FiscalNote (NOTE) Management Presentation

March 28, 2023

FiscalNote



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FiscalNote

FiscalNote Snapshot

Compounding Growth, Strong Retention, High Gross Margins

~5,000 Customers[5]

$113M ARR[1]

As of December 31, 2022

37%

Y/Y GAAP Revenue Growth % 2022

FORTUNE 100

60+ of the Fortune 100

Are FiscalNote customers

80%

Adjusted Gross Margin[2]

Q4 2022

14%

Y/Y Organic Revenue Growth

100%

Net Revenue Retention[1]

Q4 2022

Fast track to positive Adj. EBITDA[2]

Projected in Q4 2023[3]

$61M Cash[4]

Sufficiently capitalized to support growth

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.
(4) As of December 31. 2022
(5) Customers refer to individual buyers within a parent organization.

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

Legal and Policy

FiscalNote

Finance

S&P CAPITAL IQ

Bloomberg Terminal®

FACTSET

EV/23 Rev Multiple*: 8.9x

HR

ADP

PeopleSoft

workday.

EV/23 Rev Multiple*: 6.1x

Other Sector – Specific Info Services

Clarivate™

Avalara

CoStar Group™

tyler technologies

DEFINITIVE HEALTHCARE

EV/23 Rev Multiple*: 6.9x

* Sourced from Factset and represents Average EV/23 Revenue Multiple for the public entities listed in each segment as of March 24, 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]

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

FiscalNote

Clear Value Proposition

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

GOVERNMENT AGENCIES

FiscalNote Value

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

BUDGET ALLOCATION

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

CORPORATES

FiscalNote Value

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

REVENUE

- Nestlé: $94BN[4]
- FedEx: $84BN[5]
- Microsoft: $168BN[6]

NON-PROFIT ASSOCIATIONS

FiscalNote Value

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

MEMBERS

- NEA National Education Association: ~3MM[7]
- American Farm Bureau Federation®: ~6MM[8]
- National Association of REALTORS®: ~1.4MM[9]

(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.

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FiscalNote Growth Opportunity

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

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Large and Expanding Market Opportunity

Enterprise
Info Solutions
TAM: $314BN[1]

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



Legal &
Regulatory Info
TAM: $37BN[1]

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

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Blue Chip Diverse Client Base

Relied upon and recognized across major public and private sector customers

Government



Finance

New York Life
BNP Paribas
usbancorp
UBS
Goldman Sachs
SallieMae

Energy

Chevron
eni
ConocoPhillips
Strata Solar
Vistra
Energinet

Consumer & Retail

pepsi
L'Oréal
7-Eleven
Nestlé
Drizly
Jewelers of America

Transport

Delta
Amtrak
Lyft
FedEx
Nikola
Hertz
Rail Passengers
Uber

Healthcare

Amgen
BlueCross BlueShield Association
Abbott
AANP
AstraZeneca
abbvie

Education

nea National Education Association
Penn
Harvard Kennedy School
2U
MIT Massachusetts Institute of Technology
Education Commission of the States

TMT

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

Business Services

The Concord Coalition
Bain & Company
EY
Willis Towers Watson
argus
bakertilly

 Note: Data as of March 2023. Figures and logos exclude products acquired in 2021.

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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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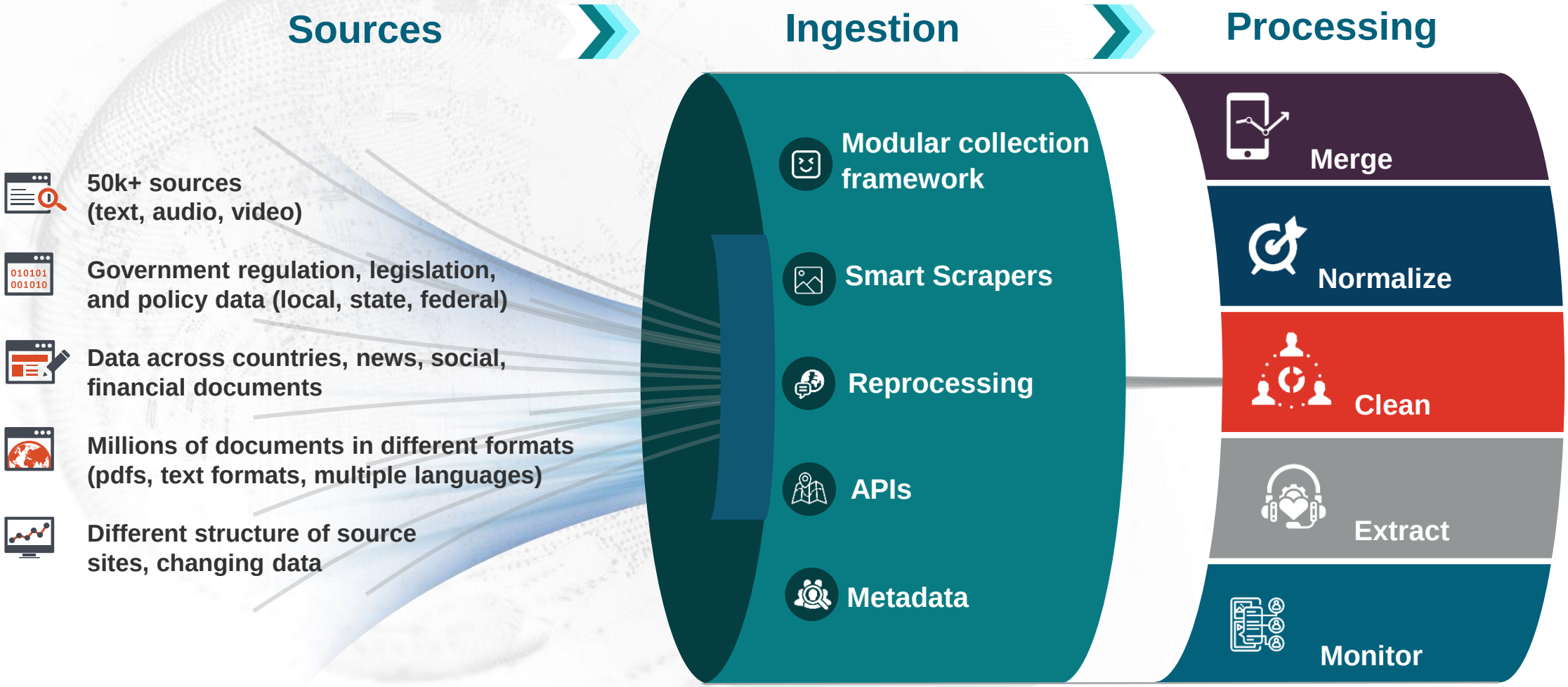
Proprietary Ingestion and Processing Infrastructure with AI at the Core



Human Augmentation layered in both ingestion and processing steps

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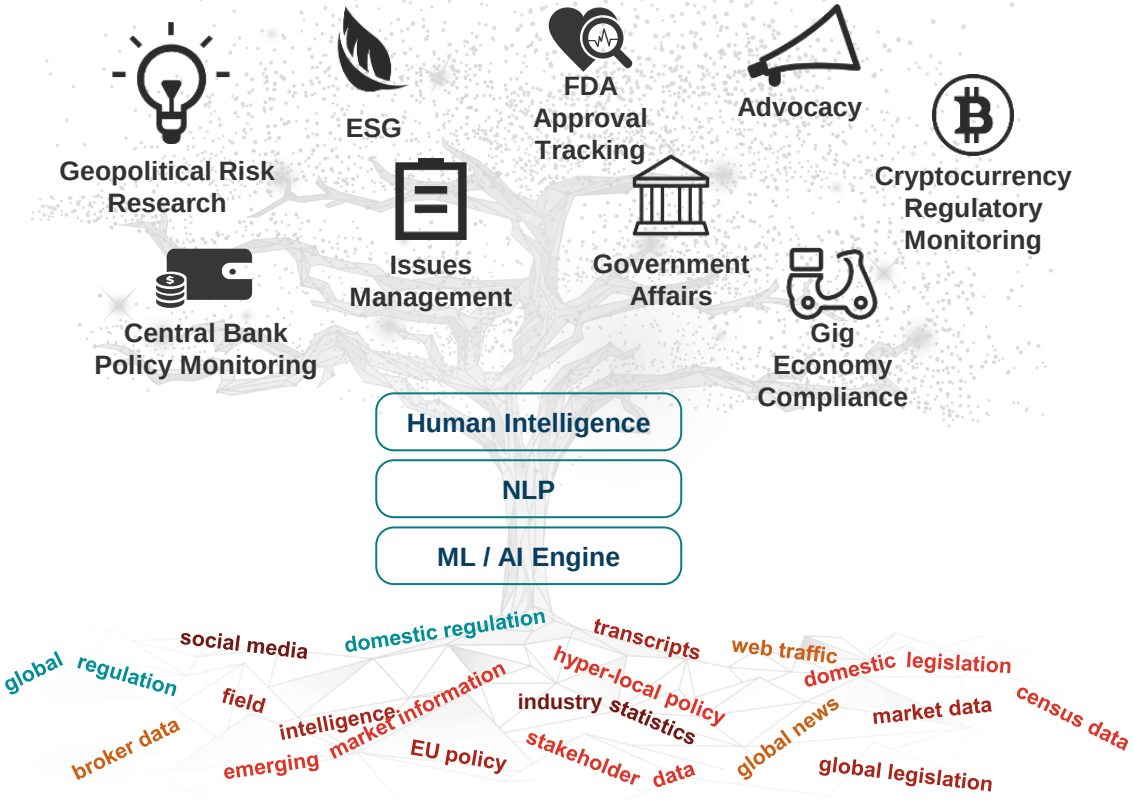
Leveraging Core Technology for Organic Product Growth

New Adjacent Market Opportunities



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

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Building on our Track Record as a 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

17
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

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

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 March 2023.
(2) Run-Rate Revenue is a key performance indicators (KPI). Please see "Key Performance Indicators" for the definition and important disclosures regarding this measure.

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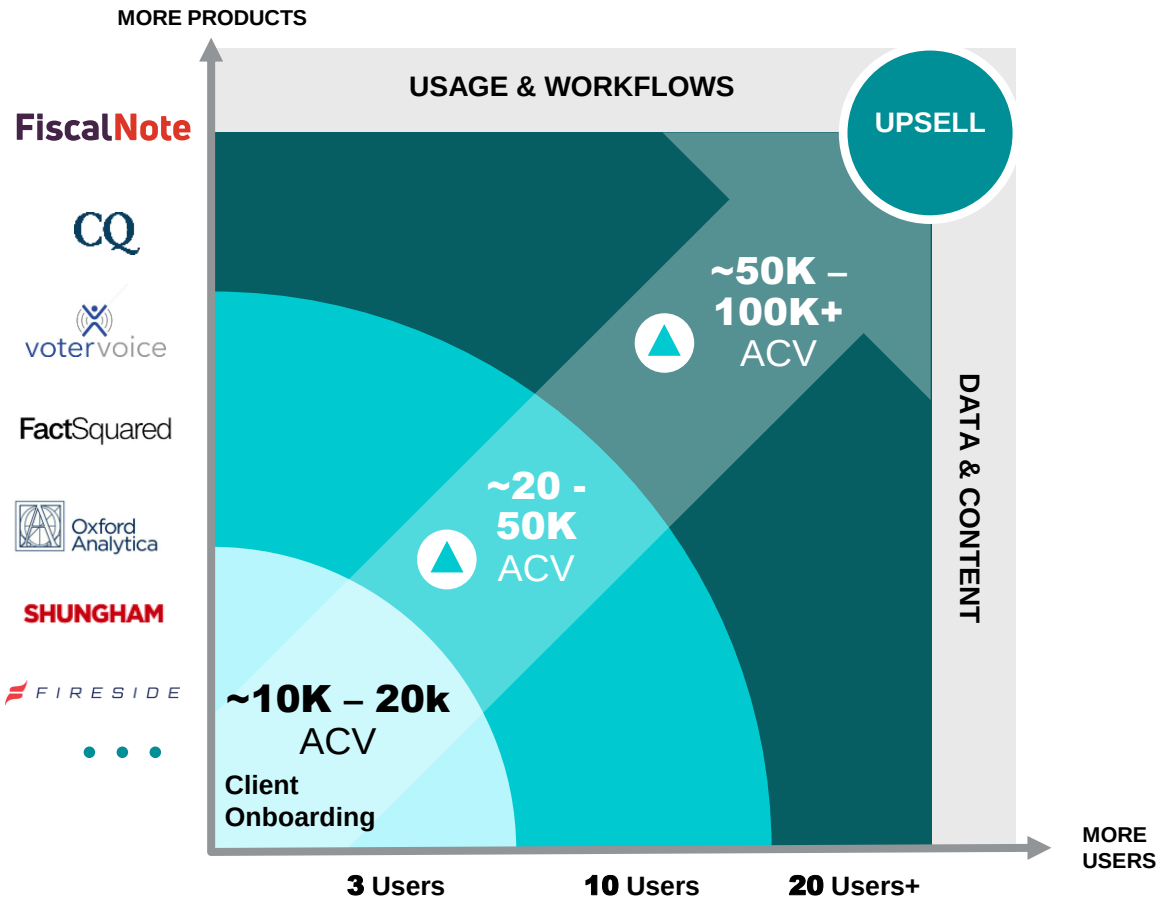
Fueling our “Land and Expand” Strategy Via Cross & Upsell

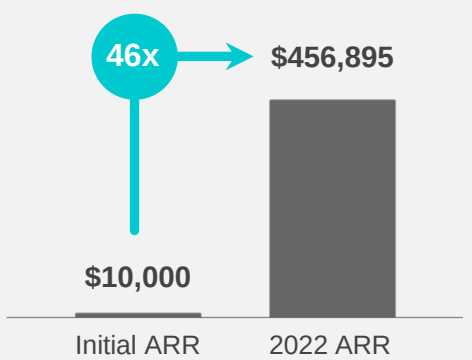
Relied upon and recognized across major public and private sector customers

Upselling Potential Enabled by User and Product-Based Pricing



Customer Growth Stories

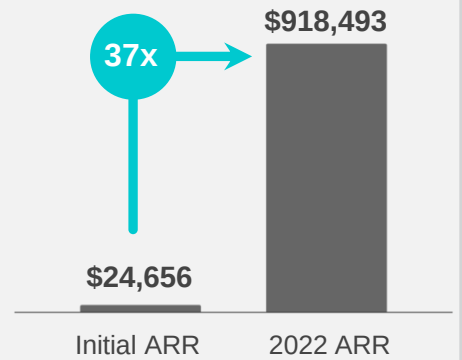
Multinational Biotech and Pharmaceutical Company



Key Product

Global Team Collaboration

Large Multinational Technology Company



Key Product

Global Regulatory Strategy

FiscalNote

Managed by a Visionary, Founder-led Team with Strong Track Record



Tim Hwang
Co-Founder, Chairman & CEO



Jon Slabaugh
Chief Financial Officer & Chief Investment Officer



Josh Resnik
President & COO
Chief Operating Officer



Richard Henderson
Chief Revenue Officer



Gerald Yao
Co-Founder, Chief Strategy Officer, Global Head of ESG,



Krystal Putman-Garcia
Chief Marketing Officer
GM of Advocacy



Dr. Vlad Eidelman
Chief Technology Officer & Chief Scientist



Paul Donnell
Chief Accounting Officer



Todd Aman
SVP, General Counsel, & Secretary



Vibha Jain Miller
Senior Vice President, Global People & DEIBA

- Operating Businesses at Scale
- Public Company Experience
- Executing M&A Deals
- Silicon Valley Experience
- Inside DC Experience

FiscalNote

Experienced Leadership Guiding the Organization at the Board-level



TIM HWANG
Co-Founder, Chairman & Chief Executive Officer, FiscalNote



GERALD YAO
Co-Founder, Chief Strategy Officer, & Global Head of ESG, FiscalNote



MIKE CALLAHAN
General Counsel of Rivian; former General Counsel Of Yahoo, Linkedin, and Auction.Com



KEY COMPTON
Co-Founder and Managing Director, GPO Fund



MANOJ JAIN
Co-Chief Investment Officer and Co-Founder of Maso Capital



GEN. STANLEY MCCHRYSTAL (RET.)
Former U.S. Four-Star General



KEITH NILSSON
Co-Founder and Managing Partner, Xplorer Capital



ANNA SEDGLEY
Chief Financial Officer, Bauer Media Group and Former CFO/COO, Dow Jones & Co.



BRANDON SWEENEY
Chief Revenue Officer, Hashicorp and Former SVP, Worldwide Sales At Vmware



CONRAD YIU
Co-Founder and Partner, AS1 Growth Partners

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Q4 / FY 2022 Summary
2023 Guidance

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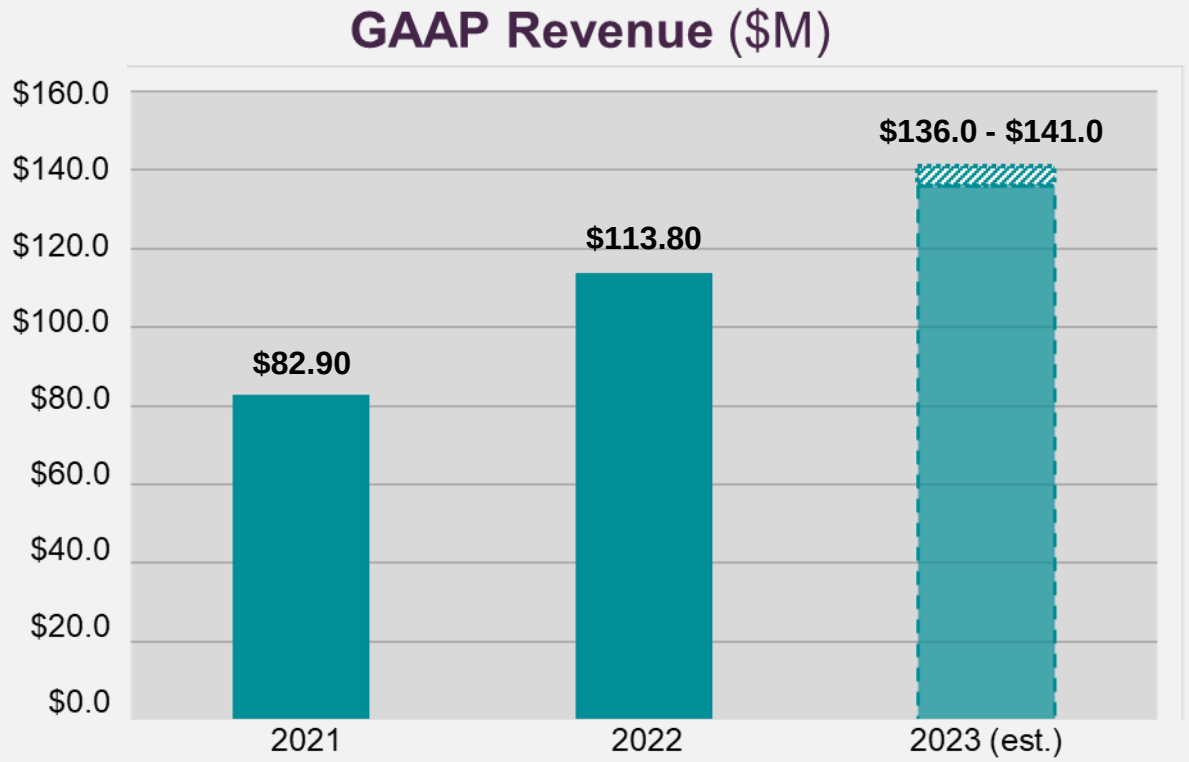
FY 2022 Financial Summary

Total GAAP Revenue	ARR[1]	Gross Profit	Adjusted Gross Profit[2]
$113.8M (+37% y/y)	**$113M** (14% growth Y/Y)	**$81.8M** (72% gross margin)	**$92.8M** (80% Adjusted gross margin)



(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. ARR growth for 2022 includes businesses acquired as of December 31, 2021, plus Aicel Technologies (for which a definitive acquisition agreement was signed as of December 31, 2021, with closing conditioned upon FiscalNote’s public listing).
(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.

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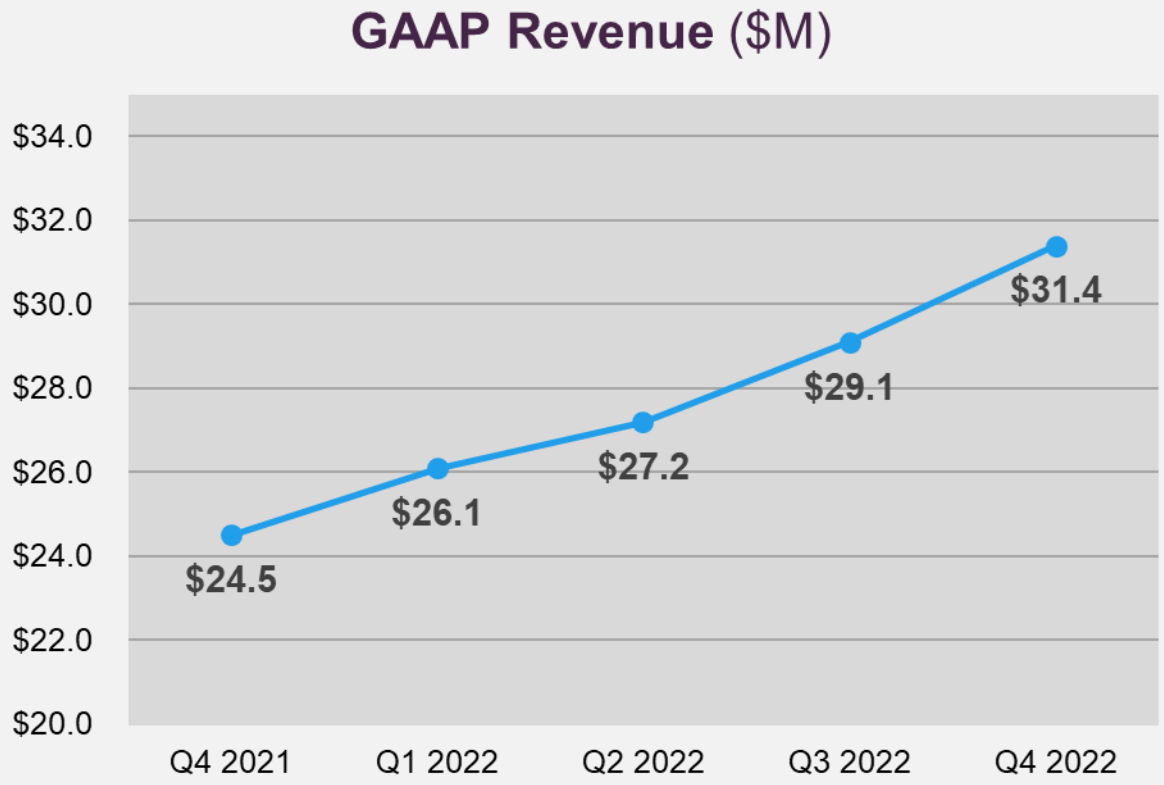
4Q 2022 Financial Summary

Total GAAP Revenue	Gross Profit	Adjusted Gross Profit[1]	Cash
$31.4M (+29% y/y)	**$23.1M** (73% gross margin)	**$25.6M** (81% Adjusted gross margin)	**$61M** 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.

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FiscalNote's FY 2023 Guidance

- **GAAP revenue of $136 to $141 million**, representing **20% to 24% year over year** growth inclusive of the Company's recent acquisition of Dragonfly Eye, Ltd.
- **Total run-rate revenue(1)(2) of $148 million to $155 million** representing **growth of 17% to 22%** over the prior year inclusive of the Company's recent acquisition of Dragonfly Eye, Ltd. and growth of 10% to 16% over the prior year on an organic basis.
- An adjusted EBITDA(3) loss of $8 million to $6 million for the year(4), marking an improvement of approximately 71% year-over-year.
- Reiterates that it expects to achieve **positive Adjusted EBITDA(4) in the fourth quarter of 2023** and ongoing positive adjusted EBITDA beyond this milestone.

(1)"Run-Rate Revenue," is a key performance indicator (KPI). Please see "Key Performance Indicators" for the definition and important disclosures regarding this measure.
(2)Total Run-Rate Revenue includes completed acquisitions but does not include any future acquisitions under consideration.
(3)Non-GAAP measure. Please see "Non-GAAP Financial Measures" in this presentation for definitions and important disclosures regarding these financial measures, including reconciliations to the most directly comparable GAAP measure.
(4)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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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
- ✓ M&A track record, and opportunities for market consolidation
- ✓ On path for Adjusted EBITDA profitability in Q4 of 2023

Addendum

Non-GAAP Financial Measures

Non-GAAP 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 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 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.

Key Performance Indicators

We monitor the following key performance indicators to evaluate growth trends, prepare financial projections, make strategic decisions, and measure the effectiveness of our sales and marketing efforts. Our management team assesses our performance based on these key performance indicators because it believes they reflect the underlying trends and indicators of our business and serve as meaningful indicators of our continuous operational performance.

Annual Recurring Revenue ("ARR")

Approximately 90% of our revenues are subscription based, which leads to high revenue predictability. Our ability to retain existing subscription customers is a key performance indicator that helps explain the evolution of our historical results and is a leading indicator of our revenues and cash flows for subsequent periods. We use ARR as a measure of our revenue trend and an indicator of our future revenue opportunity from existing recurring subscription customer contracts. We calculate ARR on a parent account level by annualizing the contracted subscription revenue, and our total ARR as of the end of a period is the aggregate thereof. ARR is not adjusted for the impact of any known or projected future customer cancellations, upgrades or downgrades, or price increases or decreases. The amount of actual revenue that we recognize over any 12-month period is likely to differ from ARR at the beginning of that period, sometimes significantly. This may occur due to timing of the revenue bookings during the period, cancellations, upgrades, or downgrades and pending renewals. ARR should be viewed independently of revenue as it is an operating metric and is not intended to be a replacement or forecast of revenue. Our calculation of ARR may differ from similarly titled metrics presented by other companies.

Run-Rate Revenue

Management also monitors run-rate revenue, which we define as ARR plus non-subscription revenue earned during the last 12 months. We believe run-rate revenue is an indicator of our total revenue growth, incorporating the non-subscription revenue that we believe is a meaningful contribution to our business as a whole. Although our non-subscription business is non-recurring, we regularly sell different advisory services to repeat customers. The amount of actual subscription and non-subscription revenue that we recognize over any 12-month period is likely to differ from run-rate revenue at the beginning of that period, sometimes significantly.

Net Revenue Retention ("NRR")

Our NRR, which we use to measure our success in retaining and growing recurring revenue from our existing customers, compares our recognized recurring revenue from a set of customers across comparable periods. We calculate our NRR for a given period 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. Accordingly, the 2022 Acquisitions are not included in our NRR for the year ended December 31, 2022 and the 2021 Acquisitions are not included in our NRR for the year ended December 31, 2021. Our calculation of NRR for any fiscal period includes the positive recurring revenue impacts of selling additional licenses and services to existing customers and the negative recognized recurring revenue impacts of contraction and attrition among this set of customers. Our NRR may fluctuate as a result of a number of factors, including the growing level of our revenue base, the level of penetration within our customer base, expansion of products and features, and our ability to retain our customers.

4Q 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:

	3 months ended December 31		Years ended December 31	
(in thousands)	2022	2021	2022	2021
Subscription revenue	$ 27,336	$ 20,904	$ 100,522	$ 74,002
Deferred revenue adjustment	43	1,225	1,896	2,758
Adjusted subscription revenue	27,379	22,129	102,418	76,760
Advisory, advertising, and other revenue	4,113	3,558	13,243	8,910
Adjusted revenues	**$ 31,492**	**$ 25,687**	**$ 115,661**	**$ 85,670**

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

	3 months ended December 31		Years ended December 31	
(in thousands)	2022	2021	2022	2021
Adjusted Revenues	$ 31,492	$ 25,687	$ 115,661	$ 85,670
Costs of revenue	(8,356)	(7,138)	(31,937)	(21,802)
Amortization of intangible assets	2,430	1,767	9,094	5,844
Adjusted Gross Profit	**$ 25,566**	**$ 20,316**	**$ 92,818**	**$ 69,712**
Adjusted Gross Margin	*81%*	*79%*	*80%*	*81%*

FiscalNote

4Q 2022 Summary - Reconciliation to non-GAAP measures

EBITDA, Adjusted EBITDA, and Adjusted EBITDA Margin

	3 months ended December 31		Years ended December 31	
(in thousands)	2022	2021	2022	2021
Net loss	$ (42,544)	$ (20,959)	$ (218,257)	$ (109,421)
Benefit from income taxes	(418)	(1,152)	(3,254)	(7,889)
Depreciation and amortization	5,409	4,782	20,783	16,380
Interest expense, net	6,069	18,698	95,741	64,800
EBITDA	**(31,484)**	**1,369**	**(104,987)**	**(36,130)**
Deferred revenue adjustment (a)	43	1,225	1,896	2,758
Stock-based compensation	7,179	463	38,047	1,010
Change in fair value of warrant and derivative liabilities (b)	5,778	(12,811)	(12,747)	(3,405)
Loss on debt extinguishment, net	-	-	45,250	-
Other non-cash (gains) charges (c)	217	1,562	(9,069)	3,969
Acquisition related costs (d)	178	367	1,181	2,054
Employee severance costs	426	120	575	180
Non-capitalizable debt raising costs	-	-	403	584
Other infrequent costs (e)	-	29	20	1,484
Costs incurred related to the transaction (f)	743	239	2,993	1,128
Loss contingency (g)	11,702	-	11,988	-
Adjusted EBITDA	**$ (5,218)**	**$ (7,437)**	**$ (24,450)**	**$ (26,368)**
Adjusted EBITDA Margin	*(17)%*	*(29)%*	*(21)%*	*(31)%*

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, charge of $217 in the fourth quarter of 2022, charge of $1,045 in the third quarter of 2021, and charge of $1,107 in the fourth 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 and a loss from a lease abandonment in the fourth quarter of of 2021 for $455

d) Reflects the costs incurred to identify, consider, and complete business combination transactions consisting of advisory, legal, and other professional and consulting costs, including $636 of costs incurred related to acquisitions we did not consummate in 2021 and presented in general and administrative expense. 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 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, $29 during the fourth quarter of 2021, and $20 during the first quarter in 2022

ii. Costs to satisfy sales tax remittances incurred during the second quarter in 2021 totaling $506,

iii. Costs incurred related to our adoption of ASC 606 totaling $80 during the first quarter in 2021

f) Includes non-capitalizable transaction costs associated with the business combination

g) Reflects the following loss contingency charges:

i. $11,700 non-cash loss contingency recognized related to the previously disclosed term sheet we entered into with GPO FN Noteholder LLC we recorded in the fourth quarter of 2022 and

ii. $288 of legal costs incurred related to the proposed term sheet with GPO FN Noteholder LLC of which $286 was recognized in the third quarter of 2022 and $2 was recognized the in the fourth quarter of 2022

FiscalNote

Equity Capital - Fully Diluted Shares

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

Common Stock		$1.53	$5.50	$7.50	$10.50	$12.50	$15.00	$20.00	$25.00
Public Class A	*Shares held by Affiliates*	45.8	45.8	45.8	45.8	45.8	45.8	45.8	45.8
	Shares held by Other Shareholders	77.3	77.3	77.3	77.3	77.3	77.3	77.3	77.3
Class B - Co-Founders Only		8.3	8.3	8.3	8.3	8.3	8.3	8.3	8.3
Subtotal		**131.4**	**131.4**	**131.4**	**131.4**	**131.4**	**131.4**	**131.4**	**131.4**
Potentially Dilutive									
deSPAC Earnout Shares (i)		0.0	0.0	0.0	3.8	7.7	11.5	15.4	19.2
Outstanding Seller Earnout (ii)		0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4
Employee RSUs and Options (iii)		2.9	6.0	7.8	9.2	9.7	10.2	10.8	11.2
Subtotal		**3.3**	**6.4**	**8.2**	**13.4**	**17.8**	**22.1**	**26.6**	**30.8**
Convertible Instruments									
Public Warrants (iv)		0.0	0.0	0.3	4.0	4.7	4.7	4.7	4.7
Private Warrants (iv)		0.0	0.0	0.3	3.3	4.6	5.6	7.0	7.8
Convertible Notes (v)		2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Subtotal		**2.0**	**2.0**	**2.6**	**9.3**	**11.3**	**12.3**	**13.7**	**14.5**
TOTAL AS OF 12/31/22		**136.7**	**139.8**	**142.2**	**154.1**	**160.5**	**165.8**	**171.7**	**176.7**

Note: All dilutive shares outstanding are prepared utilizing the treasury stock method and based on the Company's shares outstanding at December 31, 2022. $1.53 is the Company's closing share price on March 24, 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, 2022. 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 we 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 $12.2mm 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.

FiscalNote

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
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