FiscalNote, Inc. – Corporate Overview

Tim Hwang, *Chairman & CEO*

19th Annual Needham Technology, Media & Consumer Conference

May 14, 2024

FiscalNote

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Certain statements herein may be considered forward-looking statements within the meaning of the federal securities laws. Forward-looking statements generally relate to future events or FiscalNote's future financial or operating performance. 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 effectively manage its growth; changes in FiscalNote's strategy, future operations, financial position, estimated revenue and losses, forecasts, projected costs, prospects and plans; the terms of any proposal FiscalNote may receive for a go-private transaction; the impact of the previous announcement of the formation of the Special Committee and its strategic review on FiscalNote's business and its ability to implement any transaction; FiscalNote's future capital requirements; demand for FiscalNote's services and the drivers of that demand; FiscalNote's ability to attract and retain customers, and expand its offerings with existing customers; FiscalNote's ability to successfully execute its acquisition strategy; FiscalNote's ability to develop, enhance, and integrate its existing platforms, products, and services; risks associated with international operations; potential technical disruptions, cyberattacks, security, privacy or data breaches or other technical or security incidents; competition and competitive pressures; FiscalNote's ability to retain or recruit key personnel; the outcome of any known and unknown litigation and regulatory proceedings; and FiscalNote's ability to adequately protect its intellectual property rights.

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FiscalNote

FiscalNote Snapshot (as of March 31, 2024)

Compounding Growth, Strong Retention, High Gross Margins

~4,700 Customers[4]

$110M ARR[1]
As of March 31, 2024

$32M
Total Revenue
Q1 2024

FORTUNE 100

50+ of the Fortune 100
Are FiscalNote customers
As of March 31, 2024

85%

Adjusted Gross Margin[2]
Q1 2024

$122M
Run-Rate Revenue
Q1 2024

96%

Quarterly Net Revenue Retention[1]
Q1 2024

$1M Adj. EBITDA[2]
Q1 2024

$44M Cash[3]

Diverse Revenue Base
Balanced across enterprise, government and mid-market accounts

All Data presented is as of March 31, 2024. please see page 26 for details on the impact of the divestiture of board.org and sunset revenue on several metrics and KPIs referenced above

(1) "Annual Recurring Revenue" or "ARR" and "Net Revenue Retention" or "NRR", are key performance indicators (KPIs).
(2) Non-GAAP measure. Please see "Non-GAAP Financial Measures" for definitions and important disclosures regarding these financial measures, including reconciliations to the most directly comparable GAAP measure.
(3) As of March 31, 2024 and inclusive of short-term investments.
(4) Customers refer to individual buyers within a parent organization.

WHAT WE DO

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

FiscalNote

Who We Serve

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

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

Blue Chip Diverse Client Base

Relied upon and recognized across major public and private sector customers

Government Organizations

- Bank of Japan
- DCCC
- The Library of Congress
- U.S. Privacy and Civil Liberties Oversight Board

Corporates

FINANCE

- New York Life
- usbancorp
- BNP PARIBAS
- SallieMae
- UBS
- Goldman Sachs

ENERGY

- Chevron
- eni
- ConocoPhillips
- Strata Solar – Making Solar Work
- ENERGINET

CONSUMER & RETAIL

- pepsi
- L'ORÉAL
- Nestlé
- Jewelers of America

TRANSPORT

- DELTA
- AMTRAK
- lyft
- FedEx
- Uber
- NIKOLA
- Rail Passengers Association

HEALTHCARE

- AstraZeneca
- BlueCross BlueShield Association
- Abbott
- AMGEN
- abbvie
- AANP – American Association of Nurse Practitioners

EDUCATION

- Penn
- HARVARD Kennedy School – John F. Kennedy School of Government
- 2U
- MIT – Massachusetts Institute of Technology
- Education Commission of the States

TMT

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

BUSINESS SERVICES

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

Non-Profits & NGOs

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

Note: Data as of March 31, 2024.

Why It Matters

Boards and CEOs Face Increasing Global Regulations and Uncertainty

"Broadly speaking, I think, **we as a sector need to do a better job clarifying with policymakers** that, in order to invest in innovation…we need a pricing environment that rewards innovation, particularly when it improves outcomes for patients."

— CEO Vas Narasimhan
Q4 2022 Earnings Call

NOVARTIS

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

— BP 2020 Annual Report

bp

"Higher interest rates lead to the economy running leaner, **more geopolitical instability leads to more volatility, and increased regulation leads to slower growth and increased costs of innovation**…given this outlook, we'll need to operate more efficiently than our previous headcount reduction to ensure success."

— CEO Mark Zuckerberg
2023 Memo to Employees

Meta

"**We need governments to provide clear pathways and a consistent taxonomy** for sustainability policy, regulation, and disclosure across markets."

— CEO Larry Fink
2022 Letter to CEOs

BlackRock

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

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

FiscalNote

Large and Expanding Market Opportunity

Enterprise
Info Solutions
TAM: $314BN[1]

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: $40BN[2]

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

The FiscalNote Solution

Data

Unrivaled Information
& Global
Need-to-Know Policies

Workflow

Embedded Workflows
to Manage
Regulatory Risk

Analytics

AI-Powered
Actionable
Intelligence

Research

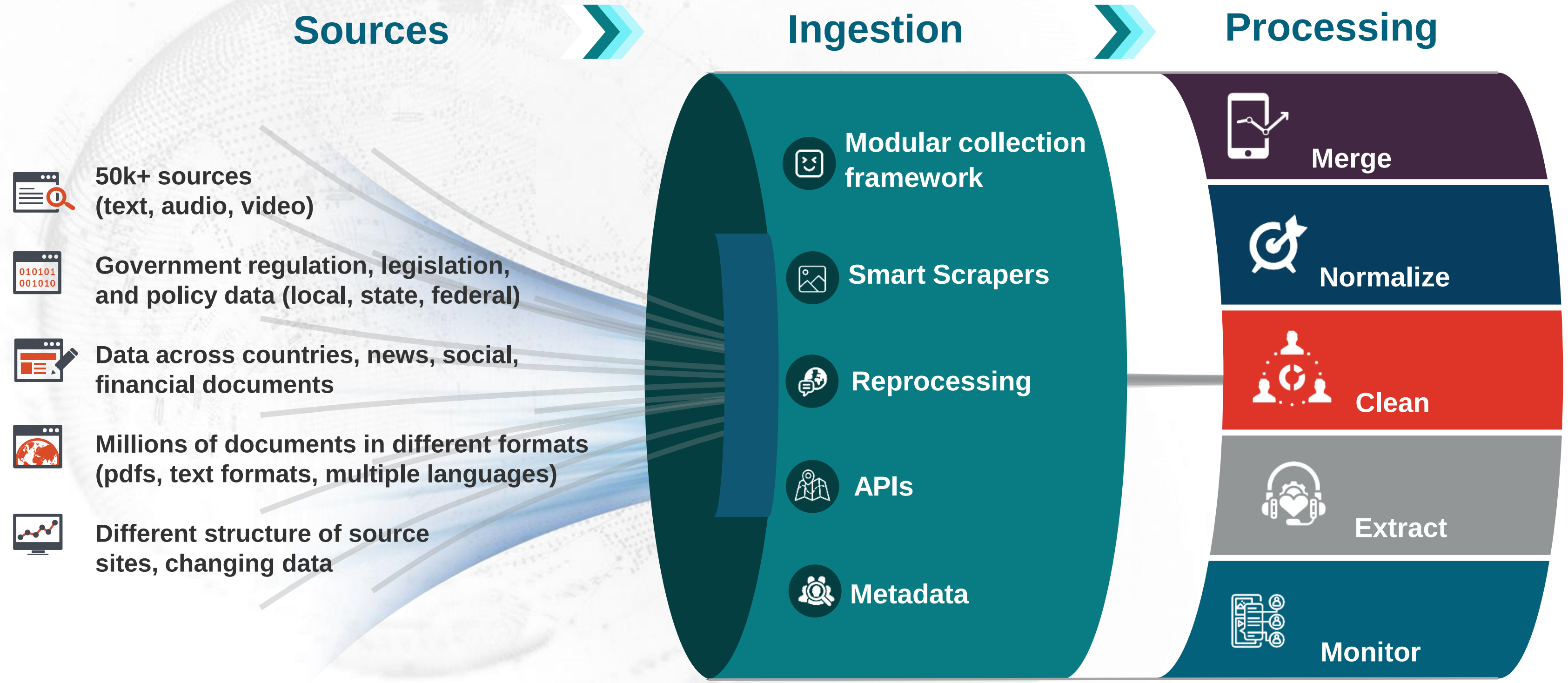
Differentiated &
Mission-Critical
Commentary on Policy

Combining Data, Analytics & Workflow to Drive Actionable Insights

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

FiscalNote

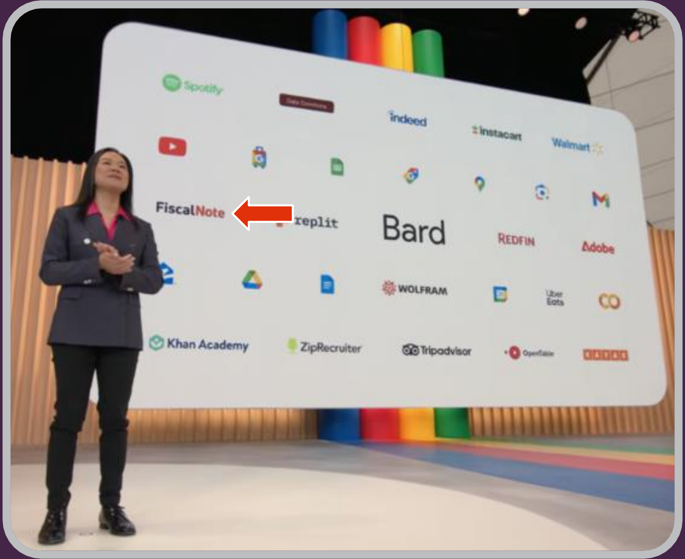
Proprietary Ingestion and Processing Infrastructure with AI at the Core



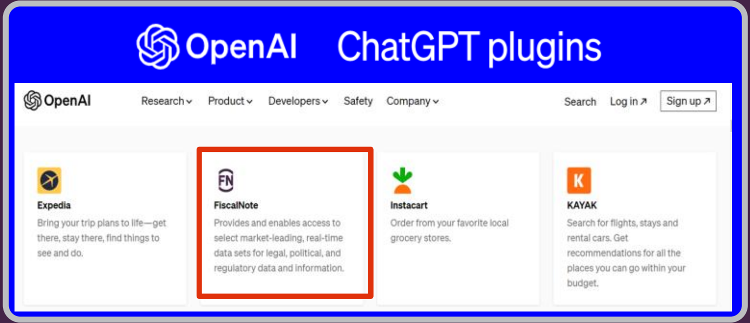
Human Augmentation layered in both ingestion and processing steps

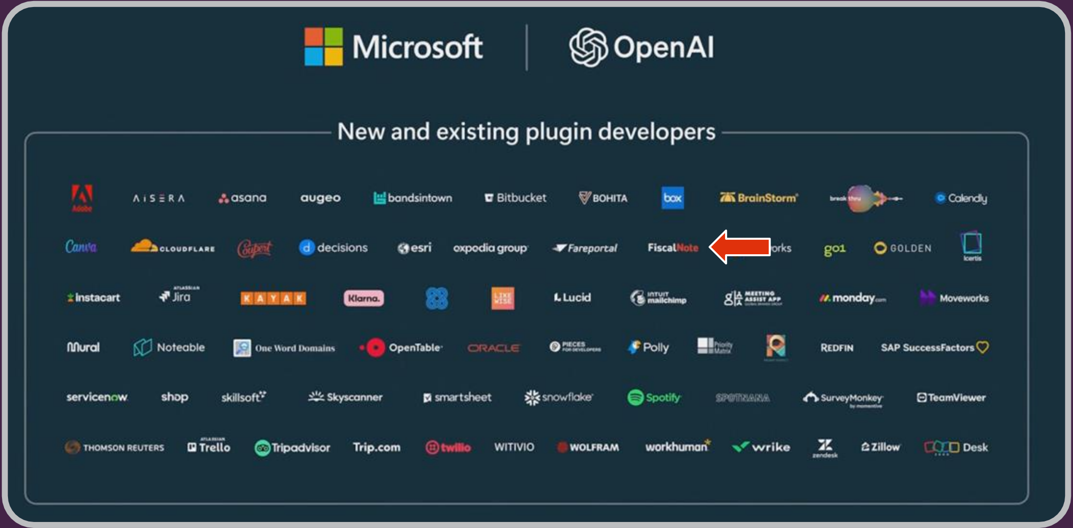
FiscalNote AI Leadership

Recognition from the world's most prominent AI organizations



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





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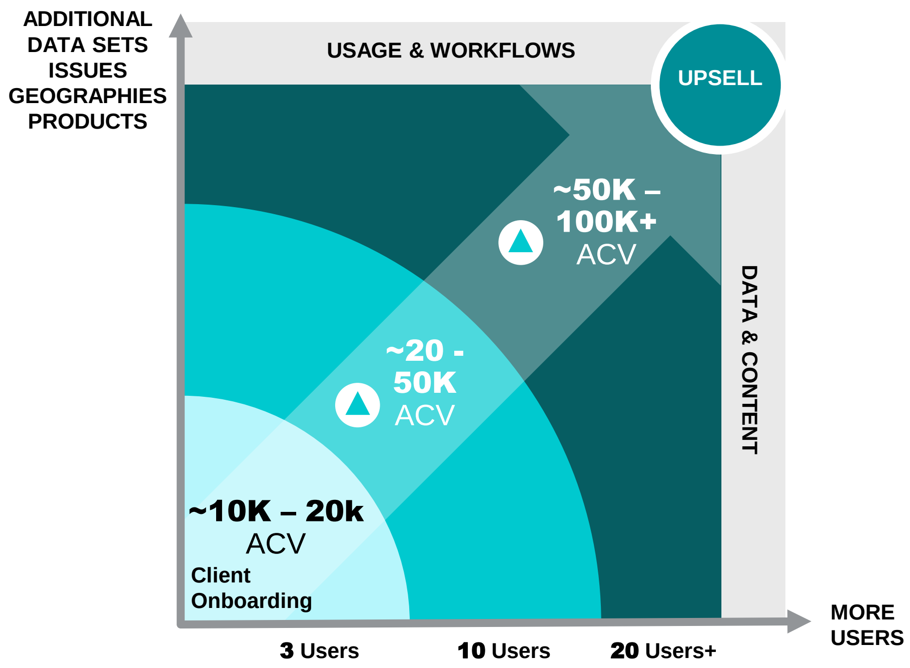
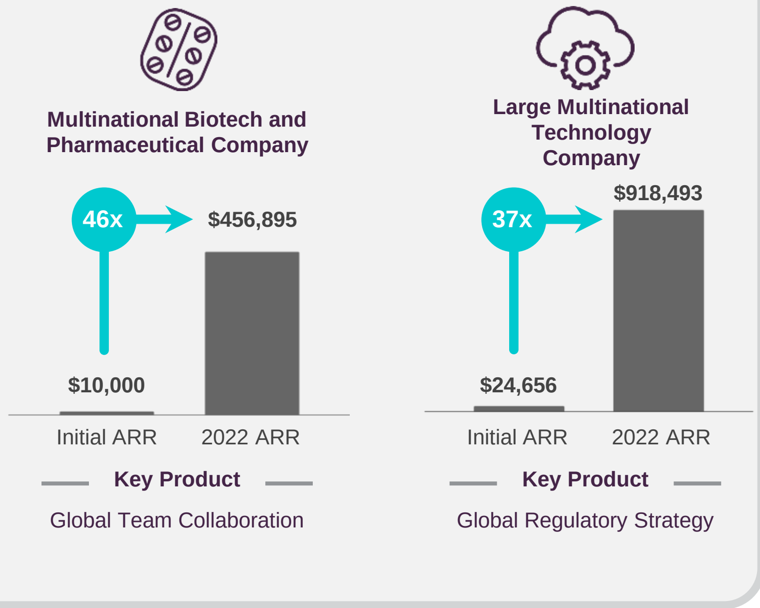
Fueling our “Land and Expand” Strategy Via Cross & Upsell

Relied upon and recognized across major public and private sector customers

Upselling Potential Enabled by User and Product-Based Pricing



Customer Growth Stories



Enterprise Customer Journey: Case Study

Global eCommerce Company

FiscalNote Value:

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

Buyers:

EU Policy Manager within the EU Public Policy department

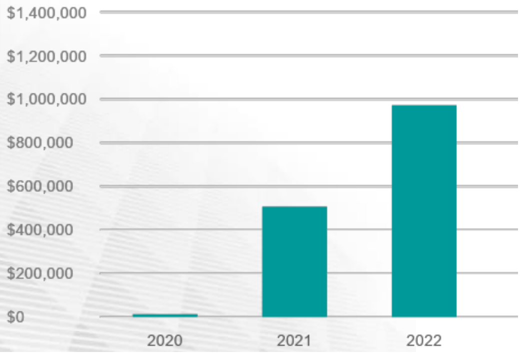
Legal department

Multiple divisions and departments

Initial business challenge / solution:

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

ACCOUNT ARR GROWTH



EXPANSION JOURNEY

2019 Initial user of EU data

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

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

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

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

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

Potential growth opportunities:

Additional countries, issue area coverage and other business units

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Enterprise Customer Journey: Case Study

Global Technology Company

FiscalNote Value:

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

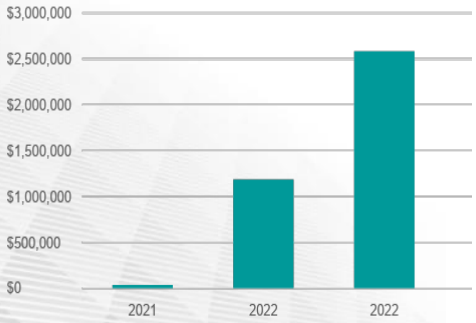
Buyers:

Global Affairs and Public Policy Manager

Initial business challenge / solution:

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

ACCOUNT ARR GROWTH



EXPANSION JOURNEY

- **2021** Small user of FiscalNote congressional information
- **2022** FiscalNote selected by public policy team to implement a global policy monitoring solution across 20 countries (trial solution)
- **2022** Expanded the types of policies monitored, categories of information and jurisdictions and other relevant elements (e.g. likelihood of passage, products impacted)
- **2023** Expanded attribute list for 13 issues across 35 countries (a 15 country upsell). Customized reporting and dashboards to meet demands of various stakeholders

Potential growth opportunities:

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

FiscalNote

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

Proven Strategies

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

Key Winning Factors

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

Criteria

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

Proven Playbook for Integration

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

Key Statistics

17

Acquisitions since 2015[1]

3

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

(1) Statistic as of March 31, 2024.

Category Creator

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

Legal and Policy

FiscalNote

Finance

S&P Capital IQ

Bloomberg

FactSet

EV/24 Rev Multiple*: 9.3x

Sector – Specific Info Services

Clarivate

CoStar Group

tyler technologies

Definitive Healthcare

EV/24 Rev Multiple*: 7.9x

Related M&A Transactions

Adenza → Nasdaq

Avalara → Vista Equity Partners

Rev Multiple at transaction: 10-17x

Other related M&A Transactions

OpenGov → Cox Enterprises, Inc.

casetext → Thomson Reuters

fastcase → Oakley Capital

vLex → BainCapital

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

Q1 2024 Financials

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Q1 2024 Financial Summary

FINANCIAL HIGHLIGHTS

Total Revenues	Gross Profit	Net Income	Adjusted Gross Profit[1]	Adjusted EBITDA[1]	Cash[2]
$32.1M (+2% YoY)	**$24.9M** (77% gross margin)	**$50.6M**	**$27.3M** (85% adjusted gross margin)	**$1.2M** (4% adjusted EBITDA margin)	**$43.6M**

(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 March 31, 2024 and inclusive of short-term investments.

Q1 2024 Financial Summary

KEY PERFORMANCE INDICATORS[1]

Run-Rate Revenue (RRR)	Annual Recurring Revenue (ARR)	Net Revenue Retention
$122M	$110M	96%

(1) "Run-Rate Revenue," "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.

Forecast

Full Year 2024

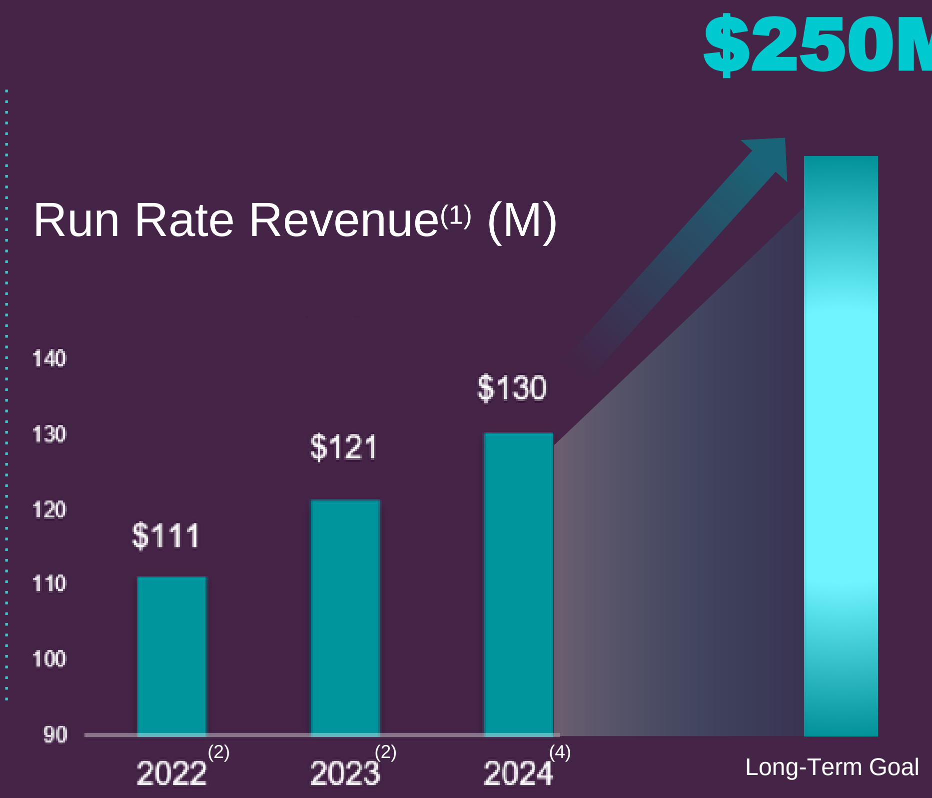
Metric	Forecast as of May 9, 2024	Vs. Prior Guidance Provided on March 12, 2024
Total Revenue	$123M to $127M	UNCHANGED
Run-Rate Revenue[1]	$126M to $134M	UNCHANGED
Adjusted EBITDA[2,3]	$7M to $9M	UNCHANGED

Q2 2024

Metric	Initial Range as of May 9, 2024
Total Revenue	~ $29M
Adjusted EBITDA[2,3]	~ $1M

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

Five-Year Goal



Long-term Profitability Profile

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

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(1) “Run Rate Revenue” or “RRR” is a key performance indicator (KPI). .
(2) 2022 and 2023 shown indicates Run Rate Revenue as reported for businesses owned as of that period excluding board.org which was divested on March 11, 2024 and sunset revenue
(3) Non-GAAP measure. Please see "Non-GAAP Financial Measures" for definitions and important disclosures regarding these financial measures.
(4) Reflects the midpoint of the forecasted range last provided by the Company in its May 9, 2024 press release.

AI Product Strategy

Building the most powerful legal, regulatory, and geopolitical AI assistant and eventually the world's most powerful AI lawyer

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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
- Adjusted EBITDA profitable
- Strong M&A track record with strong returns on capital

Accelerating Our AI Products to Drive Growth

Exploring licensing opportunities to broaden impact

Data and AI Agent Licensing

Launched AI Agents and Copilots blending AI with authoritative information

StressLens	Global Intelligence Copilot	Legislative Copilot (Beta)	*Future Copilots and Agents*

Created Reasoning Platform to facilitate creation of AI Agents adapted for legal, regulatory, and geopolitical

FN AI and LLM Technology Platform

Copilot Creator

FiscalNoteGPT

Partnerships with OpenAI, Microsoft, Google

Developed proprietary technology and deep expertise in aggregating and creating valuable global content and data sets

Proprietary Aggregation of Content and Data Sets

International, federal, state, and local legislation/regulations across 80 countries, 80,000+ cities, all 50 states, every major federal regulatory agency; deep profiles of tens of thousands of policymakers, millions of legislative and regulatory votes, geopolitical and risk information from around the world

Constellation of Skills

Building a powerful legal, regulatory, and geopolitical AI assistant, powered by Generative AI

- Policy Impact Assessment
- Document Q&A
- Contract Review & Analysis
- Geopolitical Risk Assessment
- Regulatory Analysis
- Compliance Monitoring
- Communication Drafting
- Legislative Analysis
- Issue & Trend Reporting

Sample present and future AI skills powering FiscalNote's products to perform domain-specific workflows using generative AI

Why FiscalNote Can Win

Over a decade of building a unique global dataset and AI capabilities

AI and Workflow Expertise: FiscalNote is already the leading provider of AI-powered software for people to understand policy, legislation, and regulations. We have been investing in AI since 2013 with deep embedded workflows and already announced partnerships in 2023 with OpenAI, Microsoft, and Google with FiscalNote's world class AI team.

Decade of Data Accumulation and Content Creation: Developed proprietary technology and deep expertise in aggregating global policy, regulatory, geopolitical, economic and related data sets. Acquired, created and continue to add to our library of proprietary, high quality, and authoritative data for legal, regulatory and global intelligence.

Deep Market Insight and Distribution: Leveraging FiscalNote distribution of Fortune 500s, governments, and NGO's to bring new customer-driven AI capabilities.

FiscalNote's AI Master Plan

Building the future of AI solutions for law and strategic risk

1. **Build the Data Foundation:** Aggregate, clean, and structure a massive repository of legislative, regulatory, and geopolitical information
2. **Develop and Launch AI Solutions:** Create AI Copilots and Agents that integrate this data to drive customer value and enhance decision-making for existing customers.
3. **Develop and Launch *More* AI Solutions:** Expand AI Copilots and Agents to new markets and sectors.
4. **License and Co-Sell AI Technology:** Partner with other industry players to extend the reach and functionality of our AI solutions.

Key Takeaways

1. FiscalNote already a leading provider of AI-powered sector-specific, information, and analytics for the legal, regulatory, and policy industry
2. Invested the last 10 years to create a deep reservoir of technical expertise, world-class team, proprietary data and analytical tools
3. Launched FiscalNoteGPT and Co-Pilot Creator to rapidly accelerate creation of AI Agents and Co-Pilots without incremental R&D expenses
4. Exploring opportunity to license data to LLMs and white label AI Co-Pilots to other verticals
5. Accelerating our AI offerings to broad distribution of thousands of customers / extensive sales and customer support in N. America, Europe, and APAC to accelerate revenue growth and improve retention

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Q&A Session

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Addendum

Non-GAAP Financial Measures

Non-GAAP Financial Measures

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

Adjusted 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.

Q1 2024 - Reconciliation to non-GAAP measures

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 March 31,	
($ in thousands)	**2024**	**2023**
Total Revenue	$ 32,112	$ 31,529
Costs of revenue	(7,244)	(8,937)
Amortization of intangible assets	2,428	2,597
Adjusted Gross Profit	**$ 27,296**	**$ 25,189**
Adjusted Gross Profit Margin	*85%*	*80%*

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Q1 2024 - Reconciliation to non-GAAP measures

EBITDA, Adjusted EBITDA, and Adjusted EBITDA Margin

	Three Months Ended March 31,	
($ in thousands)	**2024**	**2023**
Net loss	$ 50,599	$ (19,273)
Income tax provision	1,426	30
Depreciation and amortization	5,417	5,747
Interest expense, net	7,362	6,681
EBITDA	**64,804**	**(6,815)**
Gain on sale (a)	(71,599)	-
Stock-based compensation	6,175	6,506
Change in fair value of financial instruments (b)	527	(14,680)
Other non-cash charges (c)	45	5,873
Acquisition and disposal related costs (d)	704	1,222
Employee severance costs (e)	107	369
Non-capitalizable debt raising costs	254	206
Business Combination with DSAC (f)	-	184
Loss contingency (g)	-	168
Costs incurred related to the Special Committee (h)	200	-
Adjusted EBITDA	**$ 1,217**	**$ (6,967)**
Adjusted EBITDA Margin	*4%*	*(22)%*

(a) Reflects the gain on disposal from the sale of Board.org on March 11, 2024.

(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 $49 in the first quarter of 2024 related to the unrealized loss on investments;
- (ii) 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
- (iii) impairment of goodwill of $5,837 in the first quarter of 2023,
- (iv) loss from equity method investment of $34 in the first quarter of 2023; and
- (v) charge of $2 in the first quarter of 2023 from the change in fair value related to the contingent consideration and contingent compensation related to the 2021, 2022, and 2023 Acquisitions.

(c) In 2024 reflects the costs incurred related to the sale of Board.org, principally consisting of accounting, tax, and legal fees. In 2023 reflects the costs incurred to identify, consider, and complete business combination transactions consisting of advisory, legal, and other professional and consulting costs.

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

(e) Includes non-capitalizable transaction costs incurred within one year of the Business Combination with DSAC.

(f) Reflects accounting and legal costs incurred associated with the settlement with GPO FN Noteholder LLC totaling $168 in the first quarter of 2023.

(g) Reflects costs incurred related to the Special Committee..

FiscalNote

Equity Capital - Fully Diluted Shares

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

Common Stock		$1.33	$5.50	$7.50	$10.50	$12.50	$15.00	$20.00	$25.00
Public Class A	*Shares held by Affiliates*	44.1	44.1	44.1	44.1	44.1	44.1	44.1	44.1
	Shares held by Other Shareholders	78.6	78.6	78.6	78.6	78.6	78.6	78.6	78.6
Class B - Co-Founders Only		8.3	8.3	8.3	8.3	8.3	8.3	8.3	8.3
Subtotal		**131.0**	**131.0**	**131.0**	**131.0**	**131.0**	**131.0**	**131.0**	**131.0**
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)		2.7	0.8	0.7	0.5	0.5	0.4	0.4	0.4
Employee RSUs and Options (iii)		5.6	9.2	11.1	12.5	13.0	13.5	14.2	14.5
Subtotal		**8.3**	**10.1**	**11.7**	**16.9**	**21.2**	**25.5**	**29.9**	**34.1**
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)		2.4	2.4	2.4	2.4	2.4	2.4	2.4	2.4
New GPO Note (vi)		6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0
Subtotal		**8.5**	**8.6**	**9.1**	**15.8**	**17.8**	**18.8**	**20.2**	**21.0**
TOTAL AS OF 3/31/2024		**147.8**	**149.6**	**151.8**	**163.7**	**170.0**	**175.4**	**181.1**	**186.1**

Note: All dilutive shares outstanding are prepared on the treasury stock method based on the Company's closing stock price and shares outstanding at March 31, 2024.

(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 March 31, 2024. RSUs generally vest over three years and Options generally vest over four years. Options calculated utilizing weighted average strike price pursuant to the treasury stock method.

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

(v) Represent shares issuable upon conversion of $14.5mm legacy convertible notes that did not convert as part of the Business Combination. These convertible notes mature in 2025 and accrue interest at 15% annually.

(vi) Represent shares issuable upon conversion of the New GPO Note. The New GPO Note has an initial principal value of $46.8mm, accrues PIK interest for the first four quarters at 7.50% and is convertible by the holder at any time at a conversion price of $8.28 (subject to anti-dilution adjustments, as applicable).

Note: Does not reflect (a) GBP 9.0mm of Dragonfly Convertible Notes that were issued in January 2023 and are not convertible by the holder until July 2024; (b) $6.3mm of Era Convertible Notes that were issued on December 8, 2023 and January 5, 2024 and are not convertible by the holder until June 2024, and (c) Additional Fee Shares deliverable pursuant to the Co-Pilot Agreement.

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

Contact

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