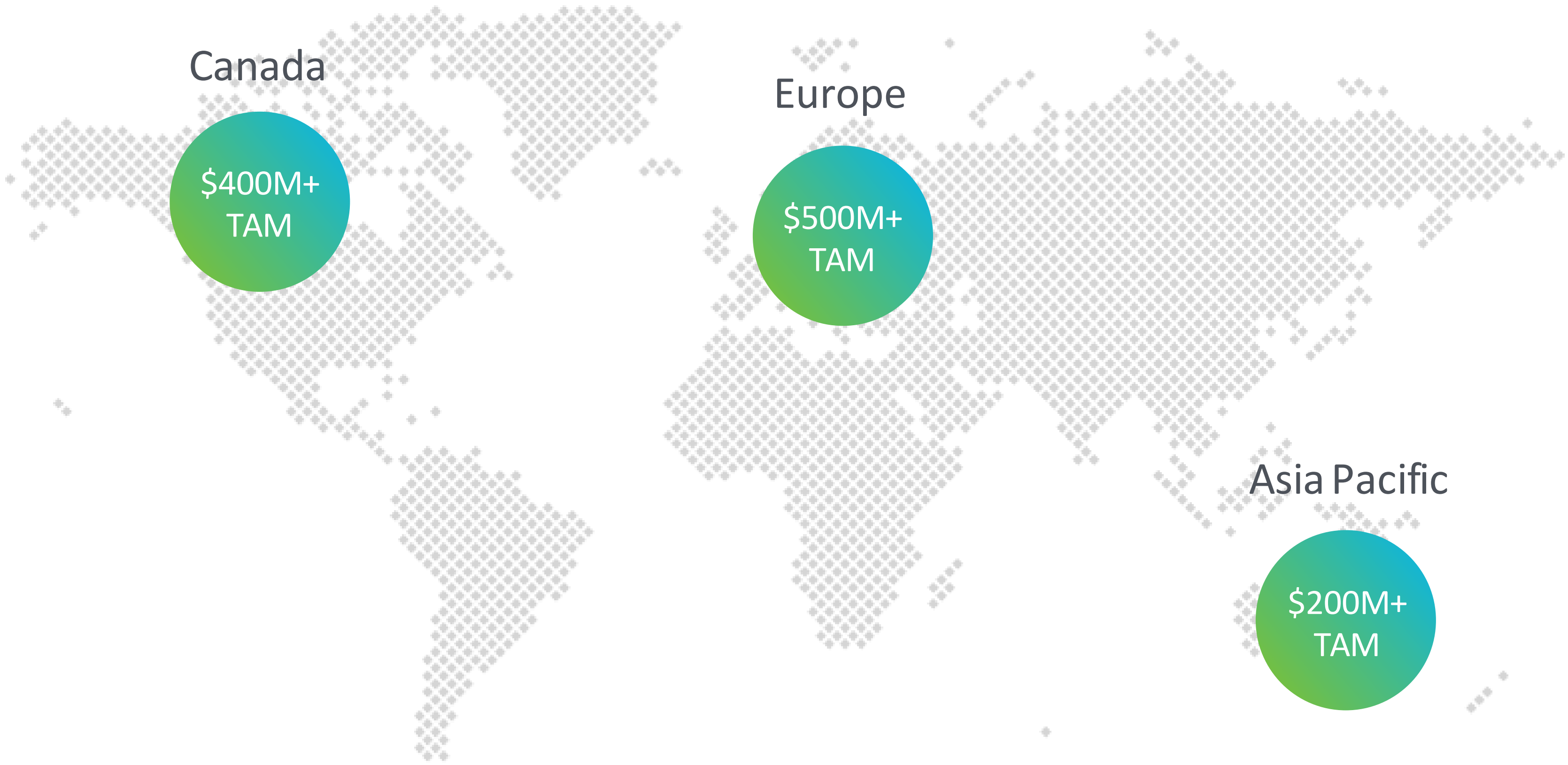
$1B+
International TAM

~15%
Revenue Penetration

16%
YoY Recurring Revenue Growth

Differentiation
B2C + B2B

Global Footprint
Customers in 60+ countries
Constituents in 120+ countries



Sources: FY 2020 Blackbaud Revenue. TAM based on IRS data, Canadian Revenue Agency, Private School Universe, IPEDS, Dun & Bradstreet, HIMSS, GuideStar, Blackbaud internal data

Differentiated platform unlocks revenue growth and market share gain

cbm

Australia

Solution

Payment Services

Differentiator

Industry-leading data security

Impact

40,000 donors helping 700,000 lives

eden foundation

Canada

Solution

Fundraising & Relationship Management

Differentiator

Unrivaled supporter engagement and ROI

Impact

$100,000 supporting mental health concerns

CAF Charities Aid Foundation

U.K.

Solution

Grant & Award Management

Differentiator

Best in class processing

Impact

£50m dispersed to 1,250 charities

Global by Design underpins International market share gains

Continued Global Support of fundraising solutions

Financial Management for Canada & Australia with UK up next

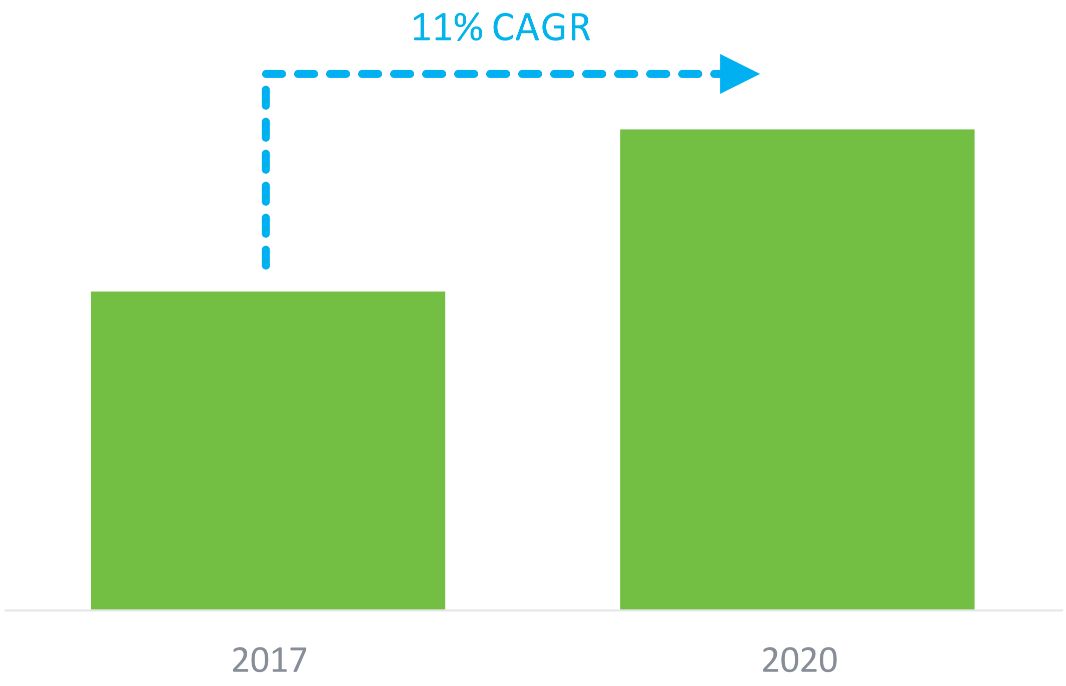
Consumer Payments Expansion in Canada, Australia, and US

Grant and Award Management for UK, Australia, and Canada

Social Responsibility: market launches to come in Europe, Canada, and Australia

JustGiving pricing innovation has spurred growth of global consumer payments

Global Consumer Payments Growth



Consumer driven campaigns have been integral driver of revenue growth

Captain Tom's Walk
~$53.4M donations raised across 1.5M unique donors

The 2.6 Challenge
~$11.3M donations raised across 336K unique donors

Chester Zoo
Save Our Zoo – ~$3.7M donations raised across 127K unique donors

Sources: FY 2020 Revenue. Blackbaud internal data

YourCause is a leading corporate social responsibility platform benefiting from increased focus on ESG

HIGHLIGHTS INCLUDE:

80
Fortune 500 Companies

18
clients with 100K+ employees

180+
countries accessed

97%
retention rate

21
2020 Best Corporate Citizen Award winners

15M+
employees in network

CUSTOMERS INCLUDE:

pwc

IBM

BEST BUY

Chevron

FIDELITY BANK

Deloitte.

NEW YORK LIFE

BBVA

DELL

General Mills

Blackbaud internal data

A global market leader driving international growth

- **Substantial opportunity for growth** within billion-dollar TAM
- Best in class product **globalization and expansion**
- More **pricing innovation**
- **Best practice sharing** across the globe

Our Path to Rule of 40

Tony Boor
Chief Financial Officer

Strong early progress towards long-term financial goals in 2020

	FY 2019	FY 2020
RULE OF 40[1]	24.5%	27.7% +320bps
ADJUSTED EBITDA MARGIN	21.4%	26.5% +510bps
NON-GAAP EPS	$2.24	$2.94 +14%

[1]Rule of 40 measured by non-GAAP Organic Revenue Growth + non-GAAP Adjusted EBITDA margin. Please refer to the appendix of this presentation for the definition of non-GAAP adjusted EBITDA

Anticipating solid financial performance in 2021

TOTAL NONGAAP REVENUE	ADJUSTED EBITDA MARGIN	FREE CASH FLOW
~$900M	~25%	$100M+
Best Estimate	Best Estimate	Floor

TOTAL NONGAAP REVENUE

- Bookings rebound drives growth in contractual recurring revenue
- Transactional revenue rebounds in line with pandemic recovery
- Payments benefits from continued mix shift to online giving - increased 40% in 2020
- Pricing model optimization
- Reduction of one-time services and other revenue of $15M-$20M

ADJUSTED EBITDA MARGIN

- Inclusive of actions taken in response to the pandemic that will not repeat in 2021
- Continued investments into R&D, security, customer success and cloud infrastructure

FREE CASH FLOW

- Timing of bookings and transactional revenue rebound materially impacts free cash flow
- Less capital expenditures expected in 2021 given purchase of HQ in Q3 2020
- Capitalized software development costs roughly flat to 2020

Non-GAAP Revenue, non-GAAP adjusted EBITDA margin and non-GAAP free cash flow. Non-GAAP Revenue estimates shown on constant currency basis. 2021 estimates provided on 2/9/2021

Executing balanced strategy within Rule of 40 framework

	FY 2019	FY 2020	Near-Term FY 2021	Mid-Term 3-4 Years Post-Pandemic	Long-Term Aspirational Goal
Non-GAAP Organic Revenue Growth	3.1%	1.2%	Variable	Mid Single-Digit Annually	Mid to High Single-Digit Annually
Rule of 40[1]	24.5%	27.7%	25%+	35%+	40%+

[1] Rule of 40 measured by non-GAAP organic revenue growth + non-GAAP Adjusted EBITDA margin. Financial goals represent full year targets. Non-GAAP adjusted EBITDA is defined as GAAP net income plus interest, net; income tax provision; depreciation; amortization of intangible assets from business combinations; amortization of software development costs; acquisition-related deferred revenue write-down; stock-based compensation; acquisition-related integration costs; acquisition-related expenses; employee severance; and restructuring and other real estate activities. Please refer to the appendix of this presentation.

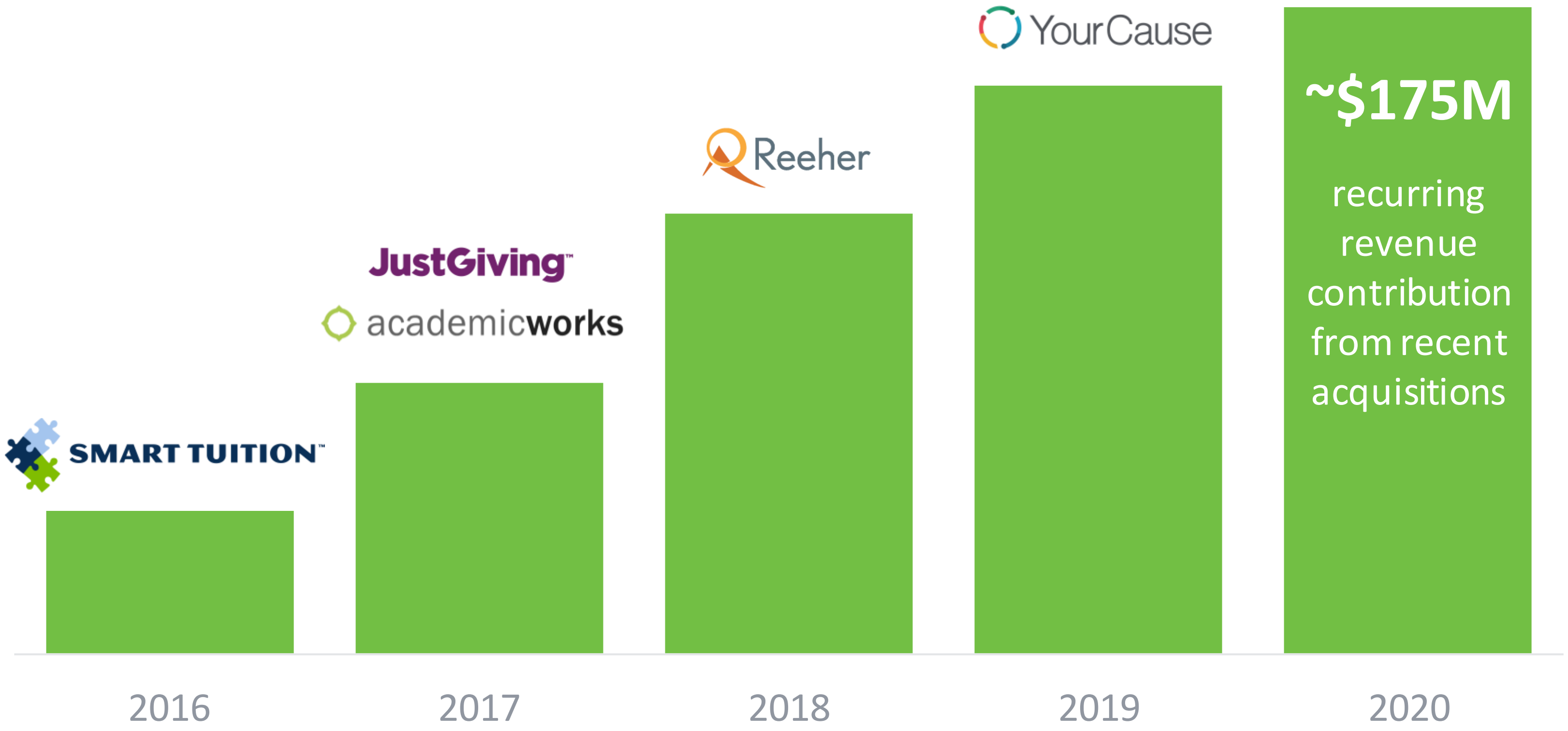
Multiple organic growth drivers going forward

Mid to High Single-Digit Organic Growth

Near-term Growth Drivers	1. Bookings return to pre-pandemic levels 2. Return of in-person events expected in second half 2021 and first half of 2022 3. Capitalize on accelerated shift to online payments – mix of online giving increased ~40% in 2020[1] 4. Drag from one-time services bottoms in 2022 – ~200bps drag on 2020 total revenue growth
Capture New Pricing Opportunities	5. Bring proven international pricing innovation to the U.S. 6. Pricing in line with market – two programs underway
Execute Current Growth Initiatives	7. Accelerate bookings performance through increased sales velocity and productivity 8. Capture land and expand opportunity created by growing product portfolio 9. Maximize value from partner program 10. Improve on already strong retention rates

[1] Blackbaud Charitable Giving Report 2020

Acquisitions grow the revenue base and accelerate growth



Acquisition Strategy:

- Expand TAM into near adjacencies
- Accelerate shift to the cloud
- Accelerate revenue growth
- Accretive to operating margins

Non-GAAP recurring revenue from acquisitions of Smart Tuition, AcademicWorks, JustGiving, Reeher, and YourCause.

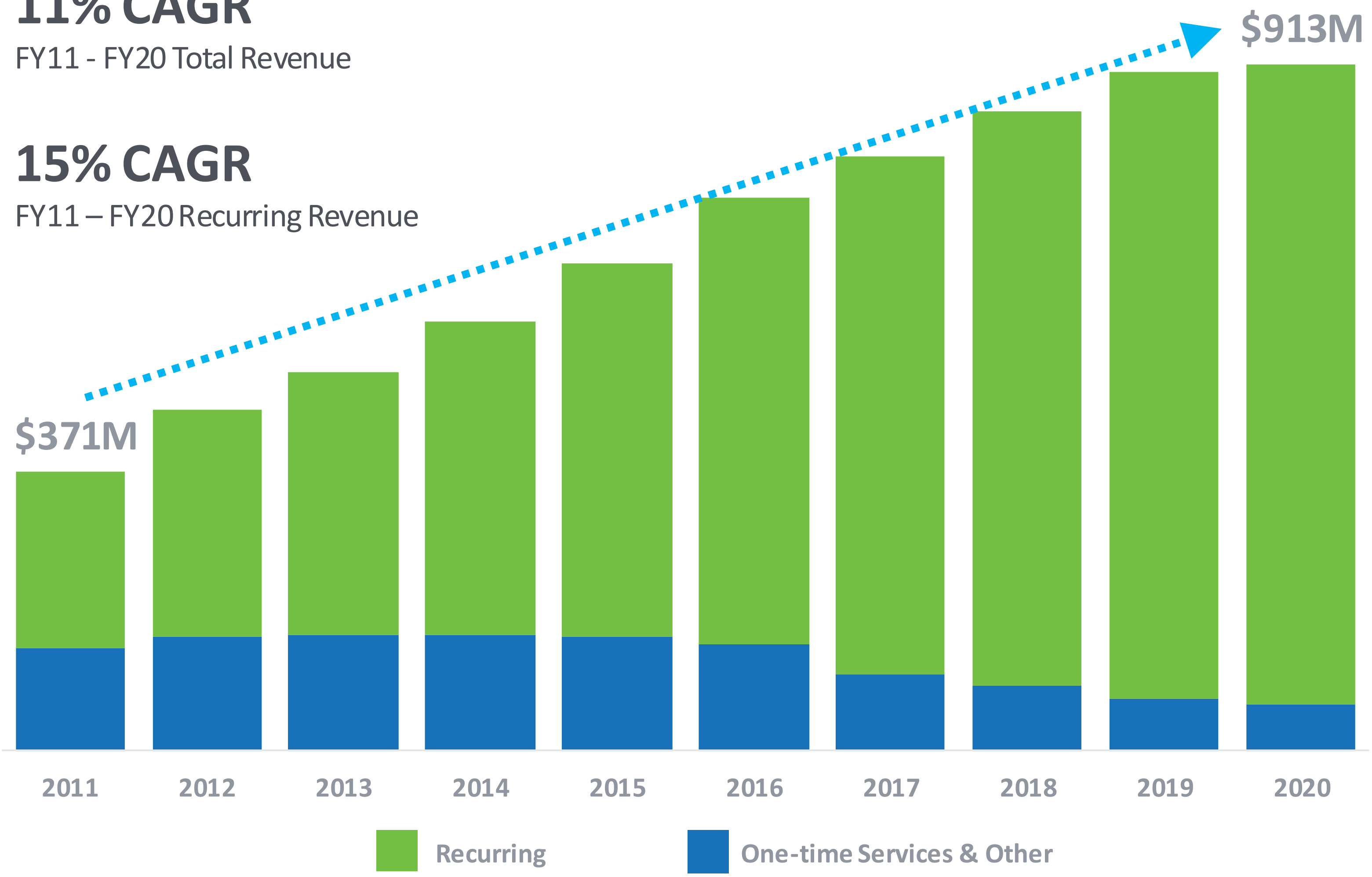
Proven history of double-digit revenue growth inclusive of M&A

11% CAGR

FY11 - FY20 Total Revenue

15% CAGR

FY11 – FY20 Recurring Revenue



History of double-digit growth despite one-time services drag

Execution of successful M&A strategy grows the revenue base and accelerates growth

Multiple levers to drive meaningful growth going forward

Non-GAAP Revenue. 2016, 2017, 2018, 2019 and 2020 reflect adoption of ASC 606.

Leverage opportunities exist within gross and operating margin

Dilutive — **TOTAL COMPANY GROSS MARGIN** — **Accretive**

Dilutive		Accretive	
One-time Services & Other	Payments	Contractual Recurring	Other Transactional

Dilutive — **TOTAL COMPANY OPERATING MARGIN** — **Accretive**

Dilutive	Accretive		
One-time Services & Other	Payments	Contractual Recurring	Other Transactional

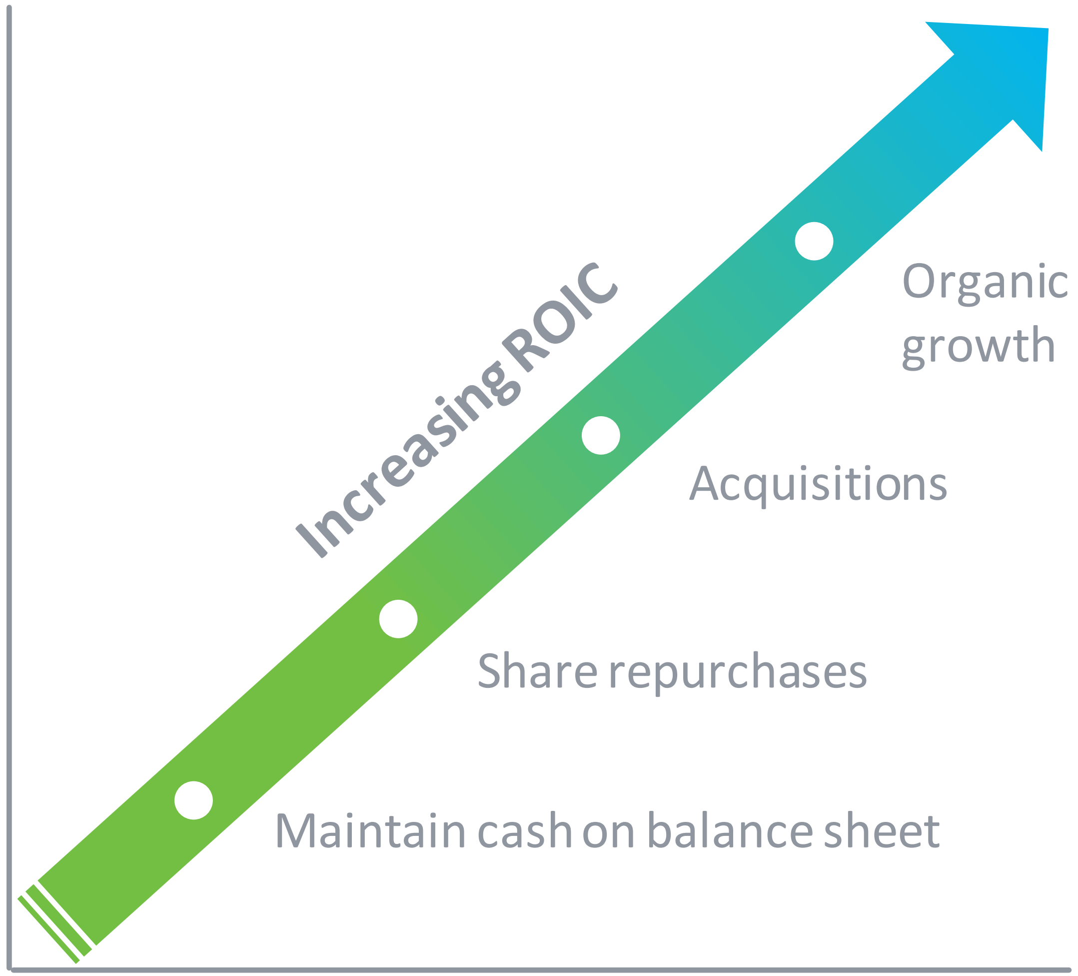
2020 Non-GAAP gross margin and operating margin.

Revenue growth and scalability drive margin expansion

Rule of 40

Go-To-Market Efficiency	1. Reduce customer acquisition cost and improve payback period 2. Increase sales velocity
Innovation and Infrastructure	3. Innovation in the cloud drives lower cost operating structure 4. Shift to third party cloud infrastructure
Operational Scale and Efficiency	5. Flexible workplace model drives real estate savings 6. Pricing optimization 7. Continuous simplification, automation, and efficiency gains

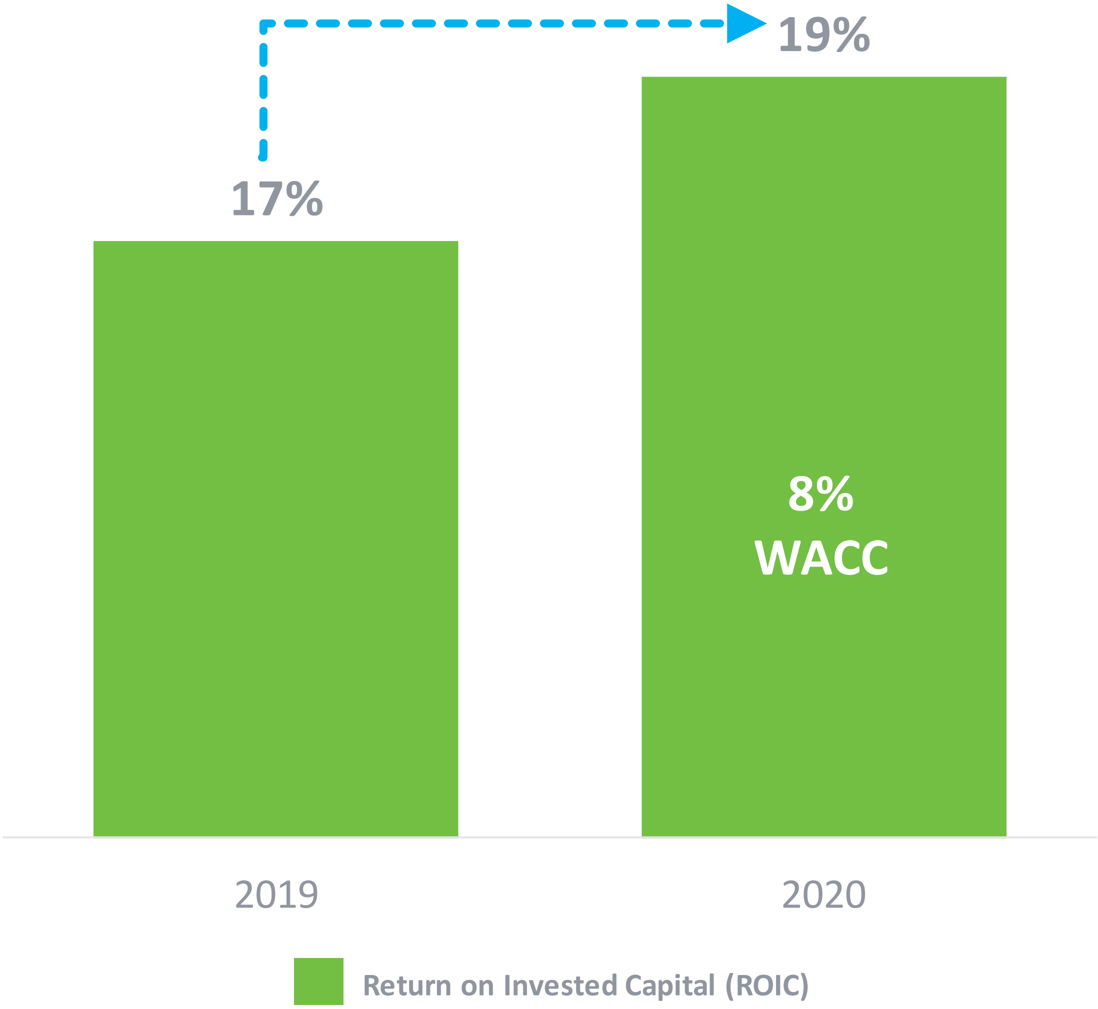
Capital strategy increases shareholder value



1. Maintain liquidity and access to capital
   - Targeted max leverage: 4.0x
2. Accelerate performance in rule of 40 framework
3. Return capital to shareholders

Current covenant for leverage ratio is less than or equal to 4.0x through Q3 2022, then drops to 3.75x through maturity.

Generating strong returns on invested capital



19%
2013-2020
avg ROIC

Driving shareholder value through strong ROIC…

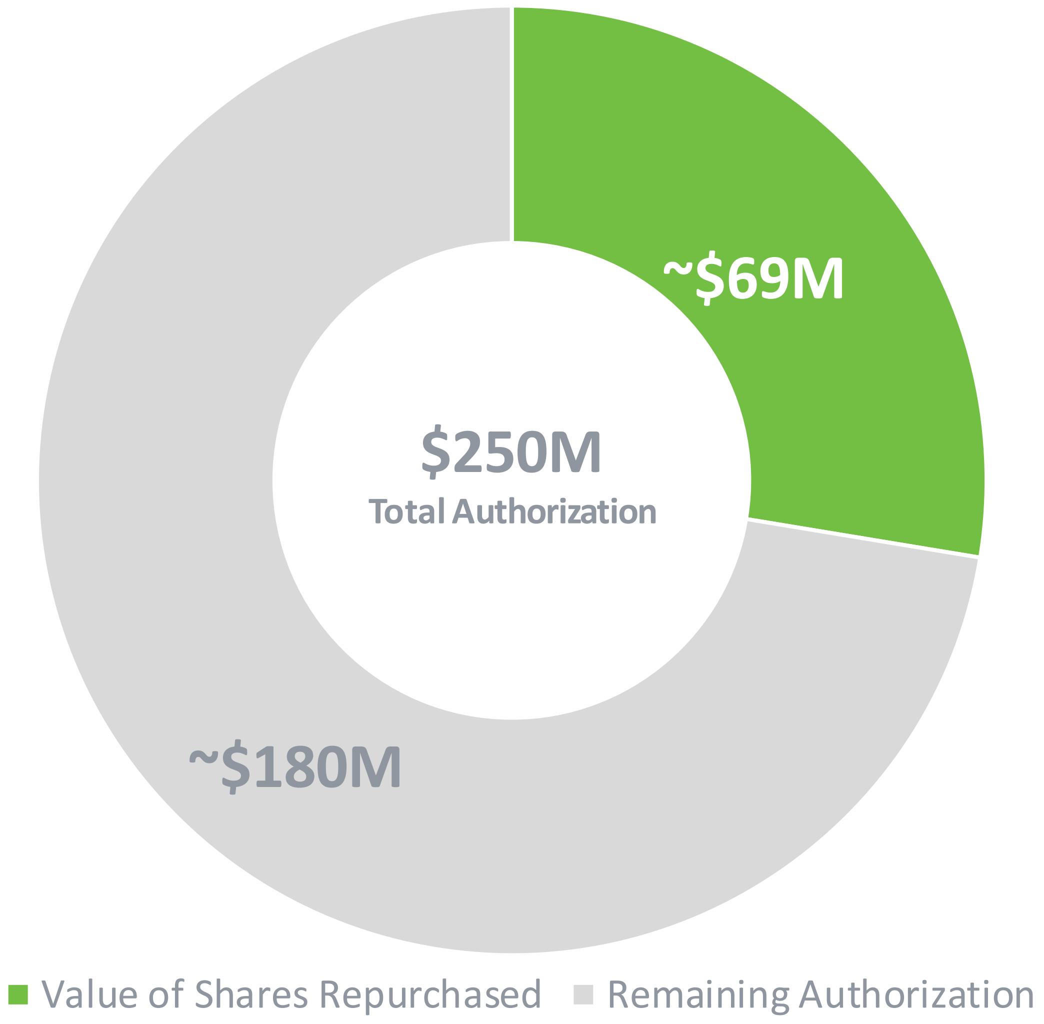
13%
2013-2020
CAGR

…on a significantly larger invested capital base…

…with potential for increased returns driven by Rule of 40 performance.

*See appendix for detailed ROIC calculation

Executing an opportunistic share repurchase program—*New*



Opportunistic share repurchases

Pursue share repurchases when internal estimates determine the company's shares are undervalued by the market

Offset dilution

Opportunistic share repurchases offset dilution related to our equity compensation program

Dividend discontinued in Q2 2020

The removal of a fixed dividend allows Blackbaud to focus its capital on higher ROIC opportunities

Effective Apr 6, 2020 our Board of Directors eliminated the payment of future quarterly cash dividends beginning with the second quarter of 2020. Shares repurchased through 2/19/2021. Details on our share repurchases can be found in our 2020 10-K.

Maximizing shareholder value

- Substantial runway for revenue growth and margin expansion with initiatives underway
- Committed to a clear strategy focused on achieving "Rule of 40"
- Executing a proven capital allocation strategy to increase shareholder value

Q&A

All Speakers

Appendix

Return on Invested Capital (ROIC) Calculation

(dollars in millions)

	2020
Total Assets	$2,045
Less: Restricted cash and customer funds receivable	(610)
Less: Non-interest bearing current liabilities	(392)
Add: Accumulated depreciation	70
Add: Accumulated amortization of software development	53
Add: Accumulated amortization of ROU assets[1]	24
Add: Accumulated amortization of intangibles	277
Less: Purchase price of 2020 acquisition[2]	0
Add: Research & development (excluding stock-based compensation) 3Y Expense[3]	266
Invested Capital	**$1,732**
Income from Operations	37
Add: Rent/Lease expense	42
Add: Depreciation	19
Add: Amortization of software development	33
Add: Amortization of intangibles	42
EBITDA[4]	173
Add: Stock-based compensation	87
Add: R&D Exp (excl SBC)	82
Adjusted EBITDA[4]	342
Less: Implied taxes (assumes 20% tax rate)	(7)
Adjusted NOPAT[4]	$335
Return on invested capital (ROIC)	**19.3%**

(1) With adoption of ASC842 and subsequent addition of right-of-use assets on the balance sheet, value of leased assets is replaced
(2) 2020 no acquisition completed in 2020
(3) Sum of previous three years R&D expense excluding any stock-based compensation
(4) Non-GAAP EBITDA, Adjusted EBITDA, Adjusted NOPAT

Historical Reconciliations of GAAP and Non-GAAP Organic Revenue Growth (Unaudited)

(dollars in thousands)	Years ended		Three months ended				Year ended	Three months ended			
	12/31/2020	12/31/2019	12/31/2020	09/30/2020	06/30/2020	03/31/2020	12/31/2019	12/31/2019	09/30/2019	06/30/2019	03/31/2019
GAAP revenue	$ 913,219	$ 900,423	$ 242,606	$ 215,001	$ 231,991	$ 223,621	$ 900,423	$ 237,839	$ 221,120	$ 225,634	$ 215,830
GAAP revenue growth	**1.4 %**		**2.0 %**	**(2.8)%**	**2.8 %**	**3.6 %**					
Add: Non-GAAP acquisition-related revenue (1)	—	1,932	—	—	—	—	1,932	241	259	716	716
Non-GAAP organic revenue (2)	$ 913,219	$ 902,355	$ 242,606	$ 215,001	$ 231,991	$ 223,621	$ 902,355	$ 238,080	$ 221,379	$ 226,350	$ 216,546
Non-GAAP organic revenue growth	**1.2 %**		**1.9 %**	**(2.9)%**	**2.5 %**	**3.3 %**					
Non-GAAP organic revenue (2)	$ 913,219	$ 902,355	$ 242,606	$ 215,001	$ 231,991	$ 223,621	902,355	$ 238,080	$ 221,379	$ 226,350	$ 216,546
Foreign currency impact on Non-GAAP organic revenue (3)	780	—	(742)	(796)	2,008	310	—	—	—	—	—
Non-GAAP organic revenue on constant currency basis (3)	$ 913,999	$ 902,355	$ 241,864	$ 214,205	$ 233,999	$ 223,931	$ 902,355	$ 238,080	$ 221,379	$ 226,350	$ 216,546
Non-GAAP organic revenue growth on constant currency basis	**1.3 %**		**1.6 %**	**(3.2)%**	**3.4 %**	**3.4 %**					
GAAP recurring revenue	850,745	831,609	229,516	200,102	216,260	204,867	831,609	219,820	205,227	208,468	198,094
GAAP recurring revenue growth	**2.3 %**		**4.4 %**	**(2.5)%**	**3.7 %**	**3.4 %**					
Add: Non-GAAP acquisition-related recurring revenue (1)	—	1,932	—	—	—	—	1,932	241	259	716	716
Non-GAAP organic recurring revenue	$ 850,745	$ 833,541	$ 229,516	$ 200,102	$ 216,260	$ 204,867	$ 833,541	$ 220,061	$ 205,486	$ 209,184	$ 198,810
Non-GAAP organic recurring revenue growth	**2.1 %**		**4.3 %**	**(2.6)%**	**3.4 %**	**3.0 %**					

(1) Non-GAAP acquisition-related revenue excludes incremental acquisition-related revenue calculated in accordance with GAAP that is attributable to companies acquired in the current fiscal year. For companies acquired in the immediately preceding fiscal year, non-GAAP acquisition-related revenue reflects presentation of full-year incremental non-GAAP revenue derived from such companies, as if they were combined throughout the prior period, and it includes the non-GAAP revenue from the acquisition-related deferred revenue write-down attributable to those companies.

(2) Non-GAAP organic revenue for the prior year periods presented herein may not agree to non-GAAP organic revenue presented in the respective prior period quarterly financial information solely due to the manner in which non-GAAP organic revenue growth is calculated.

(3) To determine non-GAAP organic revenue growth on a constant currency basis, revenues from entities reporting in foreign currencies were translated to U.S. Dollars using the comparable period's quarterly weighted average foreign currency exchange rates. The primary foreign currencies creating the impact are the Australian Dollar, British Pound, Canadian Dollar and EURO.

Reconciliations of Non-GAAP Organic Revenue Growth and Rule of 40 (Unaudited)

(dollars in thousands)	Years ended		Three months ended	
	12/31/2020	12/31/2019	12/31/2020	12/31/2019
GAAP net income	$ 7,717	$ 11,908	$ (13,621)	$ 1,324
Non-GAAP adjustments:				
Add: Interest, net	15,627	17,816	4,976	4,009
Add: GAAP income tax provision (benefit)	13,897	(1,323)	6,949	(2,586)
Add: Depreciation(1)	14,589	14,979	3,731	3,706
Add: Amortization of intangibles from business combinations	41,883	50,085	9,829	12,884
Add: Amortization of software development costs(2)	32,540	20,999	7,712	5,265
Subtotal	118,536	102,556	33,197	23,278
Non-GAAP EBITDA	$ 126,253	$ 114,464	$ 19,576	$ 24,602
Non-GAAP EBITDA Margin	**13.8 %**		**8.1 %**	
Non-GAAP adjustments:				
Add: Acquisition-related deferred revenue write-down	—	1,932	—	241
Add: Stock-based compensation expense	87,257	58,633	32,701	15,012
Add: Employee severance	4,875	4,425	282	765
Add: Acquisition-related integration costs	(134)	2,395	(16)	189
Add: Acquisition-related expenses	353	1,162	65	132
Add: Restructuring and other real estate activities	23,290	5,808	16,273	2,725
Subtotal	115,641	74,355	49,305	19,064
Non-GAAP Adjusted EBITDA	$ 241,894	$ 188,819	$ 68,881	$ 43,666
Non-GAAP Adjusted EBITDA Margin	**26.5 %**		**28.4 %**	
Rule of 40(3)	**27.7 %**		**30.3 %**	

(1) During the third quarter of 2020, we we reduced the estimated useful lives of our operating lease right-of-use assets for certain of our office locations we expect to exit. For these same office locations, we also reduced the estimated useful lives of certain facilities-related fixed assets, which resulted in an increase in depreciation expense. The accelerated portions of the fixed asset depreciation expense related to these activities of $3.2 million and $4.6 million for the three and twelve months ended December 31, 2020, respectively, was presented in the "Restructuring and other real estate activities" line of the reconciliation of GAAP to non-GAAP financial measures. Total depreciation expense for the three and twelve months ended December 31, 2020 was $6.9 million and $19.2 million, respectively.

(2) Includes amortization expense related to software development costs and amortization expense from capitalized cloud computing implementation costs.

(3) Measured by non-GAAP organic revenue growth plus non-GAAP adjusted EBITDA margin. See Non-GAAP organic revenue growth table on prior slide.

Historical Reconciliations of GAAP to Non-GAAP Financial Measures (Unaudited)

(in thousands, except share and per share amounts)	Q1 2019	Q2 2019	Q3 2019	Q4 2019	FY 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020	FY 2020
GAAP Revenue	$ 215,830	$ 225,634	$ 221,120	$ 237,839	$ 900,423	$ 223,621	$ 231,991	$ 215,001	$ 242,606	$ 913,219
Non-GAAP adjustments:										
Add: Acquisition-related deferred revenue write-down	716	716	259	241	1,932	—	—	—	—	—
Non-GAAP revenue	$ 216,546	$ 226,350	$ 221,379	$ 238,080	$ 902,355	$ 223,621	$ 231,991	$ 215,001	$ 242,606	$ 913,219
GAAP gross profit	$ 116,547	$ 124,827	$ 119,323	$ 121,302	$ 481,999	$ 118,756	$ 127,052	$ 116,316	$ 123,030	$ 485,154
GAAP gross margin	54.0%	55.3%	54.0%	51.0%	53.5%	53.1%	54.8%	54.1%	50.7%	53.1%
Non-GAAP adjustments:										
Add: Acquisition-related deferred revenue write-down	716	716	259	241	1,932	—	—	—	—	—
Add: Stock-based compensation expense	974	791	784	817	3,366	865	2,570	3,688	6,251	13,374
Add: Amortization of intangibles from business combinations	11,416	11,329	11,225	10,799	44,769	10,930	9,686	9,219	9,133	38,968
Add: Employee severance	1,119	(4)	19	87	1,221	32	781	—	94	907
Subtotal	14,225	12,832	12,287	11,944	51,288	11,827	13,037	12,907	15,478	53,249
Non-GAAP gross profit	$ 130,772	$ 137,659	$ 131,610	$ 133,246	$ 533,287	$ 130,583	$ 140,089	$ 129,223	$ 138,508	$ 538,403
Non-GAAP gross margin	60.4%	60.8%	59.5%	56.0%	59.1%	58.4%	60.4%	60.1%	57.1%	59.0%
GAAP income (loss) from operations	$ 2,185	$ 13,491	$ 7,883	$ 3,586	$ 27,145	$ 8,424	$ 19,582	$ 10,087	$ (850)	$ 37,243
GAAP operating margin	1.0%	6.0%	3.6%	1.5%	3.0%	3.8%	8.4%	4.7%	(0.4)%	4.1%
Non-GAAP adjustments:										
Add: Acquisition-related deferred revenue write-down	716	716	259	241	1,932	—	—	—	—	—
Add: Stock-based compensation expense	13,726	15,029	14,866	15,012	58,633	13,580	20,133	20,843	32,701	87,257
Add: Amortization of intangibles from business combinations	12,792	12,481	11,928	12,884	50,085	11,671	10,415	9,968	9,829	41,883
Add: Employee severance	3,421	191	48	765	4,425	97	4,264	232	282	4,875
Add: Acquisition-related integration costs	718	464	1,024	189	2,395	(32)	(71)	(15)	(16)	(134)
Add: Acquisition-related expenses	445	365	220	132	1,162	139	85	64	65	353
Add: Restructuring and other real estate activities	1,953	730	400	2,725	5,808	24	50	6,943	16,273	23,290
Subtotal	33,771	29,976	28,745	31,948	124,440	25,479	34,876	38,035	59,134	157,524
Non-GAAP income from operations	$ 35,956	$ 43,467	$ 36,628	$ 35,534	$ 151,585	$ 33,903	$ 54,458	$ 48,122	$ 58,284	$ 194,767
Non-GAAP operating margin	16.6%	19.2%	16.5%	14.9%	16.8%	15.2%	23.5%	22.4%	24.0%	21.3%
GAAP (loss) income before (benefit) provision for income taxes	$ (2,956)	$ 9,873	$ 4,930	$ (1,262)	$ 10,585	$ 5,335	$ 16,319	$ 6,632	$ (6,672)	$ 21,614
GAAP net (loss) income	$ (1,122)	$ 7,140	$ 4,566	$ 1,324	$ 11,908	$ 4,639	$ 11,823	$ 4,876	$ (13,621)	$ 7,717
Shares used in computing GAAP diluted (loss) earnings per share	47,516,912	48,160,684	48,464,529	48,572,575	48,312,271	48,455,751	48,418,378	48,859,707	48,190,388	48,696,341
GAAP diluted (loss) earnings per share	$ (0.02)	$ 0.15	$ 0.09	$ 0.03	$ 0.25	$ 0.10	$ 0.24	$ 0.10	$ (0.28)	$ 0.16
Non-GAAP adjustments:										
Add: GAAP income tax (benefit) provision	(1,834)	2,733	364	(2,586)	(1,323)	696	4,496	1,756	6,949	13,897
Add: Total Non-GAAP adjustments affecting income from operations	33,771	29,976	28,745	31,948	124,440	25,479	34,876	38,035	59,134	157,524
Non-GAAP income before provision for income taxes	30,815	39,849	33,675	30,686	135,025	30,814	51,195	44,667	52,462	179,138
Assumed non-GAAP income tax provision (2)	6,163	7,970	6,735	6,137	27,005	6,163	10,239	8,933	10,492	35,827
Non-GAAP net income	$ 24,652	$ 31,879.2	$ 26,940	$ 24,548.8	$ 108,020	$ 24,651.2	$ 40,956	$ 35,734	$ 41,970	$ 143,311.2
Shares used in computing Non-GAAP diluted earnings per share	48,051,289	48,160,684	48,464,529	48,572,575	48,312,271	48,455,751	48,418,378	48,859,707	49,097,084	48,696,341
Non-GAAP diluted earnings per share	$ 0.51	$ 0.66	$ 0.56	$ 0.51	$ 2.24	$ 0.51	$ 0.85	$ 0.73	$ 0.85	$ 2.94

Note 1: The individual amounts for each quarter may not sum to full year totals due to rounding.
Note 2: We apply a non-GAAP effective tax rate of 20.0% when calculating non-GAAP net income and non-GAAP diluted earnings per share.

Historical Reconciliations of GAAP to Non-GAAP Financial Measures (Unaudited)

(in thousands)	3 months ended 3/31/2019	6 months ended 6/30/2019	9 months ended 9/30/2019	12 months ended 12/31/2019	3 months ended 3/31/2020	6 months ended 6/30/2020	9 months ended 9/30/2020	12 months ended 12/31/2020
GAAP net cash (used in) provided by operating activities	(10,011)	45,089	122,124	182,477	(24,503)	37,488	109,165	147,955
Less: purchase of property and equipment	(1,152)	(6,375)	(9,597)	(11,492)	(2,867)	(5,887)	(25,836)	(29,690)
Less: capitalized software development costs	(11,319)	(23,206)	(34,513)	(46,874)	(10,937)	(21,679)	(32,028)	(42,157)
Non-GAAP free cash flow	$ (22,482)	$ 15,508	$ 78,014	$ 124,111	$ (38,307)	$ 9,922	$ 51,301	$ 76,108