FiscalNote (NOTE)

Investor Update: March 12, 2024



FiscalNote

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Forward Looking Statements

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FiscalNote

FiscalNote Snapshot (as of December 31, 2023)

Compounding Growth, Strong Retention, High Gross Margins

~5,000 Customers[4, 5]

$126M ARR[1]

As of December 31, 2023

17%

Y/Y GAAP Revenue Growth %

FY 2023

FORTUNE 100

60+ of the Fortune 100

Are FiscalNote customers

As of December 31, 2023

82%

Adjusted Gross Margin[2]

FY 2023

11%

Y/Y ARR Growth %

FY 2023

99%

Quarterly Net Revenue Retention[1]

Q4 2023

$3M Adj. EBITDA[2]

Q4 2023

$24M Cash[3]

As of December 31, 2023

Diverse Revenue Base

Balanced across enterprise, government and mid-market accounts

All Data presented is as of December 31, 2023. please see page 26 for details on the impact of the divestiture of board.org and sunset revenue on several metrics and KPIs referenced above

(1) “Annual Recurring Revenue” or “ARR” and “Net Revenue Retention” or “NRR”, are key performance indicators (KPIs).
(2) Non-GAAP measure. Please see "Non-GAAP Financial Measures" for definitions and important disclosures regarding these financial measures, including reconciliations to the most directly comparable GAAP measure.
(3) As of December 31, 2023 and inclusive of short-term investments.
(4) Customers refer to individual buyers within a parent organization.
(5) Includes customers associated with Board.org which the Company divested on March 11, 2024

FiscalNote



WHAT WE DO

Deliver a SaaS-based platform for critical political, legislative and regulatory data and insights

FiscalNote

Who We Serve

Crucial technology and embedded workflows on the desks of the world's decision makers

	FiscalNote Value	Select FiscalNote Customers
Government Agencies	Secure government funding to support national security and engage in global diplomacy	
Corporates — Large Enterprise; Mid-Market / SMB	Navigate increasingly complex regulatory, policy and geopolitical landscape and manage risk related to key issues such as ESG, data privacy and antitrust, supply chain management	Nestlé, FedEx, Microsoft, BlueCross BlueShield, Astellas, Strata Solar
Non-Profits & NGOs	Advocate to elected officials to ensure access to funding and protection of interests	NEA National Education Association, AARP, WWF World Wildlife Fund

Blue Chip Diverse Client Base

Relied upon and recognized across major public and private sector customers

Government Organizations



Corporates

Finance

New York Life · US Bancorp · BNP Paribas · Sallie Mae · UBS · Goldman Sachs

Energy

Chevron · eni · ConocoPhillips · Strata Solar · Energinet

Consumer & Retail

Pepsi · Drizly · L'Oréal · Nestlé · Jewelers of America

Transport

Delta · Amtrak · Lyft · FedEx · Uber · Nikola · Rail Passengers

Healthcare

AstraZeneca · BlueCross BlueShield Association · Abbott · Amgen · abbvie · AANP

Education

Penn · Harvard Kennedy School · 2U · MIT · Education Commission of the States

TMT

Microsoft · CNN · Siemens · SAP · The New York Times · Zillow · Lenovo · T-Mobile · hp

Business Services

The Concord Coalition · EY · bakertilly · Willis Towers Watson · argus

Non-Profits & NGOs

AARP · U.S. Chamber of Commerce · United States Olympic & Paralympic Committee · NFIB · NEA National Education Association · Big Brothers Big Sisters of America · aft · NAACP · SFIA · Household & Commercial Products Association · WWF World Wildlife Fund · AMA American Motorcyclist Association

Note: Data as of December 31, 2023.

Why It Matters

Boards and CEOs Face Increasing Global Regulations and Uncertainty



> “ Broadly speaking, I think, **we as a sector need to do a better job clarifying with policymakers** that, in order to invest in innovation…we need a pricing environment that rewards innovation, particularly when it improves outcomes for patients.”
>
> **— CEO Vas Narasimhan**
> *Q4 2022 Earnings Call*
>
> NOVARTIS

> “ Political instability, **changes to the regulatory environment or taxation,** international trade disputes and barriers to free trade, international sanctions, expropriation or nationalization of property, civil strife, strikes, insurrections, acts of terrorism, acts of war and public health situations…may disrupt or curtail our operations or development activities.”
>
> **— BP 2020 Annual Report**
>
> bp

> “ Higher interest rates lead to the economy running leaner, **more geopolitical instability leads to more volatility, and increased regulation leads to slower growth and increased costs of innovation**…given this outlook, we’ll need to operate more efficiently than our previous headcount reduction to ensure success.”
>
> **— CEO Mark Zuckerberg**
> *2023 Memo to Employees*
>
> Meta

> “ **We need governments to provide clear pathways and a consistent taxonomy** for sustainability policy, regulation, and disclosure across markets.”
>
> **— CEO Larry Fink**
> *2022 Letter to CEOs*
>
> BlackRock.

More than half
of surveyed global CEOs reported that changes in
regulation will be the biggest impact to profitability
in their industry in the next 10 years[1]

Note: (1) PwC Global CEO Survey (https://www.pwc.com/ceosurvey.html)

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Large and Expanding Market Opportunity



Market Tailwinds

- Proliferation of regulatory complexity
- Lack of systems to track, assess and report
- Demand for workflow efficiency and automation
- Increasing use of data and information in decision-making
- Need for aggregation and standardization

Enterprise Info Solutions

TAM: $314BN[1]

Legal & Regulatory Info

TAM: $40BN[2]

(1) Outsell: Market landscape (as of August 12, 2021), denotes estimated TAM in 2020.
(2) Outsell: Market landscape (as of April 24, 2023)

The FiscalNote Solution



Data

Unrivaled Information
& Global
Need-to-Know Policies



Workflow

Embedded Workflows
to Manage
Regulatory Risk



Analytics

AI-Powered
Actionable
Intelligence



Research

Differentiated &
Mission-Critical
Commentary on Policy

Combining Data, Analytics & Workflow to Drive Actionable Insights

- ☑ Secure Government Funding
- ☑ Generate Incremental Revenue
- ☑ Minimize Costs
- ☑ Mitigate Reputational Risk

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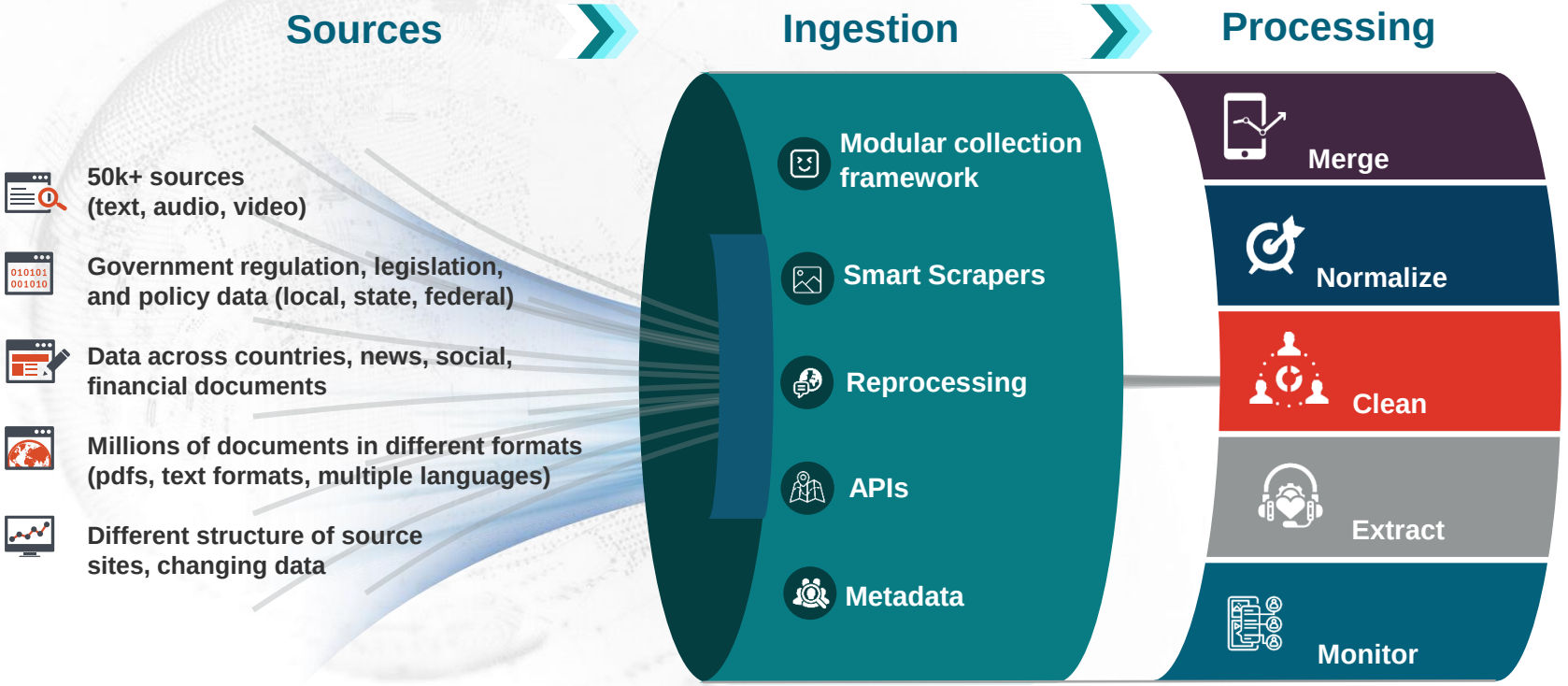
Proprietary Ingestion and Processing Infrastructure with AI at the Core



Human Augmentation layered in both ingestion and processing steps

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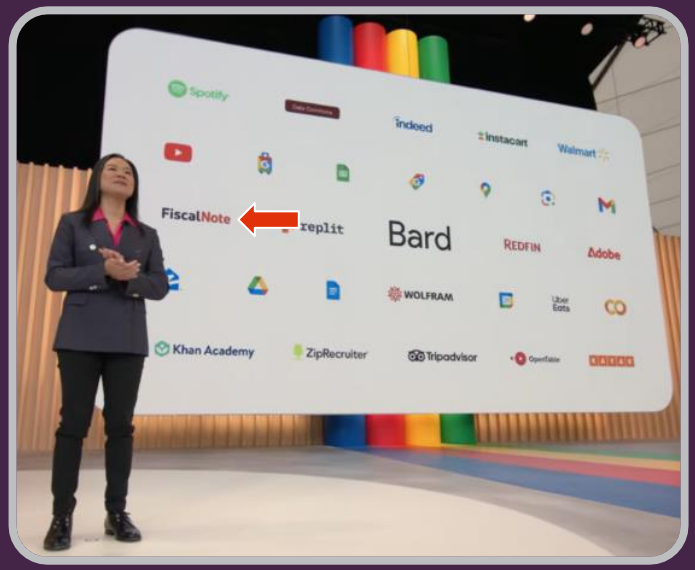
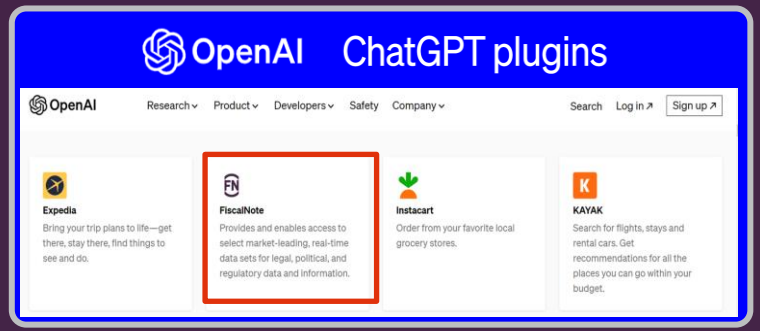
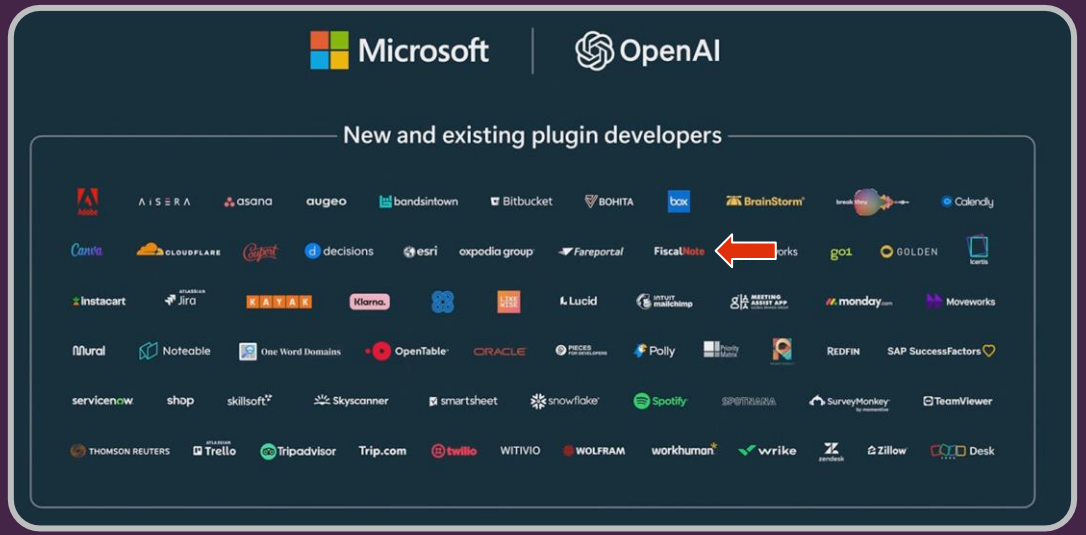
FiscalNote AI Leadership

Recognition from the world's most prominent AI organizations



Keynote speaker, Sissie Hsiao,
Vice President and General Manager,
Google Assistant and Bard at Google's
Annual I/O Conference





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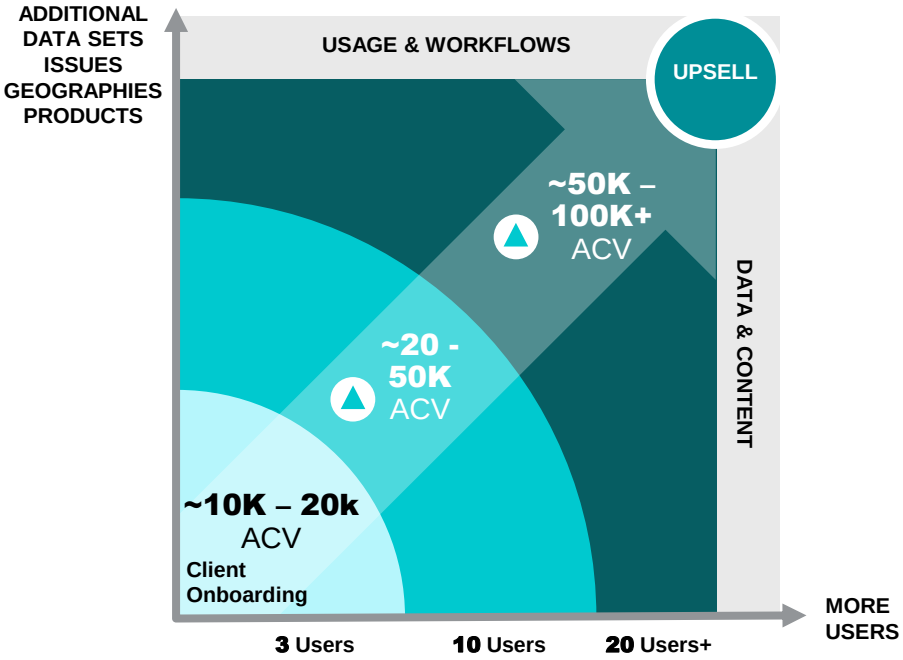
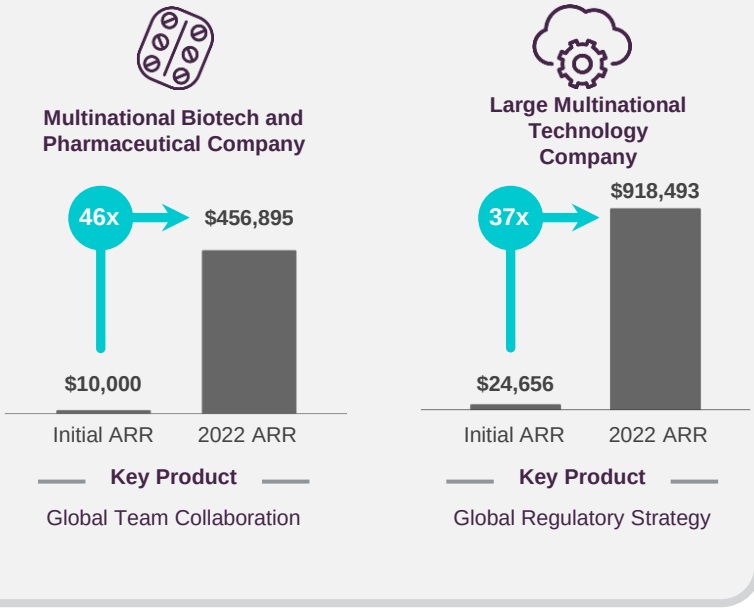
Fueling our “Land and Expand” Strategy Via Cross & Upsell

Relied upon and recognized across major public and private sector customers

Upselling Potential Enabled by User and Product-Based Pricing



Customer Growth Stories



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Enterprise Customer Journey: Case Study

Global eCommerce Company

FiscalNote Value:

- Modernized process for tracking global policy
- A more proactive policy engagement program for multiple business units across dozens of countries and issues

Buyers:

EU Policy Manager within the EU Public Policy department

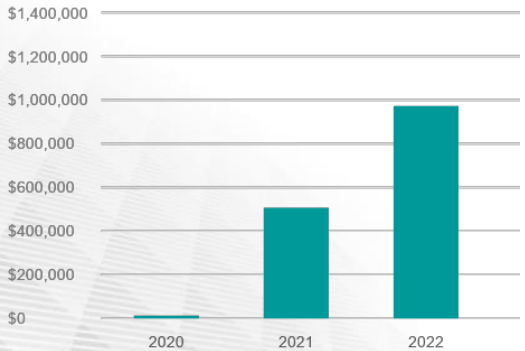
Legal department

Multiple divisions and departments

Initial business challenge / solution:

- Faced regulatory pressures and fines from the EU.
- Selected FiscalNote to monitor and analyze EU policies and regulations and engage proactively to understand and influence policymaking

ACCOUNT ARR GROWTH



EXPANSION JOURNEY

2019 Initial user of EU data

2021 FiscalNote selected to modernize the customer's legal process for tracking global policy intelligence, to monitor three key issue areas across 40 countries and provide detailed dashboards to track sanctions

2022 Expanded to new division, five additional users for FiscalNote US local, state, federal policy data

2022 Expanded to another division, 10 additional users for FiscalNote state and medical board monitoring

2022 Selected by another division for policy monitoring across five issue areas, 16 countries and two multi-national bodies

2023 Client added additional countries for policy monitoring of two new issue areas

Potential growth opportunities:

Additional countries, issue area coverage and other business units

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Enterprise Customer Journey: Case Study

Global Technology Company

FiscalNote Value:

- Centralized, integrated processes for tracking global policy
- Comprehensive intelligence about key policies impacting the customer, including monitoring specific policy elements (i.e. public consultations, multilateral negotiations).
- A dashboard of key regulatory issues, and valuable intelligence (likelihood of passage, products impacted) across 13+ issues across 35 countries

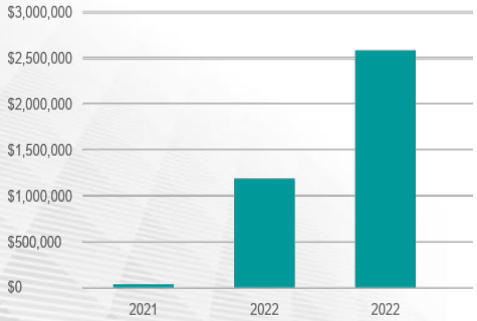
Buyers:

Global Affairs and Public Policy Manager

Initial business challenge / solution:

- Inefficient and ineffective manual process for global policy monitoring
- Selected FiscalNote global policy for 13 issues across 20 countries.

ACCOUNT ARR GROWTH



EXPANSION JOURNEY

2021 Small user of FiscalNote congressional information

2022 FiscalNote selected by public policy team to implement a global policy monitoring solution across 20 countries (trial solution)

2022 Expanded the types of policies monitored, categories of information and jurisdictions and other relevant elements (e.g. likelihood of passage, products impacted)

2023 Expanded attribute list for 13 issues across 35 countries (a 15 country upsell). Customized reporting and dashboards to meet demands of various stakeholders

Potential growth opportunities:

Additional countries, issue area coverage and attribute coverage (i.e. judicial enforcement)

FiscalNote

Building on our Track Record of Disciplined, Accretive M&A

Proven Strategies

- Playbook for acquisition and integration
- Track record of value creation through acquisition of datasets and cross / upselling key customer segments
- Dedicated team of M&A professionals
- Well-supported by CFO, GC and internal stakeholders

Key Winning Factors

- Transaction structure
- Alignment of interests
- Scale and platform benefits
- Culture
- Non-competitive situations (i.e. not auctions)

Criteria

- Deeply embedded customers
- Large market share
- Limited strategic options
- High subscription revenue streams
- Ability to cross-sell / up-sell
- Sub-sectors with competitive fragmentation

Proven Playbook for Integration

- **Cross Sell within two days of close**
- **Broader data coverage for clients**
- **Reduced cost + incremental capability**
- **Core technology leveraged for other R&D initiatives**

Key Statistics

17

Acquisitions since 2015[1]

3

New international operational footprints in 2021 (UK, AU, SG)

(1) Statistic as of December 2023.

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Category Creator

Crucial AI technology and embedded workflows on the desks of the world's decision makers

Legal and Policy

FiscalNote

Finance

S&P CAPITAL IQ

Bloomberg

FACTSET

EV/24 Rev Multiple*: 9.3x

Sector – Specific Info Services

Clarivate™

CoStar Group™

tyler technologies

DEFINITIVE HEALTHCARE

EV/24 Rev Multiple*: 7.9x

Related M&A Transactions

Adenza → Nasdaq

Avalara → VISTA EQUITY PARTNERS

Rev Multiple at transaction: 10-17x

Other related M&A Transactions

OPENGOV → COX ENTERPRISES, INC.

casetext → THOMSON REUTERS

fastcase → Oakley Capital

vlex → BainCapital

* Sourced from Factset and represents Average EV/23 Revenue Multiple for the public entities listed in each segment as of October 15, 2023

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Divestiture of Board.org division and FY 2024 Outlook

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FiscalNote 2023 Recap

A blend of cost and growth initiatives to position the Company for profitable growth

Launched new AI products (FiscalNote Risk Connector & Co-Pilots)

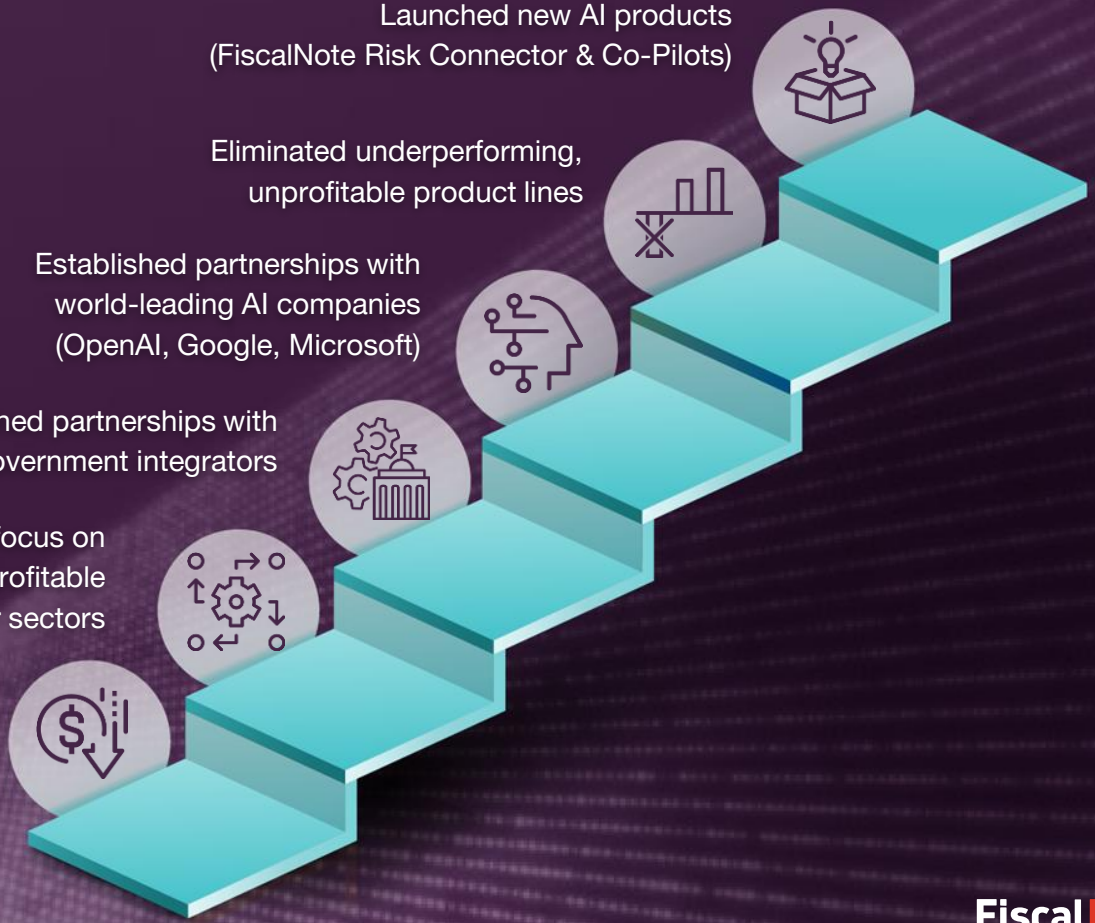
Eliminated underperforming, unprofitable product lines

Established partnerships with world-leading AI companies (OpenAI, Google, Microsoft)

Established partnerships with large government integrators

Re-aligned salesforce to focus on highest growth most profitable customer sectors

Initiated cost reduction plan to drive $25M of in-year opex cost savings and ongoing AEBITDA profitability



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Board.org Divestiture:
Attractive ROI Radically Enhances FiscalNote Balance Sheet

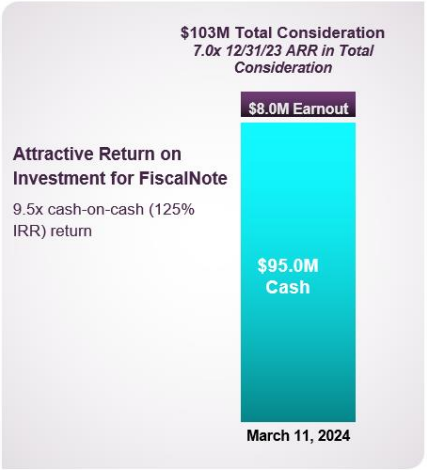
Board.org background:

- A peer-to-peer executive community platform used by corporate executives responsible for marketing, operations, HR and other leadership positions
- Acquired by FiscalNote in 2021
- Operated as an independent product offering of FiscalNote

Non-core offering of FiscalNote representing approximately 10% of total revenue

Sold by FiscalNote for up to $103 million total consideration ($95 million[1] in cash and up to $8 million in earnout opportunity) on March 11. Represents:

- 9.5x multiple of the cash consideration FiscalNote paid 2.8 years ago
- 125% IRR for FiscalNote on the basis of cash-in at close vs cash-out at sale
- 7x revenue multiple based on 2023 ARR



Transaction benefits to FiscalNote:

- Aligns with the Company's refined product strategy in its core businesses
- Radically transforms FiscalNote's balance sheet

12/31/23 Levels	Actual	Deal Impact	Pro Forma
Cash & Equivalents (2) (3)	**$24**	**$15**	**$39**
Debt (Principal)			
Senior Term Loan	$158	($66)	$93
Subordinated Debt	$82	$0	$82
Total Debt	$241	($66)	$175
Net Debt	**$217**	**($81)**	**$136**

(1) Subject to adjustment for indebtedness and working capital, pursuant to the sale agreement.
(2) Includes cash and cash equivalents, restricted cash and short-term investments from reported balance sheet.
(3) Deal impact to Cash & Equivalents reflects estimate of cash allocated to general corporate purposes after remaining transaction costs are paid.

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Kicking off 2024: Positioning FiscalNote for Focused, Profitable Growth

- Compounding ARR growth and ongoing Adjusted EBITDA profitability
- Clear AI leadership drives enduring competitive advantage differentiated by FiscalNote's proprietary data assets
- Aligned and focused product strategy to accelerate growth in our core offerings and enable growth upside from new revenue streams
- Optimized sales and go to market teams
- Strong flowthrough of incremental revenue to Adjusted EBITDA

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FY 2024 Outlook

- **GAAP Revenue of $123 to $127 million**
- **Total Run-Rate Revenue of $126 to $134 million[1]**
- **Positive Adjusted EBITDA of $7 to $9 million[2,3]**

Board.org contributed approximately $14 million of revenue and approximately $5 million[(1)] of Adjusted EBITDA in 2023. In addition to the divestiture of Board.org, the Company announced that it will sunset several non-core, smaller products to provide a more focused product portfolio and to position the company for ongoing profitability growth. The divestiture of Board.org, combined with the sunset products total approximately $17 million of annualized revenue in 2023 that the Company does not expect to reoccur after March 11, 2024.

(1) Run-Rate Revenue is a key performance indicators (KPI).
(2) Non-GAAP measure. Please see "Non-GAAP Financial Measures" for definitions and important disclosures regarding these financial measures.
(3) Because of the variability of items impacting net income and unpredictability of future events, management is unable to reconcile without unreasonable effort the Company's forecasted adjusted EBITDA to a comparable GAAP measure.

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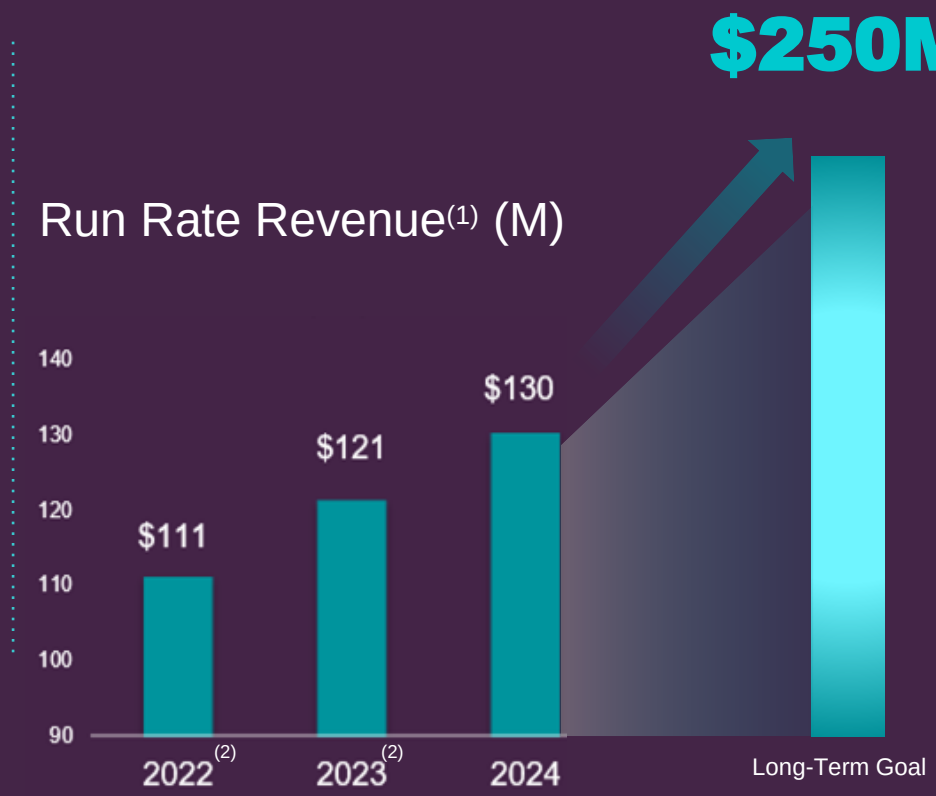
Five-Year Goal



Long-term Profitability Profile

- Compounding ARR growth
- 80%+ adjusted gross margin[3]
- 25%-30%+ Adjusted EBITDA margin[3]
- Strong Free Cash Flow

(1) “Run Rate Revenue” or “RRR” is a key performance indicator (KPI). .
(2) 2022 and 2023 shown indicates Run Rate Revenue as reported for businesses owned as of that period excluding board.org which was divested on March 11, 2024 and sunset revenue
(3) Non-GAAP measure. Please see "Non-GAAP Financial Measures" for definitions and important disclosures regarding these financial measures.

Summary

Why FiscalNote

- Large, growing market with tailwinds from increasing regulatory and geopolitical complexities
- Diverse, blue chip customer base providing a durable asset for upsells and cross-sells
- AI and data-driven workflows differentiate FiscalNote and help customers turn insights into action
- Multiple avenues of growth across adjacent verticals, geographies & regulated industries
- Adjusted EBITDA profitable
- Strong M&A track record with strong returns on capital

Addendum

Non-GAAP Financial Measures

Non-GAAP Financial Measures

In addition to financial measures prepared in accordance with GAAP, we use certain non-GAAP financial measures to clarify and enhance our understanding, and aid in the period-to-period comparison, of our performance. Where applicable, we provide reconciliations of these non-GAAP measures to the corresponding most closely related GAAP measure. Investors are encouraged to review the reconciliation of each of these non-GAAP financial measures to its most comparable GAAP financial measure. While we believe that these non-GAAP financial measures provide useful supplemental information, non-GAAP financial measures have limitations and should not be considered in isolation from, or as a substitute for, their most comparable GAAP measures. These non-GAAP financial measures are not prepared in accordance with GAAP, do not reflect a comprehensive system of accounting and may not be comparable to similarly titled measures of other companies due to potential differences in their financing and accounting methods, the book value of their assets, their capital structures, the method by which their assets were acquired and the manner in which they define non-GAAP measures.

Adjusted Revenue

Adjusted revenue represents revenue adjusted to include amounts that would have been recognized if deferred revenue was not adjusted to fair value in connection with acquisition accounting. Adjusted revenue is presented because we use this measure to evaluate performance of our business against prior periods and believe it is useful for investors as an indicator of the underlying performance of our business. Adjusted revenue is not a recognized term under U.S. GAAP. Adjusted revenue does not represent revenues, as that term is defined under GAAP, and should not be considered as an alternative to revenues as an indicator of our operating performance. Adjusted revenue as presented herein is not necessarily comparable to similarly titled measures presented by other companies.

Adjusted Gross Profit and Adjusted Gross Profit Margin

We define Adjusted Gross Profit as Adjusted Revenue minus cost of revenues, before amortization of intangible assets that are included in costs of revenues. We define Adjusted Gross Profit Margin as Adjusted Gross Profit divided by Adjusted Revenue. We use Adjusted Gross Profit and Adjusted Gross Profit Margin to understand and evaluate our core operating performance and trends. We believe these metrics are useful measures to us and to our investors to assist in evaluating our core operating performance because they provide consistency and direct comparability with our past financial performance and between fiscal periods, as the metrics eliminate the non-cash effects of amortization of intangible assets and deferred revenue, which are non-cash impacts that may fluctuate for reasons unrelated to overall operating performance. Adjusted Gross Profit and Adjusted Gross Profit Margin have limitations as analytical tools, and you should not consider them in isolation, or as a substitute for analysis of our results as reported under GAAP. They should not be considered as replacements for gross profit and gross profit margin, as determined by GAAP, or as measures of our profitability. We compensate for these limitations by relying primarily on our GAAP results and using non-GAAP measures only for supplemental purposes. Adjusted Gross Profit and Adjusted Gross Profit Margin as presented herein are not necessarily comparable to similarly titled measures presented by other companies.

EBITDA, Adjusted EBITDA, and Adjusted EBITDA Margin

EBITDA, Adjusted EBITDA and Adjusted EBITDA Margin are non-GAAP financial measures. EBITDA represents earnings before interest expense, income taxes, depreciation and amortization. Adjusted EBITDA reflects further adjustments to EBITDA to exclude certain non-cash items and other items that management believes are not indicative of ongoing operations. We define Adjusted EBITDA Margin as Adjusted EBITDA divided by Adjusted Revenue. We disclose EBITDA, Adjusted EBITDA and Adjusted EBITDA Margin herein because these non-GAAP measures are key measures used by management to evaluate our business, measure our operating performance and make strategic decisions. We believe that EBITDA, Adjusted EBITDA and Adjusted EBITDA Margin are useful for investors and others in understanding and evaluating our operating results in the same manner as management. EBITDA, Adjusted EBITDA and Adjusted EBITDA Margin are not financial measures calculated in accordance with GAAP and should not be considered as substitutes for net loss, net loss before income taxes, or any other operating performance measure calculated in accordance with GAAP. Using these non-GAAP financial measures to analyze our business would have material limitations because the calculations are based on the subjective determination of management regarding the nature and classification of events and circumstances that investors may find significant. In addition, although other companies in our industry may report measures titled EBITDA, Adjusted EBITDA and Adjusted EBITDA Margin or similar measures, such non-GAAP financial measures may be calculated differently from how we calculate non-GAAP financial measures, which reduces their comparability. Because of these limitations, you should consider EBITDA, Adjusted EBITDA, and Adjusted EBITDA Margin alongside other financial performance measures, including net income and our other financial results presented in accordance with GAAP.

FY 2023 Proforma for Board.org Divestiture and Sunset Revenue

- GAAP revenue of approximately $115 million
  - subscription revenue of approximately $105 million
  - non–subscription revenue of approximately $10 million
- Run-Rate Revenue of approximately $121 million[1]
- Adjusted EBITDA of approximately ($12.5) million[2]

(1) Run-Rate Revenue is a key performance indicator (KPIs). .
(2) Non-GAAP measure. Please see "Non-GAAP Financial Measures" for definitions and important disclosures regarding these financial measures.

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Q4 2023 Summary - Reconciliation to non-GAAP measures

Adjusted Revenues

The following table presents our calculation of Adjusted Revenues for the periods presented, and a reconciliation of this measure to our GAAP revenues for the same periods:

	Three Months Ended December 31,		Year Ended December 31,	
(in thousands)	2023	2022	2023	2022
Subscription revenue	$ 31,096	$ 27,336	$ 119,082	$ 100,522
Deferred revenue adjustment	-	43	-	1,896
Adjusted subscription revenue	31,096	27,379	119,082	102,418
Advisory, advertising, and other revenue	3,169	4,113	13,563	13,243
Adjusted revenues	**$ 34,265**	**$ 31,492**	**$ 132,645**	**$ 115,661**

Adjusted Gross Profit and Adjusted Gross Profit Margin

The following table presents our calculation of Adjusted Gross Profit and Adjusted Gross Profit Margin for the periods presented

	Three Months Ended December 31,		Year Ended December 31,	
(in thousands)	2023	2022	2023	2022
Adjusted Revenues	$ 34,265	$ 31,492	$ 132,645	$ 115,661
Costs of revenue	(11,388)	(8,356)	(40,251)	(31,937)
Amortization of intangible assets	5,407	2,430	15,861	9,094
Adjusted Gross Profit	**$ 28,284**	**$ 25,566**	**$ 108,255**	**$ 92,818**
Adjusted Gross Margin	*83%*	*81%*	*82%*	*80%*

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Q4 2023 Summary - Reconciliation to non-GAAP measures

EBITDA, Adjusted EBITDA, and Adjusted EBITDA Margin

	Three Months Ended December 31,		Year Ended December 31,	
(in thousands)	2023	2022	2023	2022
Net loss	$ (50,748)	$ (42,544)	$ (115,461)	$ (218,257)
Income tax provision / (benefit)	42	(418)	223	(3,254)
Depreciation and amortization	8,644	5,409	28,718	20,783
Interest expense, net	8,087	6,069	29,940	95,741
EBITDA	**(33,975)**	**(31,484)**	**(56,580)**	**(104,987)**
Deferred revenue adjustment (a)	-	43	-	1,896
Stock-based compensation	8,845	7,179	27,057	38,047
Change in fair value of financial instruments (b)	2,867	5,778	(15,983)	(12,747)
Loss on debt extinguishment, net	-	-	-	45,250
Other non-cash (gains) charges (c)	24,295	217	29,522	(9,069)
Acquisition related costs (d)	-	178	1,391	1,181
Employee severance costs (e)	729	426	2,039	575
Non-capitalizable debt raising costs	226	-	542	403
Other infrequent costs (f)	-	-	-	20
Costs incurred related to the transaction (g)	-	743	415	2,993
Loss contingency (h)	-	11,702	4,091	11,988
Adjusted EBITDA	**$ 2,987**	**$ (5,218)**	**$ (7,506)**	**$ (24,450)**
Adjusted EBITDA Margin	*9%*	*(17)%*	*(6)%*	*(21)%*

(a) Reflects deferred revenue fair value adjustments arising from the purchase price allocation in connection with the 2021 Acquisitions.

(a) Reflects the non-cash impact from the mark to market adjustments on our financial instruments.

(b) Reflects the non-cash impact of the following:
- (i) impairment of goodwill of $5,837 in the first quarter of 2023 and $20,004 in the fourth quarter of 2023
- (ii) impairment of other long-lived assets of $6,223 in the fourth quarter of 2023,
- (iii) loss of $34 in the first quarter of 2023, loss of $56 in the second quarter of 2023, gain of $147 in the third quarter of 2023, and gain of $9 in the fourth quarter of 2023 from our equity method investment,
- (iv) charge of $2 in the first quarter of 2023, charge of $2 in the second quarter of 2023, gain of $672 in the third quarter of 2023, and gain of $1,905 in the fourth quarter of 2023 from the change in fair value related to the contingent consideration and compensation related to the Acquisitions;
- (v) unrealized loss of $115 in the third quarter of 2023 and unrealized gain of of $18 in the fourth quarter of 2023 from our investments.
- (vi) gain of $1,320 in the first quarter of 2022, charge of $271 in the second quarter of 2022, gain of $948 in the third quarter of 2022, charge of $217 in the fourth quarter of 2022 from the change in fair value related to the contingent consideration and compensation related to the 2021 Acquisitions,
- (vii) gain of $7,667 related to the partial forgiveness of our PPP Loan during the first quarter of 2022,
- (viii) $378 impairment charge recognized in the first quarter of 2022 related to the abandonment of one of our leases upon adoption of ASC 842 on January 1, 2022..

(c) Reflects the costs incurred to identify, consider, and complete business combination transactions consisting of advisory, legal, and other professional and consulting costs.

(d) Severance costs associated with workforce changes related to business realignment actions.

(e) Costs incurred related to litigation we believe to be outside of our normal course of business totaling $20 in the first quarter of 2022.

(f) Includes non-capitalizable transaction costs associated with the Business Combination.

(g) Reflects: (i) $3,474 non-cash loss contingency charge related to the settlement with GPO FN Noteholder LLC recorded in the second quarter of 2023 and $11,700 non-cash loss contingency recognized related to the previously disclosed term sheet we entered into with GPO FN Noteholder LLC recorded in the fourth quarter of December 31, 2022 and (ii) accounting and legal costs incurred associated with the settlement totaling $168 in the first quarter of 2023, $248 in the second quarter of 2023, $201 in the third quarter of 2023, $286 in the third quarter of 2022 and $2 in the fourth quarter of 2022.

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Equity Capital - Fully Diluted Shares

Represents shares and dilutive securities outstanding at various price per share levels, in millions

Common Stock		$1.14	$5.50	$7.50	$10.50	$12.50	$15.00	$20.00	$25.00
Public Class A	*Shares held by Affiliates*	43.99	43.99	43.99	43.99	43.99	43.99	43.99	43.99
	Shares held by Other Shareholders	77.69	77.69	77.69	77.69	77.69	77.69	77.69	77.69
Class B - Co-Founders Only		8.29	8.29	8.29	8.29	8.29	8.29	8.29	8.29
Subtotal		**129.97**	**129.97**	**129.97**	**129.97**	**129.97**	**129.97**	**129.97**	**129.97**
Potentially Dilutive									
deSPAC Earnout Shares (i)		0.0	0.0	0.0	3.84	7.68	11.52	15.36	19.20
Outstanding Seller Earnout (ii)		3.26	0.92	0.76	0.63	0.58	0.53	0.48	0.44
Employee RSUs and Options (iii)		6.39	9.43	11.09	12.40	12.92	13.38	13.95	14.29
Subtotal		**9.65**	**10.35**	**11.85**	**16.86**	**21.17**	**25.43**	**29.78**	**33.93**
Convertible Instruments									
Public Warrants (iv)		0.0	0.0	0.32	3.98	4.74	4.74	4.74	4.74
Private Warrants (iv)		0.0	0.0	0.26	3.33	4.56	5.63	6.97	7.78
Convertible Notes (v)		2.42	2.42	2.42	2.42	2.42	2.42	2.42	2.42
New GPO Note (vi)		5.87	5.87	5.87	5.87	5.87	5.87	5.87	5.87
Subtotal		**8.29**	**8.29**	**8.87**	**15.60**	**17.58**	**18.66**	**20.00**	**20.80**
TOTAL AS OF 12/31/2023		**147.91**	**148.61**	**150.69**	**162.43**	**168.73**	**174.05**	**179.75**	**184.70**

Note: All dilutive shares outstanding are prepared on the treasury stock method based on the Company's closing stock price and shares outstanding at December 31, 2023.

(i) A total of 19.2mm deSPAC earnout shares are issuable to eligible FiscalNote affiliate and non-affiliate equity holders in five equal tranches of 3.8mm if the Company's stock trades at $10.50/$12.50/$15.00/$20.00/$25.00 (subject to VWAP requirements)

(ii) Represent potentially issuable Class A shares in the event certain acquired businesses meet agreed upon revenue targets

(iii) Represent outstanding RSUs and Options exercisable into Class A shares as of December 31, 2023. RSUs generally vest over three years and Options generally vest over four years. Options calculated utilizing weighted average strike price pursuant to the treasury stock method.

(iv) Represent shares issuable upon the exercise of the public and private warrants issued by DSAC and assumed by FiscalNote upon the closing of the Business Combination. The effective per share strike price is $7.32. The public warrants can be redeemed for $.01 if the Company's stock price is greater than $11.45. The private warrants cannot be redeemed for cash.

(v) Represent shares issuable upon conversion of $14.0mm legacy convertible notes that did not convert as part of the Business Combination. These convertible notes mature in 2025 and accrue interest at 15% annually.

(vi) Represent shares issuable upon conversion of the New GPO Note pursuant to the Exchange and Settlement Agreement dated June 30, 2023. The New GPO Note has an initial principal value of $46.8mm, accrues PIK interest for the first four quarters at 7.50% and is convertible by the holder at any time at a conversion price of $8.28.

Glossary

AI	Artificial intelligence (AI) refers to the simulation of human intelligence in machines that are programmed to think like humans and mimic their actions
ARR	Annual Recurring Revenue (ARR) is the value of the contracted recurring revenue components of term subscriptions normalized to a one-year period
NRR	Net Revenue Retention (“NRR”) is calculated as ARR at the end of the period minus ARR contracted from new clients for which there is no historical revenue booked during the period, divided by the beginning ARR for the period. We calculate NRR at a parent account level. Customers from acquisitions are not included in NRR until they have been part of our consolidated results for 12 months.
Customers	Individual buyers within a parent organization
LTM	Referring to period consisting of the previous twelve (12) months
ML	Machine learning (ML) is a branch of artificial intelligence and computer science which focuses on the use of data and algorithms to imitate the way that humans learn, gradually improving its accuracy
Run-rate revenue	ARR (as defined above) plus non-subscription revenue earned during the last twelve months
YTD	Year to date (YTD) refers to the period of time beginning the first day of the current calendar year or fiscal year up to the current date

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