FiscalNote

Powering Better Policy Decisions with AI-Driven Insights

August 7, 2025

fiscalnote.com

Footnote: Unless otherwise indicated, data presented herein is as of June 30, 2025.

Safe Harbor Statement

Safe Harbor Statement

Certain statements herein may be considered forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements generally relate to future events or FiscalNote's future financial or operating performance. For example, statements regarding FiscalNote's financial outlook for future periods, expectations regarding profitability, capital resources and anticipated growth in the industry in which FiscalNote operates are forward-looking statements. In some cases, you can identify forward-looking statements by terminology such as "pro forma," "may," "should," "could," "might," "plan," "possible," "project," "strive," "budget," "forecast," "expect," "intend," "will," "estimate," "anticipate," "believe," "predict," "potential" or "continue," or the negatives of these terms or variations of them or similar terminology.

Such forward-looking statements are subject to risks, uncertainties, and other important factors that could cause actual results to differ materially from those expressed or implied by such forward-looking statements.
Factors that may impact such forward-looking statements include:

- FiscalNote's ability to successfully complete the closing of its pending senior and subordinated debt financing transactions as anticipated;
- FiscalNote's concentration of revenues from U.S. government agencies, changes in the U.S. government spending priorities, dependence on winning or renewing U.S. government contracts, delay, disruption or unavailability of funding on U.S. government contracts, and the U.S. government's right to modify, delay, curtail or terminate contracts;
- FiscalNote's ability to successfully execute on its strategy to achieve and sustain organic growth through a focus on its core Policy business, including risks to FiscalNote's ability to develop, enhance, and integrate its existing platforms, products, and services, bring highly useful, reliable, secure and innovative products, product features and services to market, attract new customers, retain existing customers, expand its products and service offerings with existing customers, expand into geographic markets or identify other opportunities for growth;
- FiscalNote's future capital requirements, as well as its ability to service its repayment obligations and maintain compliance with covenants and restrictions under its existing debt agreements;
- demand for FiscalNote's services and the drivers of that demand;
- the impact of cost reduction initiatives undertaken by FiscalNote;
- risks associated with international operations, including compliance complexity and costs, increased exposure to fluctuations in currency exchange rates, political, social and economic instability, and supply chain disruptions;
- FiscalNote's ability to introduce new features, integrations, capabilities, and enhancements to its products and services, as well as obtain and maintain accurate, comprehensive, or reliable data to support its products and services;
- FiscalNote's reliance on third-party systems and data, its ability to integrate such systems and data with its solutions and its potential inability to continue to support integration;
- FiscalNote's ability to maintain and improve its methods and technologies, and anticipate new methods or technologies, for data collection, organization, and analysis to support its products and services;
- potential technical disruptions, cyberattacks, security, privacy or data breaches or other technical or security incidents that affect FiscalNote's networks or systems or those of its service providers;
- competition and competitive pressures in the markets in which FiscalNote operates, including larger well-funded companies shifting their existing business models to become more competitive with FiscalNote;
- FiscalNote's ability to comply with laws and regulations in connection with selling products and services to U.S. and foreign governments and other highly regulated industries;
- FiscalNote's ability to retain or recruit key personnel;
- FiscalNote's ability to adapt its products and services for changes in laws and regulations or public perception, or changes in the enforcement of such laws, relating to artificial intelligence, machine learning, data privacy and government contracts;
- adverse general economic and market conditions reducing spending on our products and services;
- the outcome of any known and unknown litigation and regulatory proceedings;
- FiscalNote's ability to maintain public company-quality internal control over financial reporting; and
- FiscalNote's ability to protect and maintain its brands and other intellectual property rights.

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WHAT WE DO

Deliver subscription based access to essential and proprietary policy data, insights and workflow tools via an AI-driven SaaS platform

SECTION I: Products, Markets, and Customers

Large Market With a Growing Need for Solutions

Current Trends

- **Increasingly complex world of regulations and policy making**
- **No such thing as an unregulated entity anymore**
- **Relevant professionals have increasing seniority and responsibility**
- **Use of technology and AI is expanding in a rapidly changing environment**
- **Opportunity to disrupt manual workflow in large adjacencies**

Our Solution: An AI-powered platform that transforms uncertainty into insight.

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

Our Customers – Sample Logos (as of 06/30/25)

Private Sector / Corporates

HEALTHCARE
- AstraZeneca
- BlueCross BlueShield Association
- Abbott
- abbvie
- AMGEN

ENERGY
- Chevron
- Eni
- ConocoPhillips
- STRATA CLEAN ENERGY
- ENERGINET

CONSUMER & RETAIL
- PEPSI
- Nestlé
- L'ORÉAL
- meijer
- Jewelers of America

FINANCE
- ally
- usbancorp
- UBS
- GS
- sallie mae

TRANSPORT
- DELTA
- lyft
- FedEx
- AMTRAK

EDUCATION
- Penn, University of Pennsylvania
- Harvard Kennedy School
- MIT, Massachusetts Institute of Technology
- 2U

TMT
- CNN
- SIEMENS
- The New York Times
- Lenovo

BUSINESS SERVICES
- The Concord Coalition
- wtw
- argus

Public Sector / Govt Orgs.
- Executive Office of the President of the United States
- Department of Defense, United States of America
- National Security Agency, United States of America
- Board of Governors of the Federal Reserve System
- U.S. Department of Homeland Security
- United States Nuclear Regulatory Commission
- U.S. Justice Department, Drug Enforcement Administration
- Bank of Japan
- Office of the Chief Legislative Liaison, Department of the Army
- Department of Commerce, United States of America
- Department of Energy, United States of America
- DCCC
- The Library of Congress
- U.S. Privacy and Civil Liberties Oversight Board

NFPs & NGOs
- AARP
- U.S. Chamber of Commerce
- nea, National Education Association
- Big Brothers Big Sisters of America
- aft
- NAACP
- Household & Commercial Products Association
- International Brotherhood of Teamsters
- The Salvation Army

Our Customers At A Glance (as of 06/30/25)

Global Target Customers

1. **Private Sector** [~49%][1]
2. **Public Sector** [~21%][1]
3. **Non-Profit / NGO** [~30%][1]

End Users

- **Legal**
- **Government Affairs**
- **External & Public Affairs**
- **Regulatory**
- **Market Access**
- **Risk**

Customer Dynamics

FiscalNote

Powered by data and AI, analyzed by experts, our policy and global intelligence solutions help customers navigate today's complex world.

3,600+
Customers

92%
Subscription Revenue as % of Total Revenues

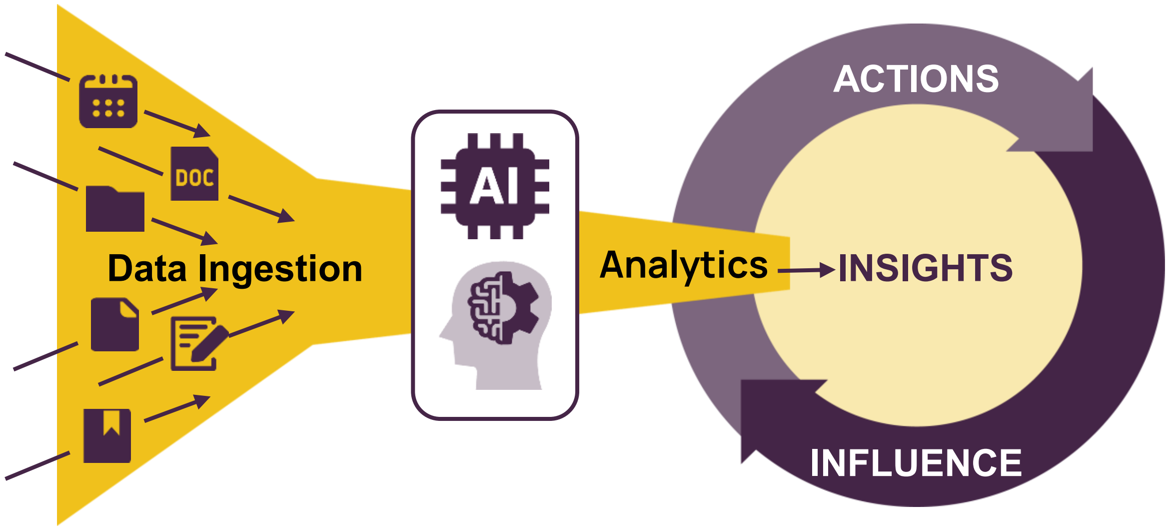
45
Of Fortune 100

100+
Countries Legislative & Regulatory Monitoring

1. Indicates percentage of total revenues represented by each target customer segment, as of 2Q25.

AI-Enhanced, SaaS-Based, Proprietary Information Services Business

FiscalNote provides policy and regulatory intelligence to enable actionable outcomes for customers globally.



<u>Combine Fragmented, Unstructured Public Data with Unique, Proprietary Analysis:</u>
Leverage scattered global-to-local data sets that are cumbersome to obtain, and enhance with proprietary expert analysis

<u>Create Insights:</u>
Identify useful connections between data at scale to fill in knowledge gaps and provide value-add insights

<u>Augment End-to-End Workflows:</u>
Integrate AI seamlessly into existing human-driven processes with appropriate level of automation to reduce time and cost

Combining proprietary data, analytics, and workflows to drive actionable insights that enable customers to manage political and business risk.

Proprietary Infrastructure and Expert Intelligence

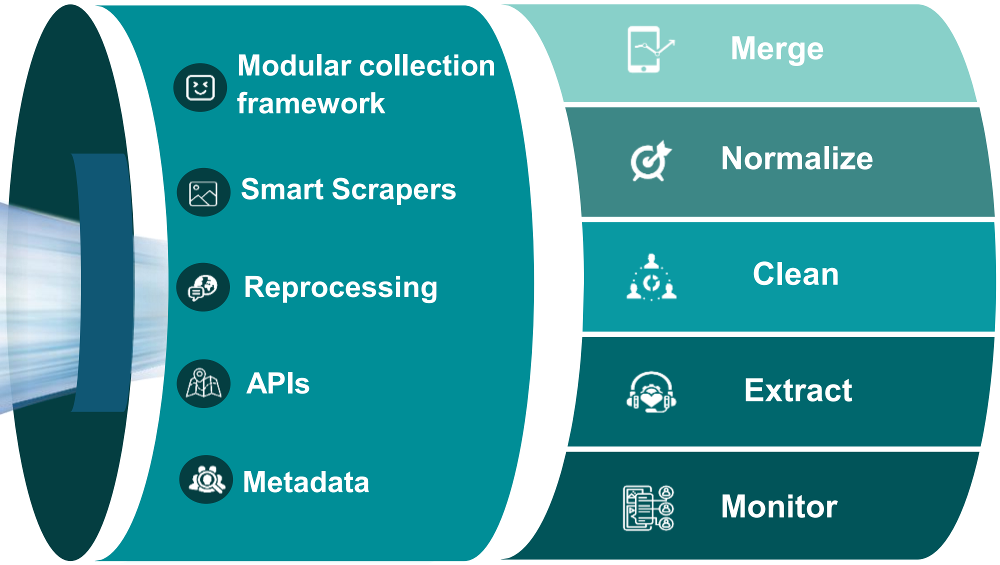
Differentiators that are more than a decade in the making

Sources

- Multimodal data sources (text, audio, video)
- Government regulation, legislation, and policy data (local, state, federal)
- Data across countries, news, social, financial documents
- Millions of documents in different formats (pdfs, text formats, multiple languages)
- Different structure of source sites, changing data

Ingestion

Processing



Data augmented with proprietary AI and expert (human) insights, providing comprehensive and differentiated value for customers.

How We Differentiate

An award-winning and unmatched combination of AI-powered technology, global policy expertise, and comprehensive data.

	Automated	*Human*
Comprehensive	**Local to Global Data and SaaS Productivity Tools (Workflow, Reporting, CRM)**	**Objective, Unmatched Policy Intelligence and Expertise**
Responsive	**Proprietary AI Technology and Machine Learning Capabilities**	**Professional Services and Custom Engagements**

FiscalNote

FISCALNOTE DIFFERENTIATORS

Trustworthy Data and Intelligence
Comprehensive and real-time policy and regulatory intelligence tailored to specific industries and issues

AI-powered Technology and Workflow Tools
Advanced AI and machine learning technologies that provide intuitive insights and facilitate collaboration

Highly Valued Policy Analysis
Award-winning content and analysis includes deep coverage of US and EU policy changes

Professional Services
Customizable solutions that can be tailored to the specific needs and requirements of different organizations

SECTION II: The Company

Clear Priorities and Meaningful Progress

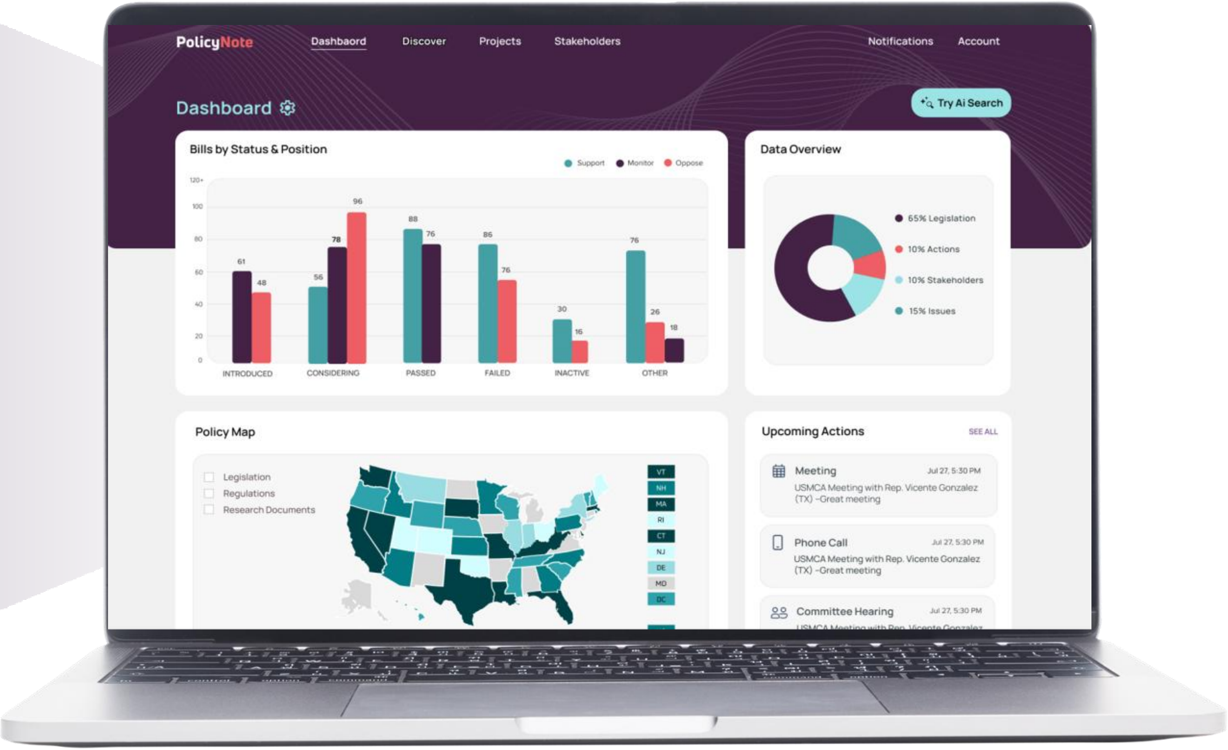
Key Operating Objectives	*Demonstrating Rapid and Significant Progress*
Expand Adjusted EBITDA Margins Consistently and Rapidly	• **Transformed Operations:** FY24 $9.8M AEBITDA profit vs. FY22 $24.5M loss • **Consistency:** 8 consecutive quarters of AEBITDA profitability (as of 2Q25) • **AEBITDA Margin Expansion**: Doubled YoY (as of 2Q25)
Reduce Debt and Accelerating the Path to Positive Free Cash Flow	• **Deleveraging**: 2Q25 senior debt reduced by +60% since December 31, 2023 • **FCF**: TTM June 30, 2025 FCF of ~($15M), +$69M versus TTM June 30, 2023 • **Focus**: Through July 31, 2025 divested 5 non-core assets across 4 transactions to streamline organization
Build Resilient Foundation for Profitable, Durable Growth	• **Strong Foundation:** 3,600+ customers today; increasing demand for our solutions • **AI Product Innovation:** Replacing legacy, siloed products with new AI platform (launched Jan 2025, migration ongoing) • **Indicators of Success:** High customer engagement on new platform and significant increase in multi-year commitments from new corporate customers

PolicyNote: AI-Driven Platform with Global Data and Proprietary Insights

PolicyNote

AI THAT SPEAKS POLICY

- Built-in AI Summaries
- Chat-based, AI-Powered Search & Alerts
- Custom Dashboard & In-Depth Reporting
- Bill Q&A



What the Impact Will Be

New Logo

- Higher ACV through better bundling and increased capabilities
- Quicker sales cycles through product-led sales and product-led growth

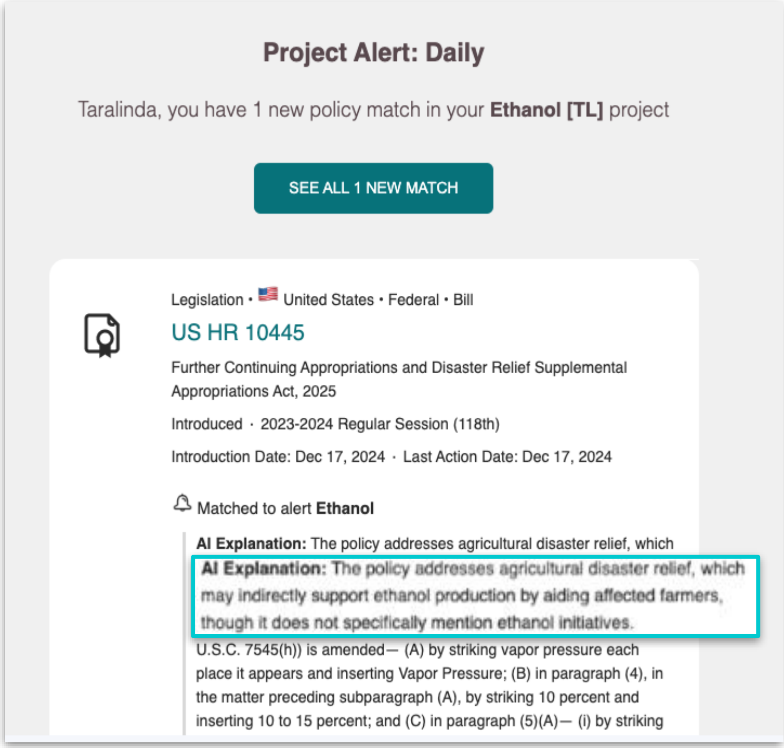
Gross Retention

- Improved setup / welcome experience
- Higher customer engagement and delivery of value throughout the relationship

Net Retention

- Reduce friction in cross-sell/upsell through product-led sales and product-led growth
- Rapid and frequent introduction of new capabilities to drive ACV higher

PolicyNote: Specialized AI For Policy



~ Customer Testimonials ~

*"I don't have the hours in a day to track everything...**It used to take a lot of time and staff**, but **with PolicyNote,** I can **quickly summarize, put the issue in context, and see if the bill is being duplicated in other states**."*

*"So we don't have to read through the entire bill text…it's adding that next layer down to **save us time and efficiency.**"*

*"The **AI intelligence tool** is extremely helpful in summarizing legislation and **understanding how it impacts the organization**."*

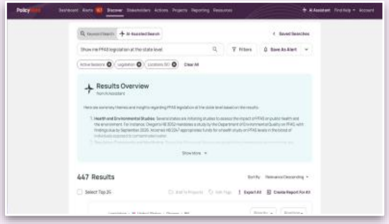
*"I'm very excited for **AI reading the bill for me**. So I don't have to copy and paste it into chat gpt to figure out what [the bill] does…some of them are too long or it's subject matter policy that I am not well versed in. And so that is super helpful."*

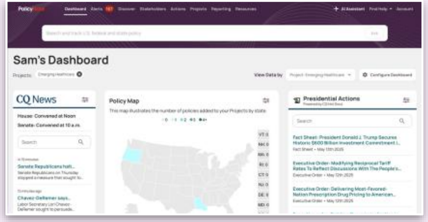
Accelerating the Pace of Product Innovation

New Features & Enhancements

Continuous stream of releases that improve user experience and expand platform value.

Intelligent Alerts & Dashboard Customization

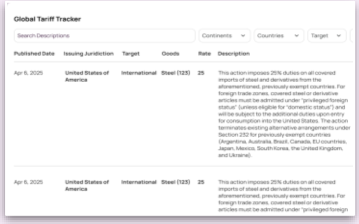




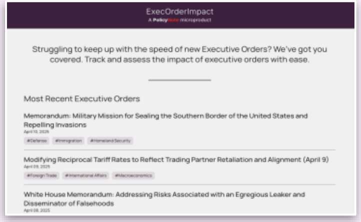
Increased Product & Engineering Productivity

New leadership driving efficiency via restructured sprint mechanisms and tracking key velocity metrics.

Global Tariff Tracker



Microproducts



Major new product features and numerous additional enhancements launched – 10 in 2Q25; +25 YTD

Driving growth through consistent, high-velocity product innovation paired with disciplined, high-impact, go-to-market execution.

Accelerating the Pace of Product Innovation: Tariff Tracker in PolicyNote

From Vision to Pipeline in Weeks

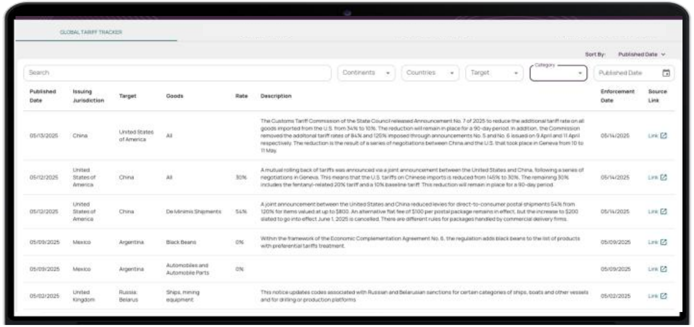
APRIL 2: President Trump announces sweeping tariffs ("Liberation Day")

Organizations need to assess and respond to implications for global trade

APRIL 16: Tariff Tracker launches in PolicyNote

$1 million in new pipeline generated on day of launch

Global Tariff Tracker



GLOBAL TARIFF TRACKER

Search | Continents | Countries | Target | Category | Published Date

Sort By: Published Date

Published Date	Issuing Jurisdiction	Target	Goods	Rate	Description	Enforcement Date	Source Link
05/13/2025	China	United States of America	All		The Customs Tariff Commission of the State Council released Announcement No. 7 of 2025 to reduce the additional tariff rate on all goods imported from the U.S. from 34% to 10%. The reduction will remain in place for a 90-day period. In addition, the Commission removed the additional tariff rates of 84% and 125% imposed through announcements No. 5 and No. 6 issued on 9 April and 11 April respectively. The reduction is the result of a series of negotiations between China and the U.S. that took place in Geneva from 10 to 11 May.	05/14/2025	Link
05/12/2025	United States of America	China	All	30%	A mutual rolling back of tariffs was announced via a joint announcement between the United States and China, following a series of negotiations in Geneva. This means that the U.S. tariffs on Chinese imports is reduced from 145% to 30%. The remaining 30% includes the fentanyl-related 20% tariff and a 10% baseline tariff. This reduction will remain in place for a 90-day period.	05/14/2025	Link
05/12/2025	United States of America	China	De Minimis Shipments	54%	A joint announcement between the United States and China reduced levies for direct-to-consumer postal shipments 54% from 120% for items valued at up to $800. An alternative flat fee of $100 per postal package remains in effect, but the increase to $200 slated to go into effect June 1, 2025 is cancelled. There are different rules for packages handled by commercial delivery firms.	05/14/2025	Link
05/09/2025	Mexico	Argentina	Black Beans	0%	Within the framework of the Economic Complementation Agreement No. 6, the regulation adds black beans to the list of products with preferential tariffs treatment.	05/09/2025	Link
05/09/2025	Mexico	Argentina	Automobiles and Automobile Parts	0%		05/09/2025	Link
05/02/2025	United Kingdom	Russia; Belarus	Ships, mining equipment		This notice updates codes associated with Russian and Belarusian sanctions for certain categories of ships, boats and other vessels and for drilling or production platforms.	05/02/2025	Link

- Understand tariff implementation, enforcement, and compliance obligations
- Identify threats and opportunities from trade policy changes
- Make strategic decisions with tailored analytical tools

How We Know It’s Working

Key Indicators of Effectiveness (as of 2Q25)

Positive quantitative and qualitative feedback

Engagement Metrics

- PolicyNote users surpassed legacy FiscalNote platform in daily usage
- Trends in search frequency and use of AI assistant remain strong

Sales Metrics

- Inbound leads for policy products up +20% YoY
- Corporate new logo pipeline up +45% vs. 1Q25

Contractual Metrics

- Rate of new corporate customers for policy data opting for multi-year commitments more than doubled YoY
- 2Q25 corporate win rate up +400bps vs. 1Q25
- Significant increase in Corp. ACVs

Growing momentum in improving product, customer engagement, and sales metrics supports expectation of ARR growth resuming in 2H25

FY 2025 Guidance – Reaffirmed (as of 2Q25)

FY 2025 Guidance

Total Revenue	Adjusted EBITDA[1]
$94M - $100M	$10M - $12M

Accelerating Momentum Continues, Driven By

-- Product-Led Growth Strategy --
-- Ongoing Operational Discipline --
-- Continued Targeted Investments in Future Organic Growth Drivers --

(1) Because of the variability of items impacting net income and the unpredictability of future events, management is unable to reconcile without unreasonable effort the Company's forecasted adjusted EBITDA to a comparable GAAP measure. The unavailable information could have a significant impact on the non-GAAP measures.

2025 and Beyond: AI as an Accelerant

Trust & Accuracy

- Already a leading provider of AI-powered, sector-specific information and analytics
- Invested the last 11 years to create a deep reservoir of technical expertise, proprietary data, and purpose-built AI tools
- AI tools that run against proprietary data sets, ensuring results are verified, up-to-date, and accurate

Why LLMs Can't Replace FiscalNote

- Comprehensive data sets are difficult to obtain
- Subject matter expertise that enhances and improves FiscalNote's prompt engineering
- Purpose-built AI tools ensure accuracy
- Going beyond information discovery to include workflow, reporting, and stakeholder management

New AI Capabilities as Accelerants

- Leveraging LLMs on the backend — as they improve, our results improve
- AI-powered search, alerting, and setup make delivery of information and insights more powerful and efficient
- Increased capabilities in generative and agentic AI will power greater automation of workflows — which in turn drive more opportunities for growth and market expansion

Q2 2025 Financial Snapshot

Financial Highlights

Total Revenue	ARR[1]	Adjusted EBITDA[2]	Cash[3]
$23.3M Above Guidance Midpoint	**$85.9M**	**$2.8M** Exceeded Guidance	**$39.2M**

(1) "Annual Recurring Revenue" is a key performance indicators (KPI). See "Key Performance Indicators" for the definitions and important disclosures related to these measures.
(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 June 30, 2025 and inclusive of short-term investments.

Q2 2025 Financial Snapshot

Balance Sheet Realignment

(Announced August 6, 2025)

- Entered into definitive agreements to 1) refinance the senior debt; and 2) restructure substantially all subordinated debt.
- Subject to satisfaction of customary closing conditions; expected closing mid-August.
- Upon closing, we will:
  - Replace the current senior credit facility with a new, $75 million senior secured term loan – with a maturity extended to 2029 – provided exclusively by funds managed by MGG Investment Group;
  - Use excess proceeds from the new facility, together with new subordinated convertible debt, to pay off certain existing subordinated debt; and
  - Amend the agreement with our largest long-term subordinated creditor to extend the maturity of its remaining balance to 2029, in line with the new senior loan.

Provides us with a clear, long-term runway and operating flexibility as we execute on driving efficient, product-led growth.

SECTION III: Key Takeaways

Key Takeaways

FiscalNote

1. Continue to Implement Strategic Shift to **Product-Led Growth** and Drive Improvements to Key Performance Metrics
2. Continue to Exercise **Operational Discipline** and Drive Margin Expansion Through Operating Leverage
3. Continue to **Optimize Costs and Rationalize Portfolio** and Drive Sustainable Profitability and Durable FCF
4. Continue to **De-lever Balance Sheet** and Drive Strengthening of the Capital Structure to Fund Future Growth
5. **Reaffirmed** 2025 Guidance; Poised for H2 ARR Growth

SECTION IV: Appendix

FiscalNote

Most Recent Reported Financials: 2Q25

FINANCIAL HIGHLIGHTS (as reported)		
($ in millions)	**2Q25**	**2Q24**
Total Revenues	**$23.3**	$29.2
Gross Profit	**$18.3**	$22.4
Gross Margin	**79%**	77%
Adjusted Gross Profit(1)	**$20.1**	$24.9
Adjusted Gross Margin(1)	**86%**	85%
Net Loss	**$(13.3)**	$(12.8)
AEBITDA(1)	**$2.8**	$1.8
AEBITDA Margin(1)	**12%**	6%
Cash(2)	**$39.2**	$38.4

KEY PERFORMANCE INDICATORS(3) (as reported)		
($ in millions)	**2Q25**	**2Q24**
Annual Recurring Revenue (ARR)	**$85.9**	$109.0
Pro Forma ARR*	**$85.9**	$93.6
Quarterly Net Revenue Retention (NRR)	**96%**	98%
Pro Forma NRR*	**96%**	98%

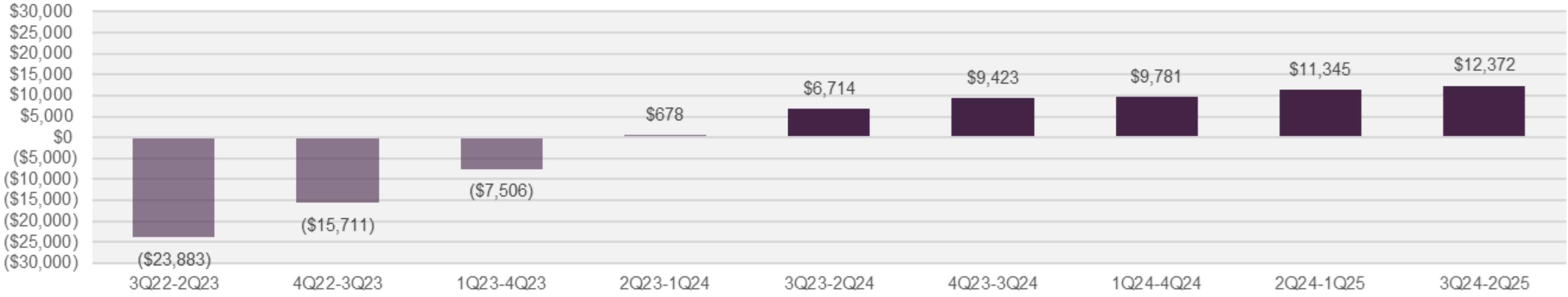
** Pro Forma ARR and NRR adjusts prior periods for the impact of the divestiture of Board.org, Aicel, Oxford Analytica, and Dragonfly Intelligence.*

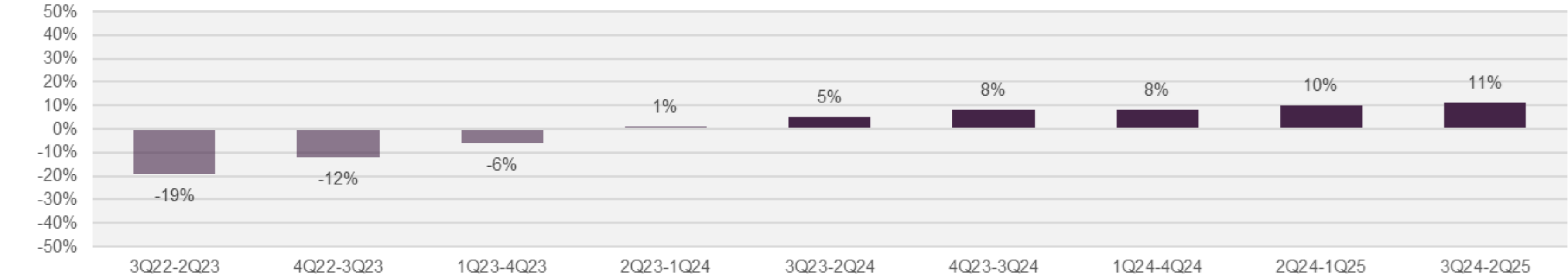
(1) Non-GAAP measure. Please see "Non-GAAP Financial Measures" for definitions and important disclosures regarding these financial measures, including reconciliations to the most directly comparable GAAP measure.
(2) As of June 30, 2025 and inclusive of short-term investments.
(3) “Annual Recurring Revenue,” and “Net Retention Revenue” are key performance indicators (KPIs). See “Key Performance Indicators” for the definitions and important disclosures related to these measures.

Historical Financials: Trailing Twelve Months

TTM AEBITDA[1]

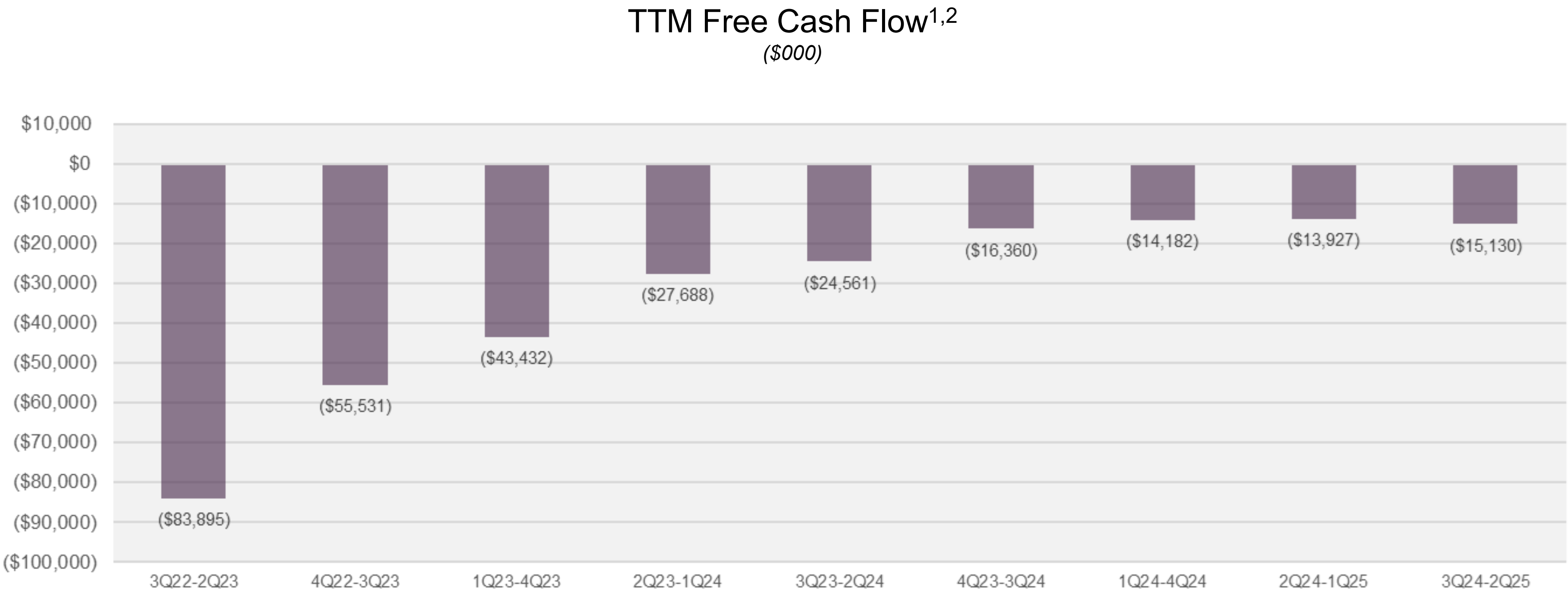
($000)





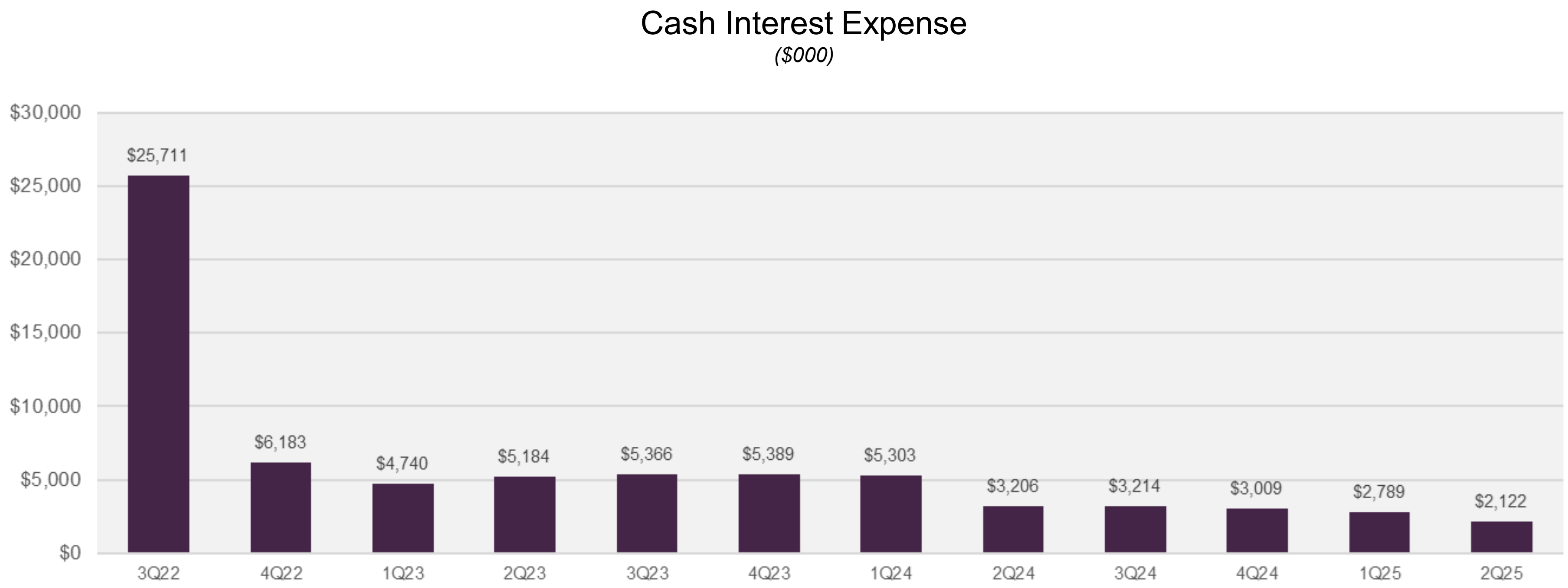
(1) Non-GAAP measure. Please see "Non-GAAP Financial Measures" for definitions and important disclosures regarding these financial measures; also refer to “Appendix” for reconciliations to the most directly comparable GAAP measure.

Historical Financials: Trailing Twelve Months

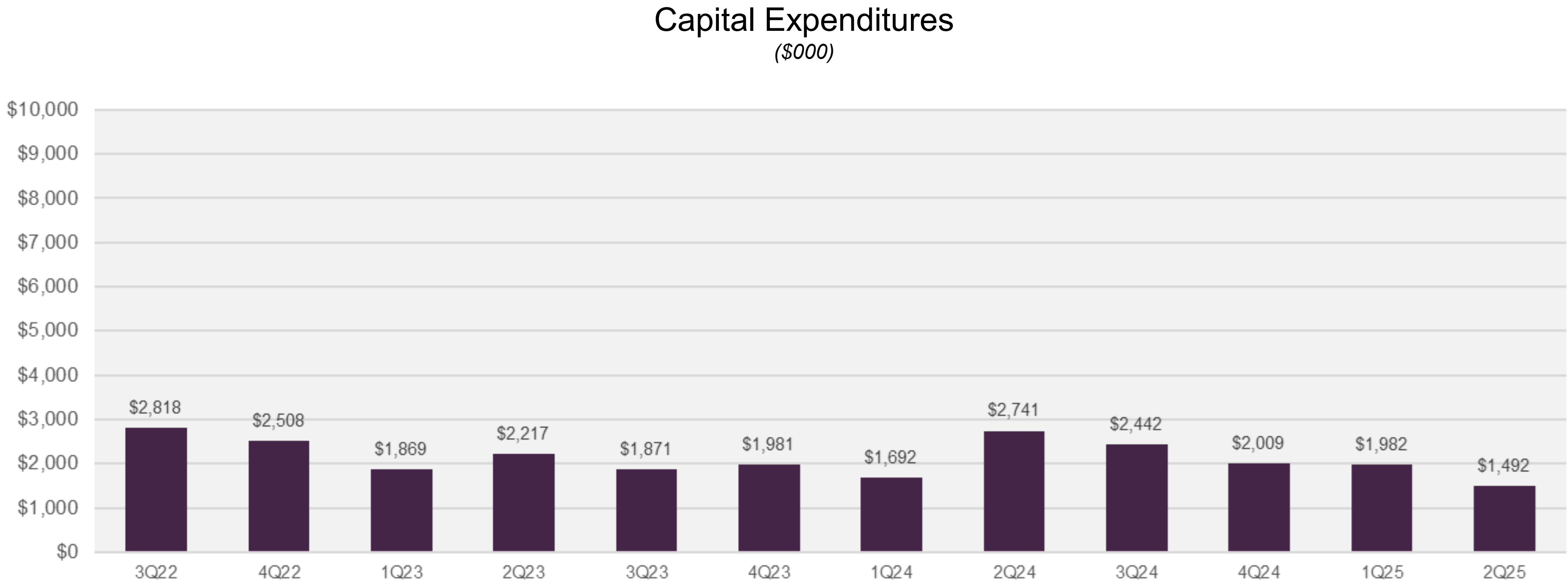


1. Free Cash Flow is calculated as Cash Flow From Operating Activities minus Capex.
2. Non-GAAP measure; refer to "Non-GAAP Financial Measures" for definitions and important disclosures regarding these financial measures; also refer to "Appendix" for reconciliations to the most directly comparable GAAP measure

Historical Financials: 4Q23 – 2Q25



Historical Financials: 4Q23 – 2Q25



Financial Forecast: 2025

FULL YEAR	
($ in millions)	**REAFFIRMED Forecast[1]** (As of 08/07/2025)
Total Revenues	**$94 to $100**
Adjusted EBITDA[3]	**$10 to $12**

THIRD QUARTER	
($ in millions)	**INITIAL Forecast** (As of 08/07/2025)
Total Revenues	**$22 to $23**
Adjusted EBITDA[3]	**~$2**

Key Considerations Informing 2025 Forecast

- Incremental cost savings related to ongoing operating discipline initiatives;
- Pacing of the migration to PolicyNote and the anticipated sales and customer retention benefits expected to accrue from this new consolidated customer interface;
- Current market volatility, in particular in the private sector, where macroeconomic unpredictability is likely to impact corporate buying decisions and timelines over the course of the year; and
- Potential impact in the public sector due to significant changes in the federal government.

1. Includes the contribution in the first quarter of 2025 of approximately $4.0 million of revenues and approximately $1.0 million of adjusted EBITDA related to Oxford Analytica and Dragonfly Intelligence, two businesses divested on March 31, 2025.
2. Non-GAAP measure; refer to “Non-GAAP Financial Measures” for definitions and important disclosures regarding these financial measures; also refer to “Appendix” for reconciliations to the most directly comparable GAAP measure.
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.

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 Gross Profit and Adjusted Gross Profit Margin

We define Adjusted Gross Profit as Total 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 Total 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 Total 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.

Free Cash Flow

Free Cash Flow is a non-GAAP financial measure. We define Free Cash Flow as Cash Flow From Operating Activities minus Capital Expenditures (CAPEX). The Company believes that Free Cash Flow is useful to investors as it provides a measure to compare cash flow from operating activities on a consistent basis. This measure should not be considered as an alternative to, or more meaningful than, net cash provided by operating activities as an indicator of operating performance. The Company's computation of Free Cash Flow may not be comparable to other similarly titled measures of other companies.

Q2 2025: Reconciliation to Non-GAAP Measures

Adjusted Gross Profit and Adjusted Gross Profit Margin

	Three Months Ended June 30,	
($ in thousands)	**2025**	**2024**
Total revenues	$ 23,264	$ 29,246
Costs of revenue, including amortization of capitalized software development costs and acquired developed technology	(4,948)	(6,863)
Gross Profit	**$ 18,316**	**$ 22,383**
Gross Profit Margin	***79%***	***77%***
Gross Profit	18,316	22,383
Amortization of intangible assets	1,779	2,507
Adjusted Gross Profit	**$ 20,095**	**$ 24,890**
Adjusted Gross Profit Margin	***86%***	***85%***

Q2 2025: Reconciliation to Non-GAAP Measures

EBITDA, Adjusted EBITDA, and Adjusted EBITDA Margin

	Three Months Ended June 30,	
($ in thousands)	**2025**	**2024**
Net loss	$ (13,271)	$ (12,764)
Income tax (benefit) provision	(795)	324
Depreciation and amortization	3,960	5,226
Interest expense, net	4,338	5,320
EBITDA	**(5,768)**	**(1,894)**
Loss on sale of businesses (a)	319	–
Stock-based compensation	3,964	3,529
Change in fair value of financial instruments (b)	1,577	(854)
Other non-cash charges (c)	662	31
Disposal related costs (d)	971	394
Employee severance costs (e)	800	91
Non-capitalizable debt costs	337	224
Costs incurred related to the Special Committee (f)	167	253
Non-operating income (g)	(228)	--
Adjusted EBITDA	**$ 2,801**	**$ 1,774**
Adjusted EBITDA Margin	*12.0%*	*6.1%*

FOOTNOTES:

a) Reflects the Q2 2025 adjustment to the gain on disposal of Dragonfly and Oxford Analytica recorded on March 31, 2025.

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) charge of $40 in the first quarter of 2025 and $30 in the second quarter of 2025 related to the unrealized loss on investments; (ii) charge of $315 for fees satisfied with Common Stock of the Company during the first and second quarter of 2025; (iii) charge of $1,784 from the loss on debt extinguishment during the first quarter of 2025; (iv) charge of $632 in the second quarter of 2025 related to foreign currency translation losses, principally arising from converting a GBP denominated convertible note into USD; (v) non-cash charge of $49 in the first quarter of 2024 and $31 in the second quarter of 2025 related to the unrealized loss on investments; and (vi) gain of $4 in the first quarter of 2024 from the change in fair value related to the contingent consideration and contingent compensation related to the 2021, 2022, and 2023 Acquisitions.

c) Reflects the costs incurred related to the sale of Oxford Analytica and Dragonfly in Q1 2025 and Board.org in Q1 2024, principally consisting of transaction advisory, accounting, tax, and legal fees.

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

e) Reflects costs incurred related to the Special Committee.

a) Reflects non-operating income from the Transition Services Agreement that was entered into with the acquirer of Dragonfly and Oxford Analytica on March 31, 2025.

Reconciliation to Non-GAAP Measures

Free Cash Flow

	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25
($ in thousands)												
Operating Cash Flow	$ (39,151)	$ (15,126)	$ (12,826)	$ (7,380)	$ (11,734)	$ (3,554)	$ 2,741	$ (3,729)	$ (2,961)	$ (1,349)	$ 3,286	$ (6,181)
- Capital Expenditures	(2,818)	(2,508)	(1,869)	(2,217)	(1,871)	(1,981)	(1,692)	(2,741)	(2,442)	(2,009)	(1,982)	(1,492)
Free Cash Flow	**$ (41,969)**	**$ (17,634)**	**$ (14,695)**	**$ (9,597)**	**$ (13,605)**	**$ (5,535)**	**$ 1,049**	**$ (6,470)**	**$ (5,403)**	**$ (3,358)**	**$ 1,304**	**$ (7,673)**

Reconciliation to Non-GAAP Measures

EBITDA, Adjusted EBITDA, and Adjusted EBITDA Margin

	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25
($ in thousands)												
Net income (loss)	$ (109,002)	$ (42,544)	$ (19,273)	$ (30,973)	$ (14,467)	$ (50,748)	$ 50,599	$ (12,764)	$ (14,935)	$ (13,383)	$ (4,250)	$ (13,271)
Income tax (benefit) provision	(2,286)	(418)	30	213	(62)	42	1,426	324	(621)	(593)	(39)	(795)
Depreciation and amortization	5,743	5,409	5,747	6,297	8,030	8,644	5,417	5,226	4,962	4,264	6,118	3,960
Interest expense, net	42,894	6,069	6,681	7,154	8,018	8,087	7,362	5,320	5,585	5,322	5,127	4,338
EBITDA	**(62,651)**	**(31,484)**	**(6,815)**	**(17,309)**	**1,519**	**(33,975)**	**64,804**	**(1,894)**	**(5,009)**	**(4,390)**	**6,956**	**(5,768)**
Loss (Gain) on sale of business	--	--	--	--	--	--	(71,599)	--	--	(418)	(15,743)	319
Stock-based compensation	30,043	7,179	6,506	5,482	6,224	8,845	6,175	3,529	4,181	4,064	3,375	3,964
Change in fair value of financial instruments	(21,910	5,778	(14,680)	2,987	(7,157)	2,867	527	(854)	3,501	3,234	(671)	1,577
Other non-cash charges	(948)	217	5,873	58	(704)	24,295	45	31	17	7	2,139	662
Acquisition and disposal related costs	431	178	1,222	157	12	--	704	394	40	461	4,974	971
Employee severance costs	149	426	369	381	560	729	107	91	437	--	1,344	800
Non-capitalizable debt costs	--	--	206	110	--	226	254	224	49	150	407	337
Deferred revenue adjustment	123	43	--	--	--	--	--	--	--	--	--	--
Loss contingency	--	11,700	--	3,474	--	--	--	--	--	--	--	--
Loss on debt extinguishment, net	45,250	--	--	--	--	--	--	--	--	--	--	--
Costs incurred related to the Business Combination with DSAC	1,791	743	184	150	81	--	--	--	--	--	--	--
Note-related legal fees and other infrequent costs	286	2	168	248	201	--	--	--	--	--	--	--
Non-operating income	–	–	–	–	–	–	–	–	–	–	–	(228)
Costs incurred related to the Special Committee	--	--	--	--	--	--	200	253	229	237	--	167
Adjusted EBITDA	**$ (7,436)**	**$ (5,218)**	**$ (6,967)**	**$ (4,262)**	**$ 736**	**$ 2,987**	**$ 1,217**	**$ 1,774**	**$ 3,445**	**$ 3,345**	**$ 2,781**	**$ 2,801**
Adjusted EBITDA Margin	*(26)%*	*(17)%*	*(22)%*	*(13)%*	*2%*	*9%*	*4%*	*6%*	*12%*	*11%*	*10%*	*12%*

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, or last, 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.
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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