Management Presentation

Q3 2022

FiscalNote



Disclaimer

Forward Looking Statements

Certain statements in this presentation may constitute “forward-looking statements” within the meaning of the federal securities laws, including, but not limited to, statements with respect to (i) FiscalNote’s projected operational performance, including relative to its competitors, (ii) trends in the enterprise information services and legal regulatory information markets, (iii) FiscalNote’s strategies and targets for customer growth, (iv) FiscalNote’s capital resources and plans for investments and mergers and acquisitions, and (v) other statements regarding FiscalNote’s expectations, hopes, beliefs, intentions or strategies regarding the future. Any statements that refer to projections, forecasts or other characterizations of future events or circumstances, including any underlying assumptions, are forward-looking statements. The words “anticipate,” “believe,” “continue,” “could,” “estimate,” “expect,” “intend,” “may,” “might,” “plan,” “possible,” “potential,” “predict,” “project,” “should,” “strive,” “would” and similar expressions may identify forward-looking statements, but the absence of these words does not mean that a statement is not forward-looking. Forward-looking statements are predictions, projections and other statements about future events that are based on current expectations and assumptions and, as a result, are subject to risks and uncertainties (some of which are beyond FiscalNote’s control) that may cause FiscalNote’s actual results or performance to be materially different from those expressed or implied by such forward-looking statements. Such risks, uncertainties and assumptions include, but are not limited to: FiscalNote’s ability to effectively manage its growth; demand for FiscalNote’s services and the drivers of that demand; FiscalNote’s ability to attract new customers, retain existing customers, and expand its products and service offerings with existing customers; FiscalNote’s ability to successfully execute its acquisition strategy; risks associated with international operations; potential technical disruptions, cyberattacks, security, privacy or data breaches or other technical or security incidents; competition and competitive pressures; the impact of the COVID-19 pandemic and other similar disruptions in the future; the outcome of any known and unknown litigation and regulatory proceedings; and FiscalNote’s ability to adequately protect its intellectual property rights. You should carefully consider the risks and uncertainties described in the “Risk Factors" section of FiscalNote’s current report on Form 8-K filed with the SEC on August 2, 2022 and other documents filed by FiscalNote from time to time with the SEC.

There may be additional risks about which FiscalNote does not presently know or that FiscalNote currently believes are immaterial that could also cause actual results to differ from those contained in the forward-looking statements. You should not take any statement regarding past trends or activities as a representation that the trends or activities will continue in the future. Forward-looking statements speak only as of the date they are made. Readers are cautioned not to put undue reliance on forward-looking statements, and FiscalNote assumes no obligation and does not intend to update or revise these forward-looking statements, whether as a result of new information, future events, or otherwise. FiscalNote gives no assurance it will achieve its expectations.

Trademarks

FiscalNote owns or has rights to various trademarks, service marks and trade names it uses in connection with the operation of its businesses. This presentation may also contain trademarks, service marks, trade names and copyrights of third parties, which are the property of their respective owners. The use or display of third parties’ trademarks, service marks, trade names or products in this presentation is not intended to, and does not imply, a relationship with FiscalNote or an endorsement or sponsorship by or of FiscalNote. Solely for convenience, the trademarks, service marks, trade names and copyrights referred to in this presentation may appear without the TM, SM, * or © symbols, but such references are not intended to indicate, in any way, that FiscalNote will not assert, to the fullest extent under applicable law, its rights or the right of the applicable licensor to these trademarks, service marks, trade names and copyrights.

Use of Data

This presentation contains information concerning FiscalNote’s products, services and industry, including market size and growth rates of the markets in which FiscalNote participates, that are based on industry surveys and publications or other publicly available information, other third-party survey data and research reports. This information involves many assumptions and limitations; therefore, there can be no guarantee as to the accuracy or reliability of such assumptions and you are cautioned not to give undue weight to this information. Further, no representation is made as to the reasonableness of the assumptions made within or the accuracy or completeness of any projections or modeling or any other information contained herein. Any data on past performance or modeling contained herein is not an indication as to future performance. This modeling data is subject to change. FiscalNote has not independently verified this third-party information. Similarly, other third-party survey data and research reports commissioned by FiscalNote, while believed by FiscalNote to be reliable, are based on limited sample sizes and have not been independently verified by FiscalNote. In addition, projections, assumptions, estimates, goals, targets, plans and trends of the future performance of the industry in which FiscalNote operates, and its future performance, are necessarily subject to uncertainty and risk due to a variety of factors, including those described above. These and other factors could cause results to differ materially from those expressed in the estimates made by independent parties and by FiscalNote. FiscalNote assumes no obligation to update such information.

FiscalNote

FiscalNote Snapshot

Compounding Growth, Strong Retention, High Gross Margins

$108M ARR[1]

As of September 30 2022

34% Y/Y growth

GAAP revenue growth %
Q3 2022

80% Adj. Gross Margin[2]

Q3 2022

$78M cash

Sufficiently capitalized to support growth

Fast track to Adj. EBITDA[2] **positive**

Projected in Q4 2023[3]

5,000+ Customers

Worldwide

50 of the Fortune 100

Are FiscalNote customers

99% Net Revenue Retention[1]

Q3 2022

Diverse revenue base

Balanced across enterprise, government and mid-market accounts

(1) "Annual Recurring Revenue" or "ARR" and "Net Revenue Retention" or "NRR", are key performance indicators (KPIs). Please see "Key Performance Indicators" for the definitions and important disclosures regarding 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) 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.

FiscalNote



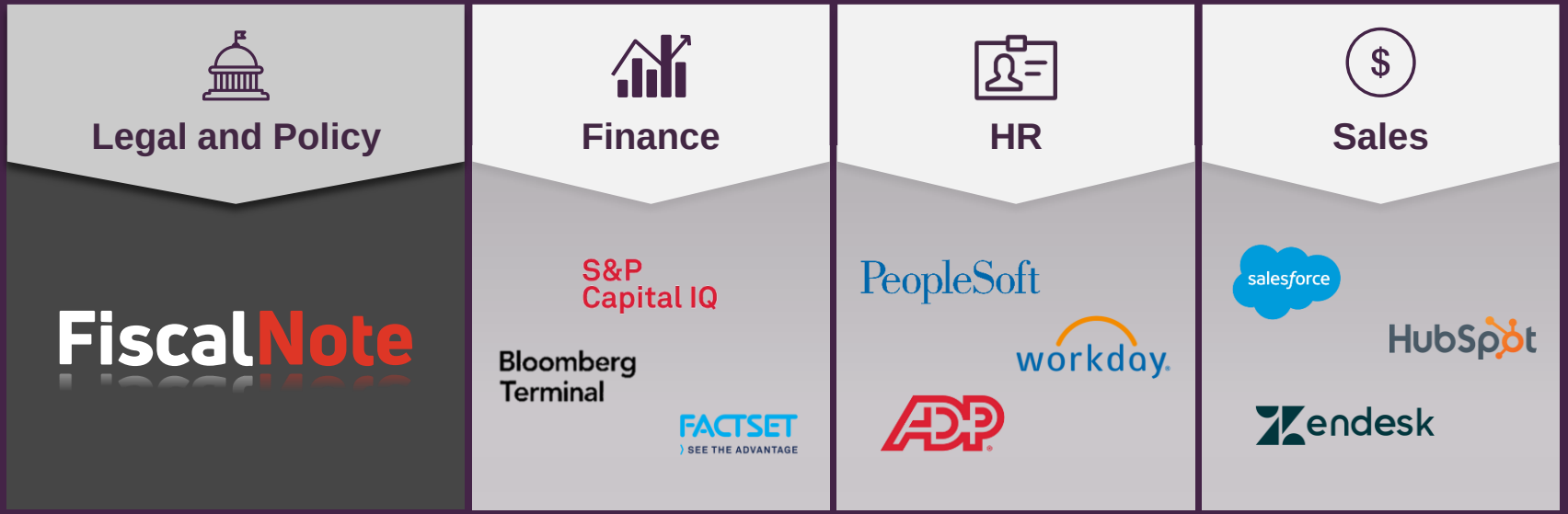


WHAT WE DO

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

FiscalNote

Category Creator



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

Why It Matters

Boards and CEOs Face Increasing Global Regulations



JOHN DEERE

"…I don't know if this is the end-all but ***clearly regulation relief would…help to grow private investment*** *in US infrastructure"*

— Allen's interview, 2017[1]

"…People still ***want regulation, security amid tech competition****… with all these competitors…we don't forget the basic principles"*

— Moynihan's interview, 2019

AMGEN

"…our business may be impacted by the adoption of new tax legislation…if we fail to… subject to ***significant sanctions****"*

— Bradway's letter to shareholders, 2020

Uber

*"…****legal ambiguity*** *on the status of independent workers makes it difficult for platforms like Uber …"*

— Khosrowshahi's email, 2021

More than a third of surveyed global CEOs reported that regulatory and policy issues are the biggest threats to their businesses[2]

Note: (1) Former Chairman and CEO; (2) PwC Global CEO Survey (https://www.pwc.com/gx/en/ceo-survey/2020/reports/pwc-23rd-global-ceo-survey.pdf).

Clear Value Proposition

Government Agencies

Secure government funding to support national security and engage in global diplomacy

$695BN[1] $64BN[2] $63BN[3]

2020 Budget Allocation

Corporates

Navigate increasingly complex regulatory landscape on key issues such as ESG, data privacy and anti-trust, and streamline access to legal information

Nestlé FedEx Microsoft

$94BN[4] $84BN[5] $168BN[6]

2021 Revenue

Non-Profits

Advocating to elected officials to ensure access to funding and protection of interests

nea AMERICAN FARM BUREAU FEDERATION NATIONAL ASSOCIATION OF REALTORS

~3MM[7] ~6MM[8] ~1.4MM[9]

Members

Nestlé

Cost Saving

- ✓ Cut back on contracts with 57 trade associations
- ✓ Achieved an annual cost savings of $4 million

AMERICANS for the ARTS

Funding Access

- ✓ Leveraged more than 365k grassroots activities through advocacy solutions
- ✓ Retained $300 million in federal arts & humanities funding

Connecting policy-making participants to a 360 degree view of critical information and data

Note: (1) Senate Appropriations Committee press release; (2) House Committee on Appropriations press release; (3) Office of the Director of National Intelligence press release; (4) Nestle 2021 Annual Report; (5) FedEx 2021 Annual Report; (6) Microsoft 2021 Annual Report; (7) National Education Association website; (8) American Farm Bureau Federation website; (9) NRF website.

FiscalNote

Investment Highlights

Large, Growing Market Opportunity

AI and Data-Driven Workflow

Prolific M&A Powerhouse



Diverse Blue Chip Customer Base

Multiple Avenues of Organic Growth

FiscalNote

Large and Expanding Market Opportunity

Clear 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: $37BN[1]

Note: (1) Outsell: Market landscape (as of August 12, 2021), denotes TAM of 2020.

FiscalNote

Blue Chip Diverse Client Base



Relied upon and recognized across major public and private sector customers

Note: Data as of July 2022. Figures and logos exclude products acquired in 2021.

The FiscalNote Solution



$6.4TN US Federal Govt. spending[1]

500k+ elected officials in the US[2]

200k+ US bills introduced annually[3]

1,300+ adopted Acts in 2020 in the EU[4]

250+ EU national case law in 2020[5]

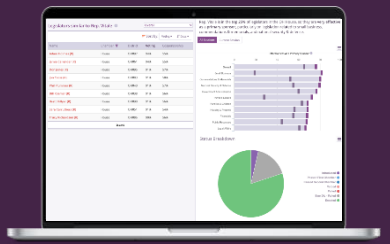
€173BN EU budget in commitments[6]

$3.8TN China Govt. spending[7]

123MM+ daily pleadings in China[8]

210k+ executed court enforcement in China[9]

FiscalNote



Data	Workflow	Analytics	Research
Unrivaled Information & Global Need-to-Know Policies	*Embedded Workflows to Manage Regulatory Risk*	*AI-Powered Actionable Intelligence*	*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**

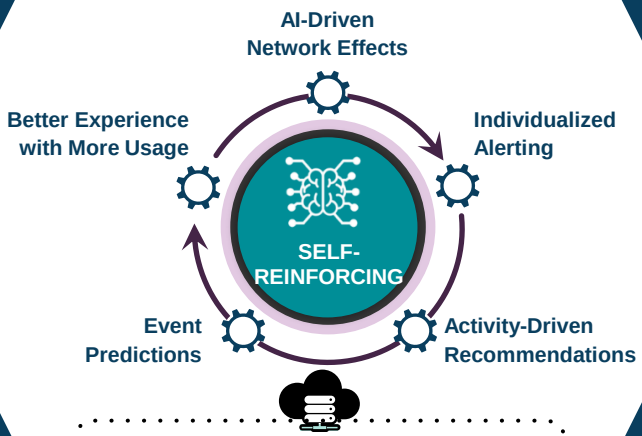
Note: (1) Ten Thousand Commandments, based on $1.9 trillion regulatory cost plus $4.4 trillion federal outlays share of 2019 GDP of $21.5 trillion; (2) FAVP.com; (3) onelegal.com, during 2019-2020 sessions; (4) EUR-Lex Statistics, only including basic Acts for 2020; (5) EUR-Lex Statistics; (6) Based on the 2020 EU budget in commitments, which is the ability to contract legal obligations up to the ceiling in 2020. Sourced from Council of the European Union; (7) Ministry of Treasury, PRC for 2020, 1USD=6.5RMB (8) China Judgements Online (https://wenshu.court.gov.cn/), as of Jan 20, 2022. (9) China's Enforcement Information Disclosure Website, as of Jan 20, 2022.

AI and Data-Driven Workflow

Proprietary Data Ingestion & Processing



Patented[1] AI-Enabled Core



Workflow Tools to Take Action, Measure, & Report

- Policy Monitoring
- Automated Reporting
- Stakeholder Management & Collaboration
- Revenue & Funding Generation
- Research & Analytics
- Streamlined Compliance

Scalable platform to add new products, reduce time to market, build modern interfaces and create competitive differentiation

Note: (1) 9 patents issued, 1 patent allowed, 9 patents pending to date across various technology systems in FiscalNote's portfolio of companies as of June 30, 2022.

Note

Proprietary Technology Stack

FiscalNote's Proprietary Technology…

Powerful ingestion engine with query suggestion and expansion enables high-speed collection and validation of data

Structured, standardized, and automated **industry classification and subdocument labeling**

Data processor synthesizes raw information into **standardized format**

Analysis and trends summarization allows for identification of potentially relevant data and content that may not have matched user-specific query

…Leading to Superior Outcomes for Customers

Connect Data
Cross the silos between data sets and professionals to create relationships between structured and unstructured data

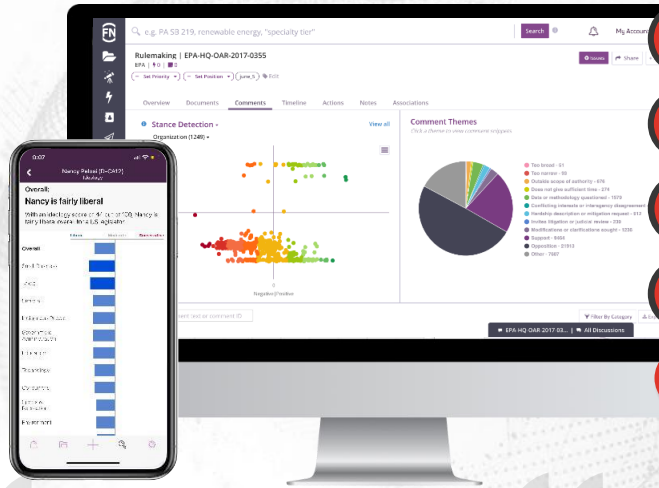
Augment Workflows
Integrate AI into existing human-driven processes with appropriate level of automation to reduce time and cost

Defensible Technology
Technical complexities in legal space require deep technology expertise and policy and legal expertise

Data Network Effects
Products' value increases via insights gained by automatically mapping usage data

Building blocks for FiscalNote's vision to become a next generation data company leveraging AI to rapidly deliver new datasets and enhance workflow tools

Sifting Through the Chaos



User-Friendly Dashboards	*Collaborative capabilities and easy access to workflows and data*
Comprehensive Data	*Searching, reporting, and alerting from unique global data and proprietary content sources*
Predictive Analytics	*Proprietary regulatory analysis and accuracy on likelihood of legislation passing*
Embedded Workflows	*Compare bill versions, perform real-time research, and log interactions with regulators*
Actionable Workflows	*Certified by 1 billion advocacy messages[2]*

These tools are essential so we have our finger on the global pulse of public policy activities.

3M

People were blown away by how quickly I learned about the bill and how fast I was able to act.

Southwest

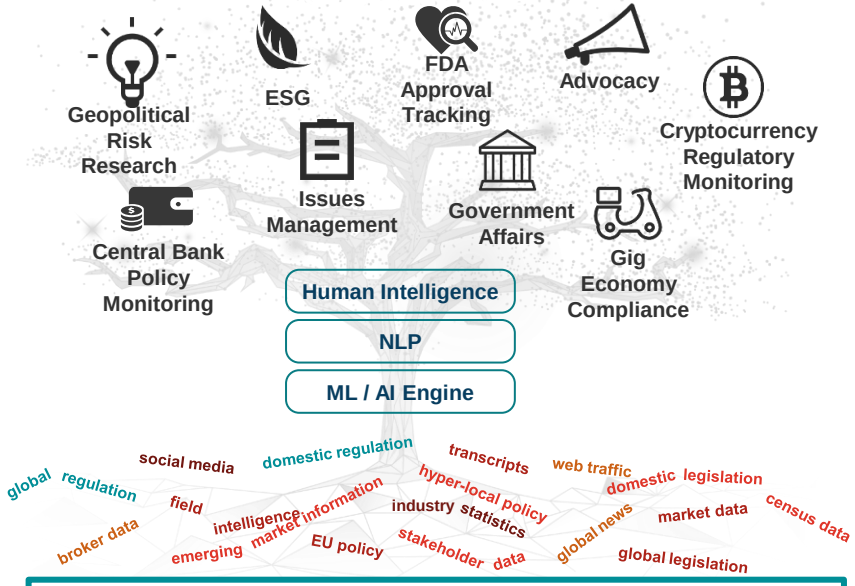
Without FiscalNote's advocacy tools, we would not have been able to get our message out. Our members and the public could make their voices heard in 30 seconds.

UNCF

FiscalNote

Leveraging Core Technology for Organic Product Growth

New Adjacent Market



Potential for long term investment in commercialization of AI technology and alternative data

Regulated Sectors of the Future

- Autonomous Driving
- Gig Economy
- US-China Relations
- Cryptocurrency Compliance
- Online Sports Betting
- Cybersecurity
- Diversity & Inclusion
- Cannabis
- Telehealth

Leverage strengths in scaling data and workflow to develop vertically integrated solutions for high growth regulated sectors of the future

FiscalNote

Prolific and Disciplined M&A Machine

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

Key Statistics

15
Acquisitions since 2015[1]

~$37MM
Incremental M&A run-rate revenue[2] in 2021

3
New international operational footprints in 2021 (UK, AU, SG)

Selected M&A Integrations

2020 FactSquared

- **Reduced** cost + **incremental** capability
- **Millions of dollars** of future outsourced vendor expenses expected to be saved through AI-powered transcription
- **Core technology** contributes to other R&D initiatives

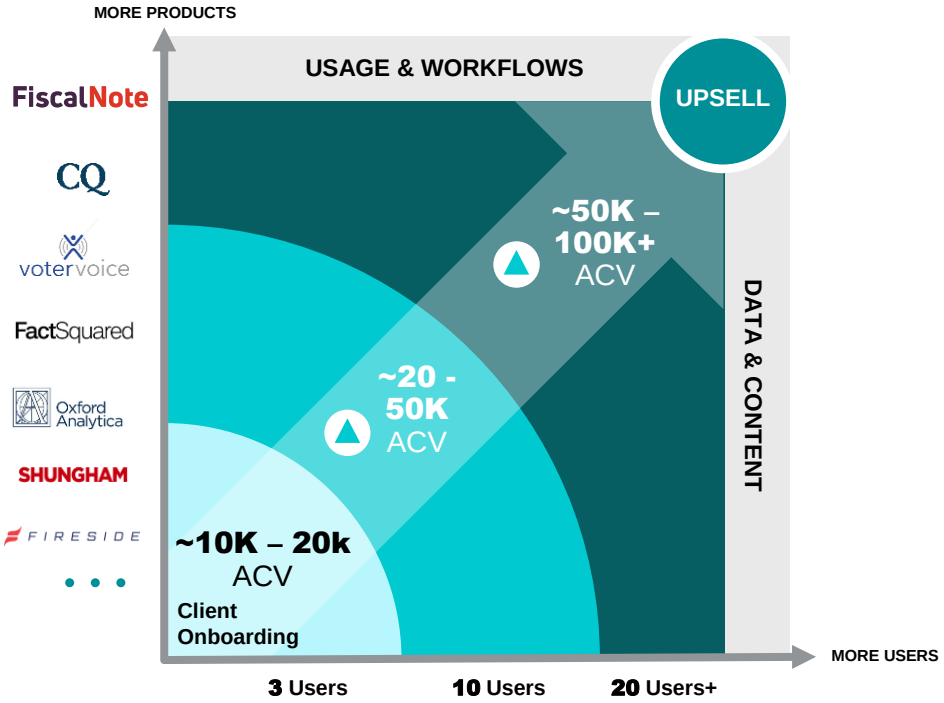
2021 Curate

- **Broader data coverage** to key local data sets
- **Cross Sell** within two days of close
- Clients facing **increasing exposure** to local legislation and regulation

(1) Statistic as of 1 Aug 2022. (2) Run Rate Revenue is a Management KPI defined as the ARR at period end + total pro forma LTM non-subscription revenue

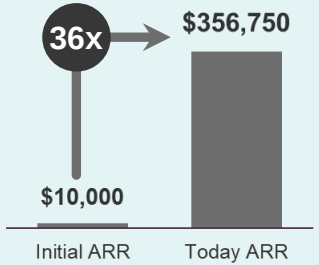
“Land and Expand” Strategy Fueled by Cross & Upsell

Upselling Potential Enabled by User and Product-Based Pricing



Customer Growth Stories

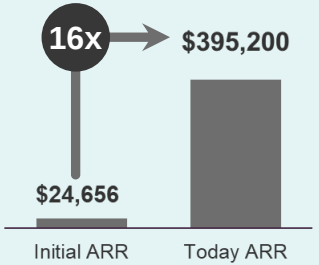
Multinational Biotech and Pharmaceutical Company



Key Product

Global Team Collaboration

Global Cloud Service Provider



Key Product

Global Regulatory Strategy

Customers spending more and staying longer for mission-critical insights

FiscalNote

Why FiscalNote



1. Large, growing market with tailwinds from increasing regulatory and geopolitical complexities
2. Diverse, blue chip customer base providing a durable asset for upsells and cross-sells
3. AI and data-driven workflows differentiate FiscalNote and help customers turn insights into action
4. Multiple avenues of growth across adjacent verticals, geographic expansion, regulated industries
5. M&A track record, and opportunities for market consolidation

Q3 2022 Management KPI's

FiscalNote



3Q 2022 Management KPIs Summary

Run-rate Revenue [1]	Annual Recurring Revenue (ARR) [1]	Net Revenue Retention (NRR)
$121M (+14% y/y)	**$108M** (+14% y/y)	**99%** (consistent)

Run Rate Revenue[1] ($M)



(1) "Run-Rate Revenue," "Annual Recurring Revenue" or "ARR" and "Net Revenue Retention", are key performance indicators (KPIs). Please see "Key Performance Indicators for the definitions and important disclosures regarding these measures. Run rate revenue and ARR include 2022 acquisitions. Growth rates are presented on a proforma basis inclusive of 2021 and 2022 acquisitions.

FiscalNote

Q3 2022 GAAP Results

FiscalNote



3Q 2022 Financial Summary

Total GAAP Revenue

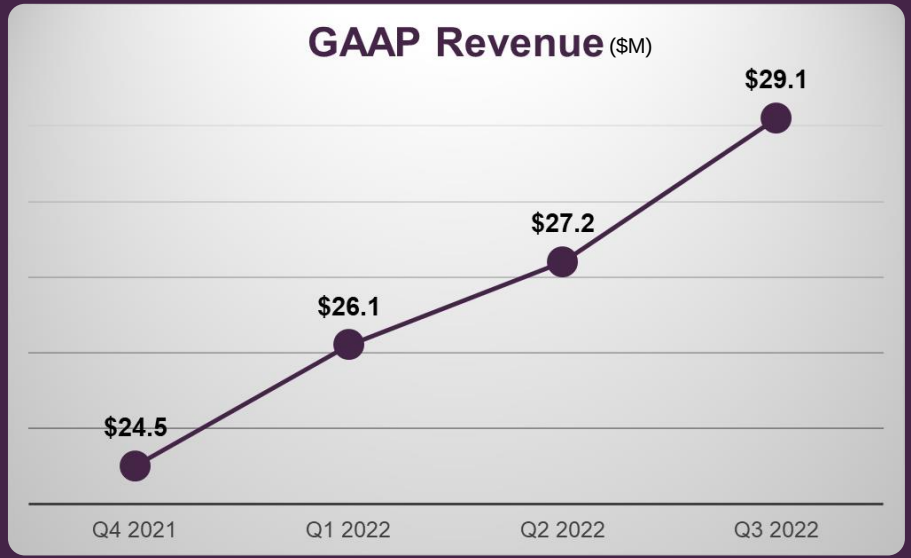
$29.1M
(+34% y/y)

Adjusted Gross Profit[1]

$23.3M
(80% Adjusted gross margin)

Cash

$78M
Sufficient capital to support growth plans



(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.

FiscalNote

Non-GAAP Financial Measures

Non-GAAP Measures

In addition to financial measures prepared in accordance with U.S. generally accepted accounting principles ("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 the businesses we acquired in 2021. Adjusted revenue is presented because we use this measure to evaluate performance of our business against prior periods and believe it is a useful indicator of the underlying performance of our business. Adjusted revenue is not a recognized term under 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 Revenues. 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 it provides 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 and 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 is 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 because they 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 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.

FiscalNote

3Q 2022 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 September 30,		Nine Months Ended September 30,	
(In thousands)	**2022**	**2021**	**2022**	**2021**
Subscription revenue	$ 26,075	$ 20,139	$ 73,186	$ 53,098
Deferred revenue adjustment	123	1,161	1,853	1,533
Adjusted subscription revenue	26,198	21,300	75,039	54,631
Advisory, advertising, and other revenue	2,996	1,635	9,130	5,352
Adjusted Revenues	$ 29,194	$ 22,935	$ 84,169	$ 59,983

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 September 30,		Nine Months Ended September 30,	
(In thousands)	**2022**	**2021**	**2022**	**2021**
Adjusted Revenues	$ 29,194	$ 22,935	$ 84,169	$ 59,983
Costs of revenue	(8,699)	(5,412)	(23,581)	(14,664)
Amortization of intangible assets	2,832	1,569	6,664	4,077
Adjusted Gross Profit	$ 23,327	$ 19,092	$ 67,252	$ 49,396
Adjusted Gross Profit Margin	80%	83%	80%	82%

(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.

3Q 2022 Summary - Reconciliation to non-GAAP measures

EBITDA, Adjusted EBITDA, and Adjusted EBITDA Margin

The following table presents our calculation of EBITDA, Adjusted EBITDA, and Adjusted EBITDA Margin for the periods presented:

	Three Months Ended September 30,		Nine Months Ended September 30,	
(In thousands)	**2022**	**2021**	**2022**	**2021**
Net loss	$ (109,002)	$ (27,958)	$ (175,713)	$ (88,462)
Benefit from income taxes	(2,286)	(992)	(2,836)	(6,737)
Depreciation and amortization	5,743	4,378	15,374	11,598
Interest expense, net	42,894	16,261	89,672	46,102
EBITDA	(62,651)	(8,311)	(73,503)	(37,499)
Deferred revenue adjustment [a]	123	1,161	1,853	1,533
Stock-based compensation	30,043	187	30,868	547
Change in fair value of warrant and derivative liabilities [b]	(21,910)	(2,839)	(18,524)	9,406
Loss on debt extinguishment, net	45,250	-	45,250	-
Other non-cash (gains) charges [c]	(948)	1,045	(9,286)	2,407
Acquisition related costs [d]	431	561	1,003	1,051
Other infrequent costs [e]	435	1,049	858	2,736
Costs incurred related to the transaction [f]	1,791	521	2,250	889
Adjusted EBITDA	$ (7,436)	$ (6,626)	$ (19,231)	$ (18,930)
Adjusted EBITDA Margin	(25.5)%	(28.9)%	(22.8)%	(31.6)%

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

(b) Reflects the non-cash impact from the mark to market adjustments on our warrant and derivative liabilities.

(c) Reflects the non-cash impact of the following: (i) 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, and charge of $1,045 in the third quarter of 2021 from the change in fair value related to the contingent consideration and contingent compensation related to the 2021 Acquisitions, respectively, (ii) gain of $7,667 related to the partial forgiveness of our PPP Loan during the first quarter of 2022, (iii) $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, and (iv) loss from modification to a sub-lease in April 2021 for $1,362.

(d) Reflects the costs incurred to identify, consider, and complete business combination transactions consisting of advisory, legal, and other professional and consulting costs. Includes a $500 charge we recognized related to a discretionary bonus paid to certain employees of Predata during the second quarter of 2022.

(e) Reflects the following infrequent charges: (i) costs incurred related to potential acquisitions and other capital markets related activities totaling $301 in the first quarter of 2021, $117 during the second quarter of 2021, and $218 during the third quarter of 2021, respectively, (ii) costs incurred related to litigation we believe to be outside of our normal course of business totaling $246 during the first quarter of 2021, $372 during the second quarter of 2021, $251 during the third quarter of 2021, $20 during the first quarter in 2022, and $286 during the third quarter of 2022, respectively, (iii) non-capitalizable debt raising costs totaling $64 during the first quarter of 2021, $520 during the third quarter of 2021, and $403 during the first quarter in 2022, respectively, (iv) costs to satisfy sales tax remittances incurred during the second quarter in 2021 totaling $506, (v) costs incurred related to our adoption of ASC 606 totaling $80 during the first quarter in 2021, and (vi) employee severance costs of $60 in the third quarter of 2021 and $149 in the third quarter of 2022, respectively.

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

[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.

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
- **Booking**: A booking refers to when a customer books the Company's products and services and commits to the orders
- **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