

Q4 2025 Earnings Call Presentation

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Disclaimer.

In this presentation, we may make statements related to our business that are forward-looking statements under federal securities laws and are made pursuant to the Safe Harbor provisions of the Private Securities Litigation Reform Act of 1995, including statements related to our financial results, trends and guidance for the first quarter and full year 2026, the impact of macroeconomic changes, the benefits of our platform, industry and market trends, our go-to-market and growth strategy, our market opportunity and ability to expand our leadership position, our ability to maintain and upsell existing customers, and our ability to acquire new customers. The words “anticipate,” “continue,” “estimate,” “expect,” “intend,” “will,” “plan,” and similar expressions are intended to identify forward-looking statements or similar indications of future expectations. These statements reflect our views only as of this presentation and should not be reflected upon as representing our views as of any subsequent date. These statements are subject to a variety of risks and uncertainties that could cause actual results to differ materially from expectations.

For a discussion of the material risks and other important factors that could affect our actual results, please refer to our most recent annual report on Form 10-K, quarterly reports on Form 10-Q, and other filings with the SEC. These documents are also available on our investor section of our website.

Additionally, non-GAAP financial measures will be shared. Refer to the tables included within this presentation as well as in our earnings release and the Investors section of our website for a reconciliation of these measures to their most directly comparable GAAP financial measures.

Q4 2025 Highlights.

Revenue

- Cloud subscriptions revenue was \$117.0 million in Q4 2025 (+18% Y/Y)
- Subscriptions revenue was \$162.3 million in Q4 2025 (+19% Y/Y)
- Total revenue was \$202.9 million in Q4 2025 (+22% Y/Y)

Non-GAAP Gross Margins*

- Subscriptions gross margin was 86%.
- Professional services gross margin was 23%.
- Overall gross margin was 73%.

Profitability

- Q4 2025 adjusted EBITDA was \$19.7 million.

Full Year 2025 Highlights.

Revenue

- Cloud subscriptions revenue was \$437.4 million in Q4 2025 (+19% Y/Y)
- Subscriptions revenue was \$576.5 million in Q4 2025 (+18% Y/Y)
- Total revenue was \$726.9 million in Q4 2025 (+18% Y/Y)

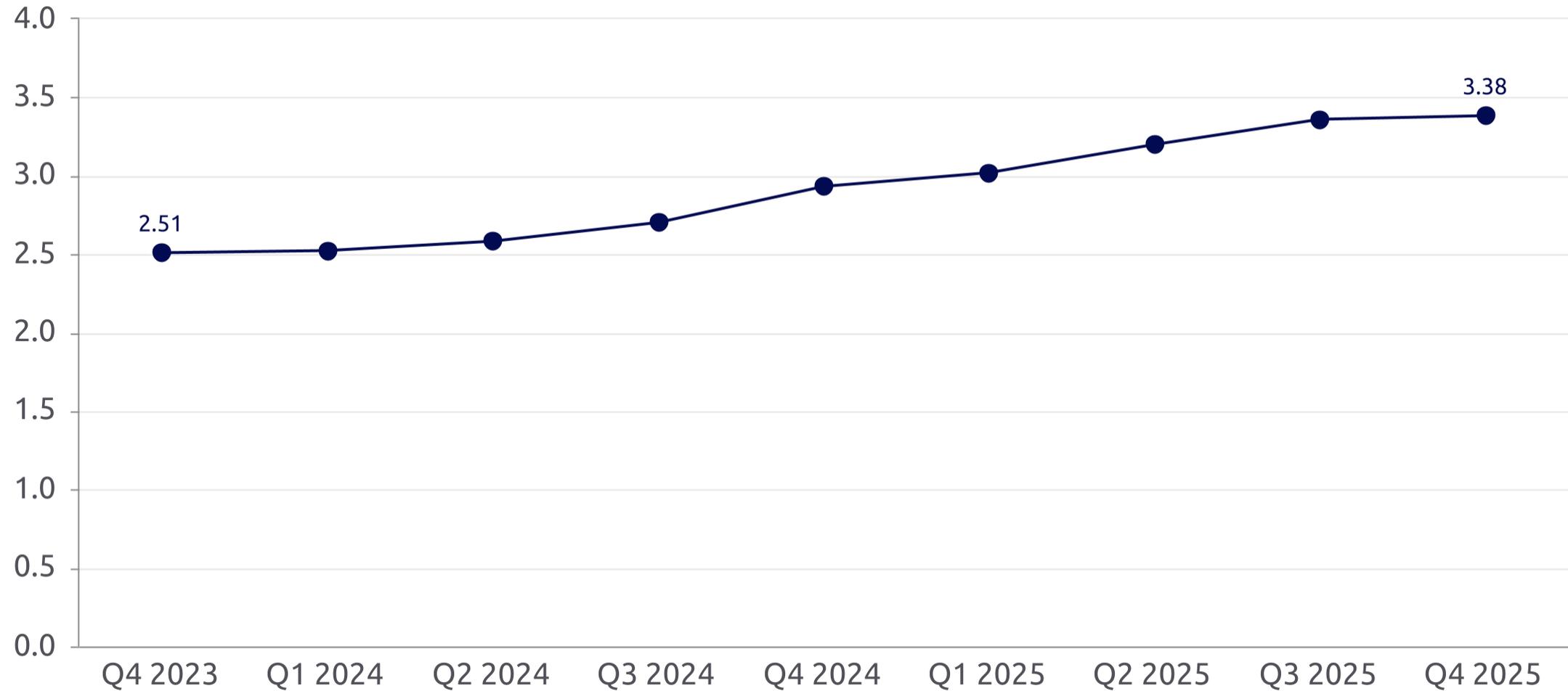
Non-GAAP Gross Margins*

- Subscriptions gross margin was 86%.
- Professional services gross margin was 27%.
- Overall gross margin was 73%.

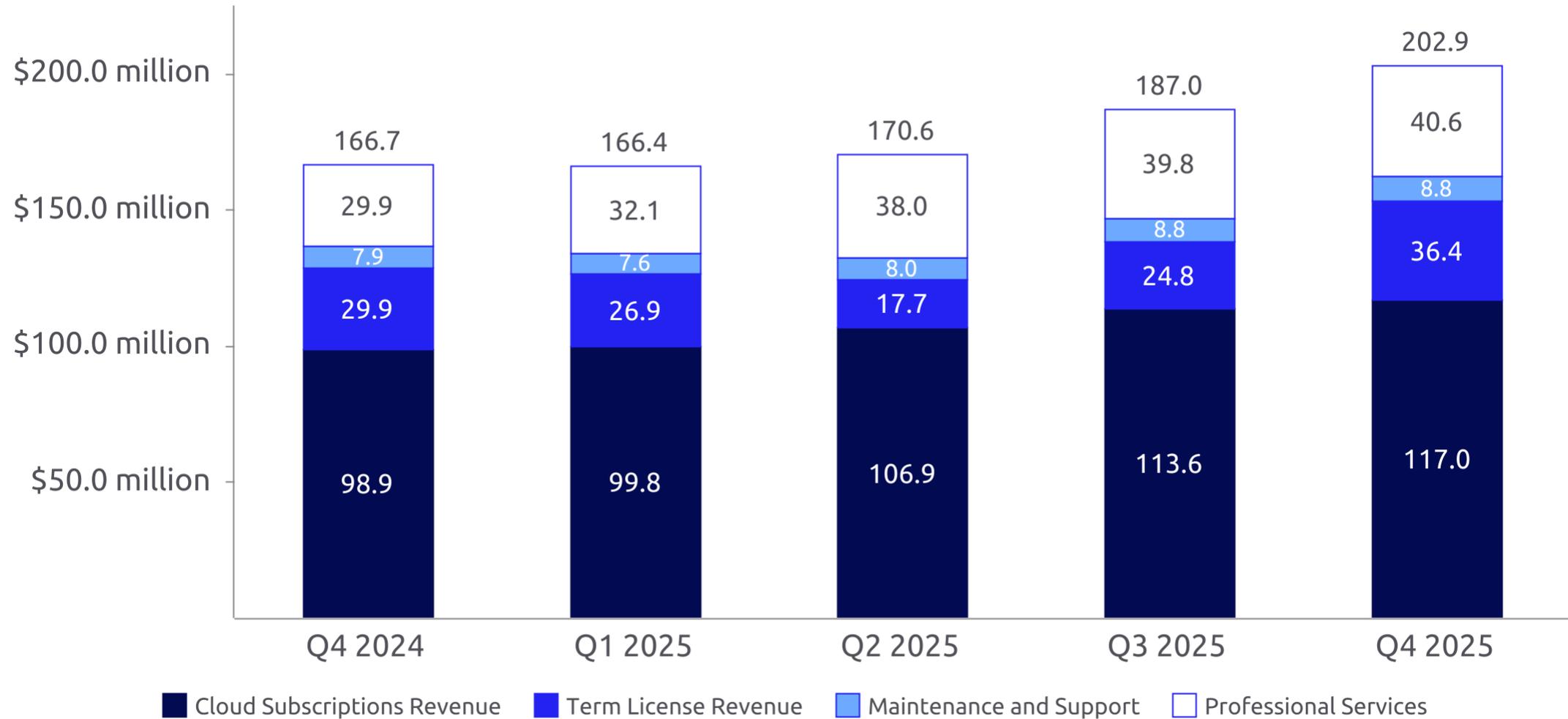
Profitability

- Q4 2025 adjusted EBITDA was \$76.8 million.

GTM Productivity.

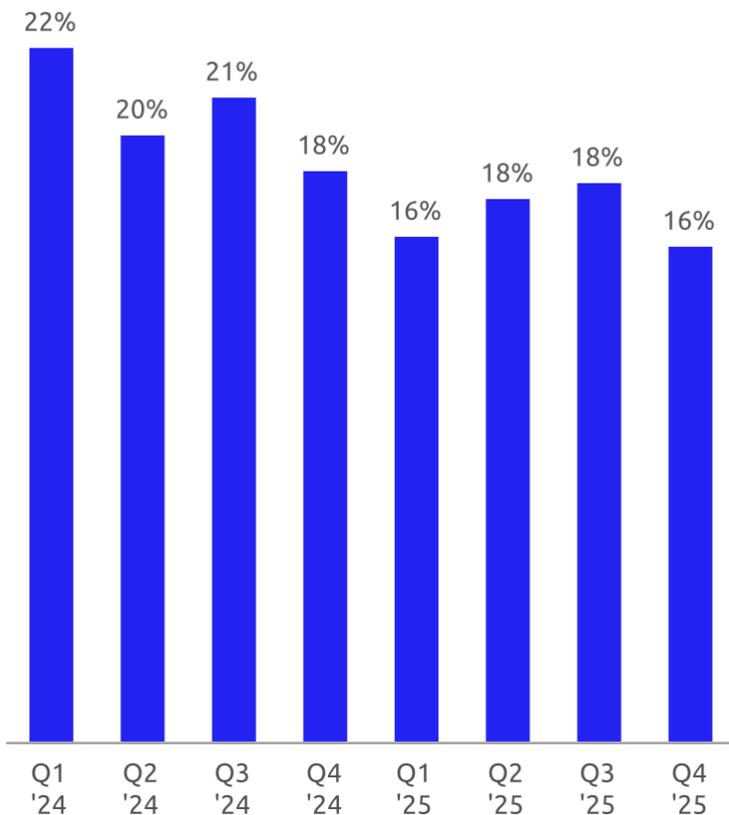


Total Revenue.*

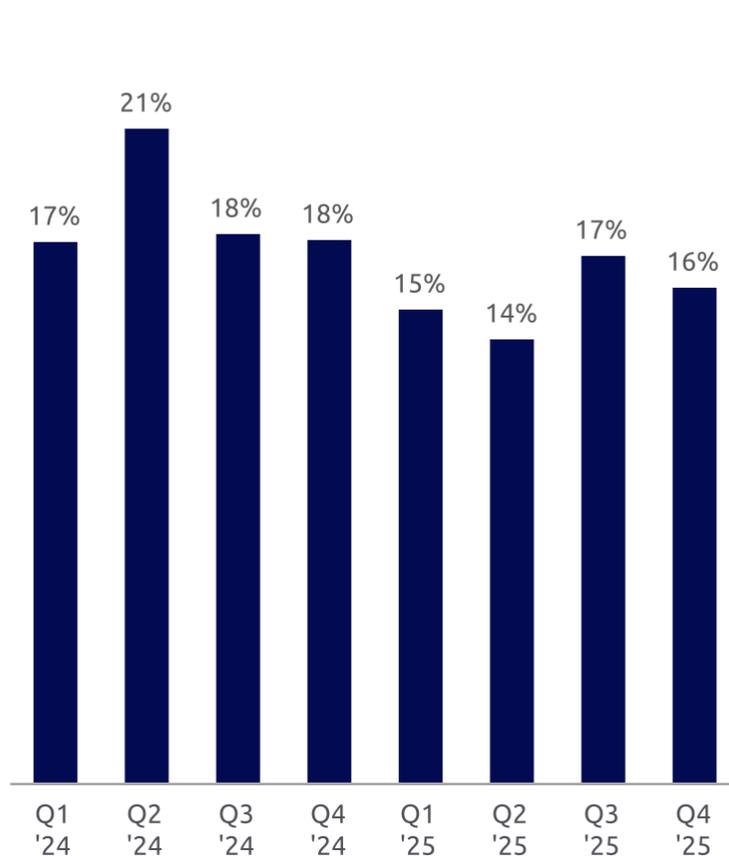


Constant Currency Revenue Growth Rates.

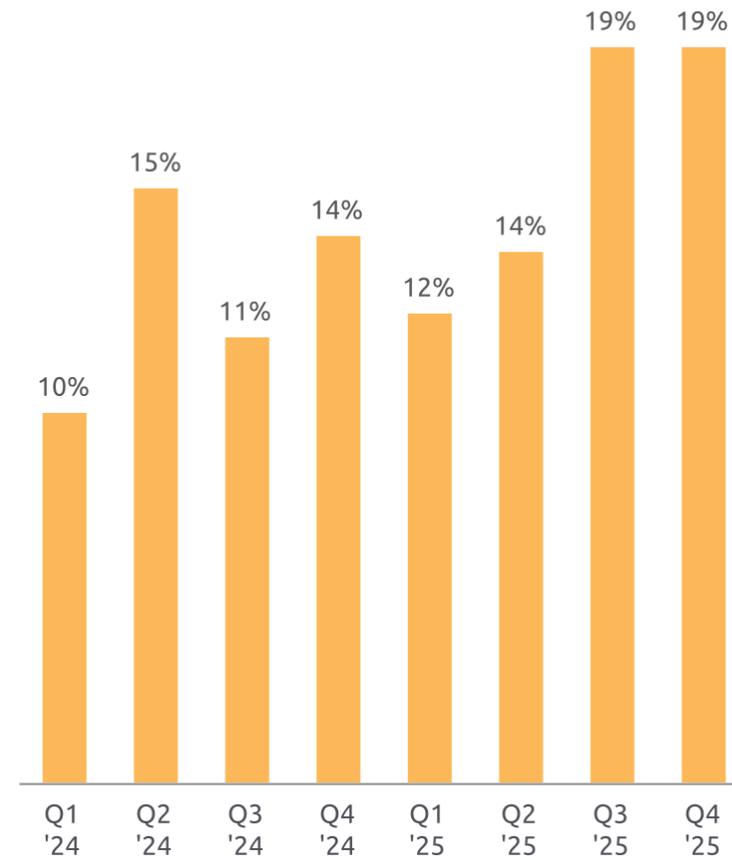
Cloud Revenue



Subscriptions Revenue

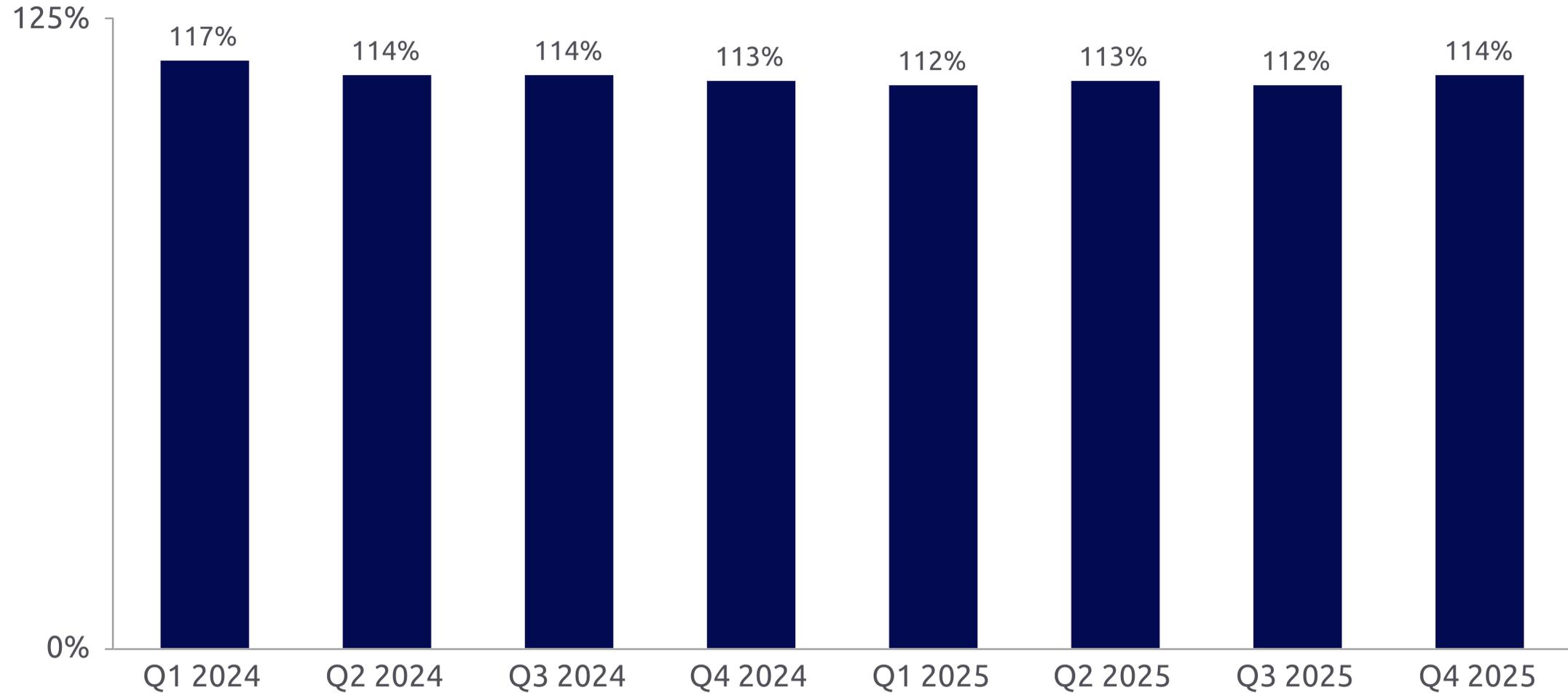


Total Revenue



Growth on a constant currency basis is calculated by translating revenue in the current period using the comparable prior year exchange rates.

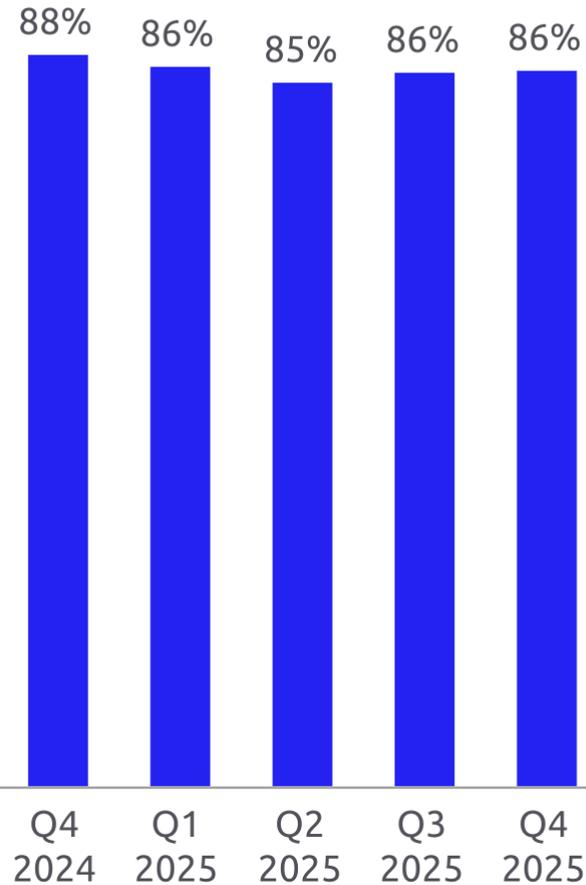
Cloud Net ARR Expansion.



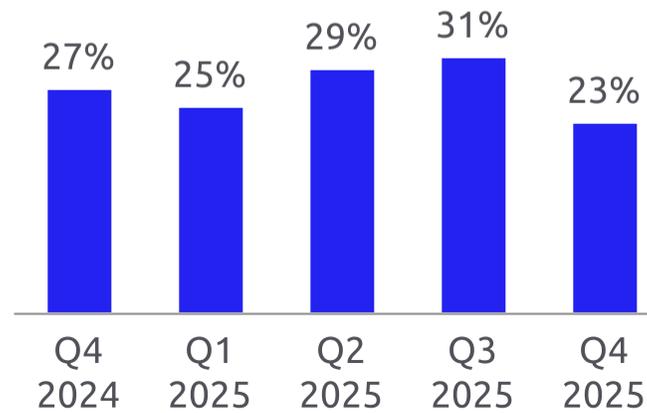
To calculate this metric, we first define ARR on a customer level as monthly recurring cloud subscriptions revenue multiplied by 12. Next, we identify all customers with cloud subscriptions ARR as of the end of the prior year quarter, then calculate cloud subscriptions ARR for that same cohort of customers as of the end of the current quarter. The current quarter's total divided by the prior quarter's total represents cloud net ARR expansion.

Non-GAAP Gross Margins.*

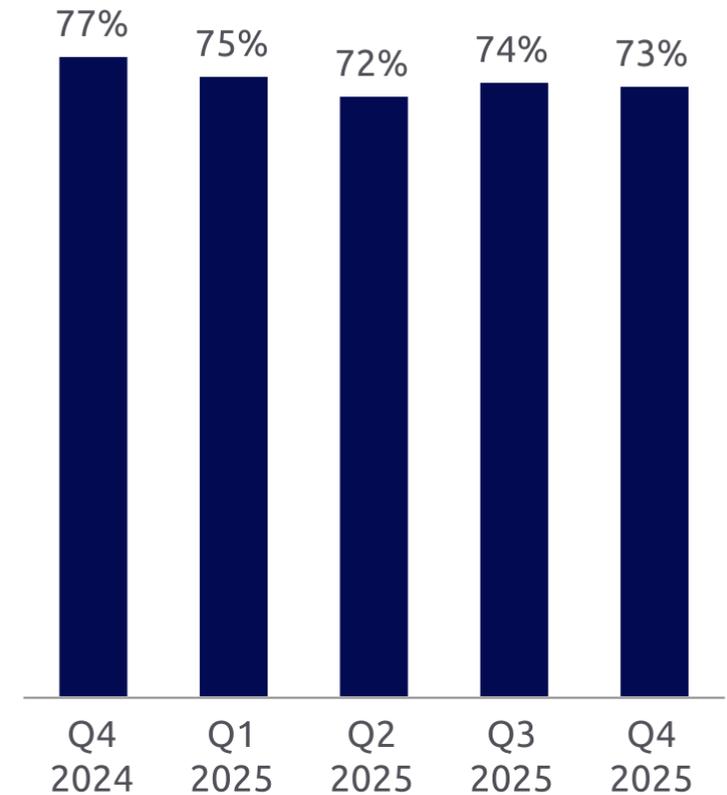
Subscriptions



Professional Services



Overall



Guidance.

Given on February 19, 2026

(in millions, except for EPS)	Q1 2026			Full Year 2026		
Cloud Subscriptions Revenue	\$119.0	–	\$121.0	\$502.0	–	\$510.0
Cloud Subscriptions Revenue Growth YoY	19%	–	21%	15%	–	17%
Total Revenue	\$189.0	–	\$193.0	\$801.0	–	\$817.0
Total Revenue Increase YoY	14%	–	16%	10%	–	12%
Adjusted EBITDA	\$19.0	–	\$22.0	\$89.0	–	\$99.0
Non-GAAP Diluted Earnings per Share*	\$0.16	–	\$0.20	\$0.82	–	\$0.96

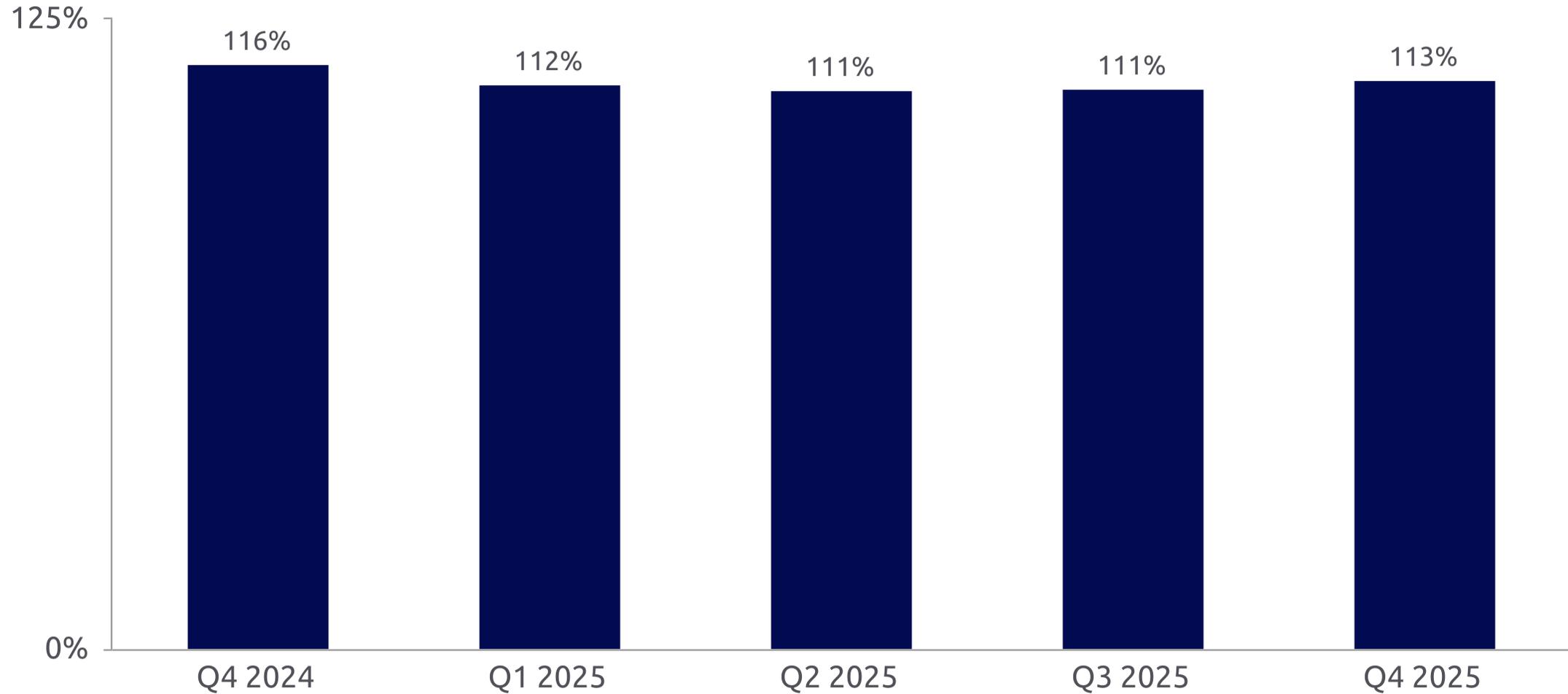
Appendix

Cloud Gross Renewal Rate.

	Q1	Q2	Q3	Q4
2022	99%	99%	99%	99%
2023	98%	98%	97%	98%
2024	99%	99%	99%	99%
2025	99%	98%	98%	98%

Calculated by dividing the aggregate recurring cloud subscriptions revenue in the current trailing 12-month period by the aggregate recurring cloud subscriptions revenue from the previous trailing 12-month period. The calculation includes the impact of customers that churned during the current trailing 12-month period but excludes the impact of price increases, upsells, and downsells during the same period.

Cloud Subscriptions Revenue Retention Rate.



Calculated by dividing the aggregate recurring cloud subscriptions revenue in the current trailing 12-month period by the aggregate recurring cloud subscriptions revenue from the previous trailing 12-month period. This calculation includes the combined impact on our revenue from customer churn, upsells, downsells, pricing changes, and growth in the number of users on our platform.

Summary of Cost Reclassifications

Overview

For the year ended December 31, 2025, the Company reclassified certain information technology, cybersecurity and facility operating expenses from general and administrative expenses to cost of revenue, research and development, and sales and marketing expense. Prior year amounts have been reclassified to conform to the current period presentation. The revised presentation did not result in any changes to previously reported revenues, operating income (loss), income (loss) before income taxes, net income (loss), or earnings (loss) per share.

The subsequent slides present our revised GAAP and non-GAAP presentations along with reconciliations of Non-GAAP measures.

GAAP Basis - Revised

	<u>Q4 2025</u>	<u>Q3 2025</u>	<u>Q2 2025</u>	<u>Q1 2025</u>	<u>Q4 2024</u>	<u>Q3 2024</u>	<u>Q2 2024</u>	<u>Q1 2024</u>	<u>Q4 2023</u>	<u>Q3 2023</u>	<u>Q2 2023</u>	<u>Q1 2023</u>
Cost of revenue subscriptions												
Reported	\$23,093	\$17,762	\$17,154	\$14,894	\$13,873	\$14,082	\$13,262	\$12,270	\$11,071	\$11,265	\$10,779	\$10,448
Adjustment	—	3,905	3,553	3,627	2,901	2,972	3,130	3,190	2,831	2,840	2,776	2,890
Revised	23,093	21,667	20,707	18,521	16,774	17,054	16,392	15,460	13,902	14,105	13,555	13,338
Cost of revenue professional services												
Reported	32,808	27,531	26,767	24,024	21,812	23,002	26,151	25,727	23,244	24,804	26,066	25,645
Adjustment	—	1,506	1,480	1,495	1,397	1,430	1,506	1,535	1,419	1,424	1,392	1,448
Revised	32,808	29,037	28,247	25,519	23,209	24,432	27,657	27,262	24,663	26,228	27,458	27,093
Sales and marketing												
Reported	69,145	51,918	60,458	54,553	55,272	50,865	66,592	58,156	61,043	55,667	62,581	63,090
Adjustment	—	1,656	1,699	1,757	1,801	1,845	1,943	1,980	1,895	1,901	1,858	1,933
Revised	69,145	53,574	62,157	56,310	57,073	52,710	68,535	60,136	62,938	57,568	64,439	65,023
Research and development												
Reported	45,142	40,263	40,347	39,517	37,188	38,572	39,446	39,771	34,596	37,135	39,743	41,624
Adjustment	—	2,298	2,308	2,313	2,005	2,052	2,162	2,204	1,829	1,834	1,793	1,866
Revised	45,142	42,561	42,655	41,830	39,193	40,624	41,608	41,975	36,425	38,969	41,536	43,490
General and administrative												
Reported	33,366	36,416	36,898	34,272	33,507	34,688	40,193	33,446	32,193	23,440	29,208	29,694
Adjustment	—	(9,365)	(9,040)	(9,192)	(8,104)	(8,299)	(8,741)	(8,909)	(7,974)	(7,999)	(7,819)	(8,137)
Revised	\$33,366	\$27,051	\$27,858	\$25,080	\$25,403	\$26,389	\$31,452	\$24,537	\$24,219	\$15,441	\$21,389	\$21,557

Non-GAAP Basis - Summary

The table below summarizes our revised non-GAAP expenses by quarter (in thousands). Refer to the subsequent slides for the complete quarterly reconciliations of revised GAAP measures to revised non-GAAP measures.

	<u>Q4 2025</u>	<u>Q3 2025</u>	<u>Q2 2025</u>	<u>Q1 2025</u>	<u>Q4 2024</u>	<u>Q3 2024</u>	<u>Q2 2024</u>	<u>Q1 2024</u>	<u>Q4 2023</u>	<u>Q3 2023</u>	<u>Q2 2023</u>	<u>Q1 2023</u>
Cost of revenue												
Subscriptions	\$ 22,618	\$ 21,248	\$ 20,289	\$ 18,023	\$ 16,379	\$ 16,649	\$ 15,973	\$ 15,041	\$ 13,499	\$ 13,701	\$ 13,120	\$ 12,860
Professional services	31,325	27,589	26,847	24,063	21,847	23,043	24,731	25,616	23,134	24,613	25,880	25,303
Total cost of revenue	53,943	48,837	47,136	42,086	38,226	39,692	40,704	40,657	36,633	38,314	39,000	38,163
Operating expenses												
Sales and marketing	66,926	51,692	60,070	54,064	55,082	50,883	62,510	57,516	60,461	54,216	60,567	58,740
Research and development	42,097	39,570	39,298	38,816	36,256	37,588	38,591	38,883	33,311	35,939	37,740	39,544
General and administrative	22,486	17,143	18,530	17,147	18,424	17,603	17,718	16,462	16,309	16,307	17,480	16,952
Total operating expenses	131,509	108,405	117,898	110,027	109,762	106,074	118,819	112,861	110,081	106,462	115,787	115,236

Non-GAAP Basis - Cost of Revenue

	Q4 2025	Q3 2025	Q2 2025	Q1 2025	Q4 2024	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023
Cost of revenue subscriptions												
GAAP Measure (Revised)	\$ 23,093	\$ 21,667	\$ 20,707	\$ 18,521	\$ 16,774	\$ 17,054	\$ 16,392	\$ 15,460	\$ 13,902	\$ 14,105	\$ 13,555	\$ 13,338
Stock-Based Compensation (Revised)	(475)	(419)	(418)	(498)	(395)	(405)	(419)	(419)	(403)	(404)	(416)	(467)
Severance Costs	—	—	—	—	—	—	—	—	—	—	(19)	(11)
Non-GAAP Measure (Revised)	\$ 22,618	\$ 21,248	\$ 20,289	\$ 18,023	\$ 16,379	\$ 16,649	\$ 15,973	\$ 15,041	\$ 13,499	\$ 13,701	\$ 13,120	\$ 12,860
Cost of revenue professional services												
GAAP Measure (Revised)	\$ 32,808	\$ 29,037	\$ 28,247	\$ 25,519	\$ 23,209	\$ 24,432	\$ 27,657	\$ 27,262	\$ 24,663	\$ 26,228	\$ 27,458	\$ 27,093
Stock-Based Compensation (Revised)	(1,483)	(1,448)	(1,400)	(1,456)	(1,362)	(1,389)	(1,528)	(1,646)	(1,529)	(1,615)	(1,543)	(1,667)
Severance Costs	—	—	—	—	—	—	(1,398)	—	—	—	(35)	(123)
Non-GAAP Measure (Revised)	\$ 31,325	\$ 27,589	\$ 26,847	\$ 24,063	\$ 21,847	\$ 23,043	\$ 24,731	\$ 25,616	\$ 23,134	\$ 24,613	\$ 25,880	\$ 25,303

Non-GAAP Basis - Operating Expenses

	Q4 2025	Q3 2025	Q2 2025	Q1 2025	Q4 2024	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023
Sales and marketing												
GAAP Measure (Revised)	\$ 69,145	\$ 53,574	\$ 62,157	\$ 56,310	\$ 57,073	\$ 52,710	\$ 68,535	\$ 60,136	\$ 62,938	\$ 57,568	\$ 64,439	\$ 65,023
Stock-Based Compensation (Revised)	(2,219)	(1,882)	(2,087)	(2,246)	(1,991)	(1,827)	(2,088)	(2,620)	(2,477)	(3,352)	(2,866)	(2,552)
Severance Costs	—	—	—	—	—	—	(3,937)	—	—	—	(1,006)	(3,731)
Non-GAAP Measure (Revised)	\$ 66,926	\$ 51,692	\$ 60,070	\$ 54,064	\$ 55,082	\$ 50,883	\$ 62,510	\$ 57,516	\$ 60,461	\$ 54,216	\$ 60,567	\$ 58,740
Research and development												
GAAP Measure (Revised)	\$ 45,142	\$ 42,561	\$ 42,655	\$ 41,830	\$ 39,193	\$ 40,624	\$ 41,608	\$ 41,975	\$ 36,425	\$ 38,969	\$ 41,536	\$ 43,490
Stock-Based Compensation (Revised)	(3,045)	(2,991)	(3,357)	(3,014)	(2,937)	(3,036)	(3,012)	(3,092)	(3,114)	(3,030)	(2,998)	(3,722)
Severance Costs	—	—	—	—	—	—	(5)	—	—	—	(798)	(224)
Non-GAAP Measure (Revised)	\$ 42,097	\$ 39,570	\$ 39,298	\$ 38,816	\$ 36,256	\$ 37,588	\$ 38,591	\$ 38,883	\$ 33,311	\$ 35,939	\$ 37,740	\$ 39,544
General and administrative												
GAAP Measure (Revised)	33,366	27,051	27,858	25,080	25,403	26,389	31,452	24,537	24,219	15,441	21,389	21,557
Stock-Based Compensation (Revised)	(3,326)	(3,520)	(3,431)	(2,825)	(2,349)	(2,848)	(2,853)	(2,829)	(2,649)	(2,610)	(3,325)	(2,648)
Litigation Expenses	(4,083)	(2,130)	(2,482)	(1,712)	(1,160)	(1,979)	(721)	(742)	(708)	4,961	(347)	(1,842)
Severance Costs	—	—	—	—	—	—	(194)	—	—	—	(237)	(115)
JPI Amortization	(3,153)	(3,153)	(3,118)	(3,084)	(3,152)	(3,635)	(4,504)	(4,504)	(4,553)	(1,485)	—	—
Lease Impairment and Lease-Related Charges	(318)	(1,105)	(297)	(312)	(318)	(324)	(5,462)	—	—	—	—	—
Non-GAAP Measure (Revised)	\$ 22,486	\$ 17,143	\$ 18,530	\$ 17,147	\$ 18,424	\$ 17,603	\$ 17,718	\$ 16,462	\$ 16,309	\$ 16,307	\$ 17,480	\$ 16,952

Balance Sheet.

\$ in thousands

Assets

Cash and cash equivalents
 Short-term investments and marketable securities
 Accounts receivable, net of allowance
 Deferred commissions, current
 Prepaid expenses and other current assets
 Property and equipment, net
 Goodwill
 Intangible assets, net of accumulated amortization
 Right-of-use assets for operating leases
 Deferred commissions, net of current portion
 Other assets

Total assets

Liabilities and Stockholders' Deficit

Accounts payable and accrued expenses
 Accrued compensation and related benefits
 Deferred revenue, current
 Debt, current
 Operating lease liabilities, current
 Long-term debt
 Non-current operating lease liabilities
 Deferred revenue, non-current
 Other current and non-current liabilities

Total liabilities

Stockholders' deficit

Common stock
 Treasury stock
 Additional paid-in capital
 Accumulated other comprehensive loss
 Accumulated deficit

Total stockholders' deficit

Total liabilities and stockholders' deficit

	As of	
	December 31, 2025	December 31, 2024
	(unaudited)	
\$	135,810	\$ 118,552
	51,415	41,308
	255,063	195,069
	35,166	36,630
	41,970	43,984
	32,087	37,109
	28,811	25,555
	1,246	2,240
	28,075	31,081
	65,199	60,540
	16,553	28,971
\$	691,395	\$ 621,039
	25,138	15,710
	61,781	34,223
	341,281	281,760
	9,598	9,598
	13,181	12,378
	231,228	240,826
	45,693	52,189
	8,962	5,477
	1,526	1,518
	738,388	653,679
	7	7
	(16,935)	—
	617,318	591,281
	(36,462)	(11,774)
	(610,921)	(612,154)
	(46,993)	(32,640)
\$	691,395	\$ 621,039

Income Statement.

\$ in thousands, except for per share data

Revenue

Cloud subscriptions
Term license subscriptions
Maintenance and support
Total subscriptions revenue
Professional services

Total revenue

Cost of revenue

Subscriptions
Professional services

Total cost of revenue

Gross profit

Operating expenses

Sales and marketing
Research and development
General and administrative

Total operating expenses

Operating loss

Other non-operating (income) expense

Other (income) expense, net
Interest expense

Total other non-operating expense (income)

(Loss) income before income taxes

Income tax expense

Net (loss) income

(Loss) earnings per share:

Basic
Diluted

Weighted average common shares outstanding:

Basic
Diluted

	Three Months Ended December 31,		Year Ended December 31,	
	2025	2024	2025	2024
	<i>(unaudited)</i>			
Cloud subscriptions	\$ 117,024	\$ 98,924	\$ 437,361	\$ 368,030
Term license subscriptions	36,420	29,925	105,849	92,188
Maintenance and support	8,821	7,930	33,252	30,350
Total subscriptions revenue	162,265	136,779	576,462	490,568
Professional services	40,602	29,906	150,475	126,454
Total revenue	202,867	166,685	726,937	617,022
Subscriptions	23,093	16,774	83,988	65,680
Professional services	32,808	23,209	115,611	102,560
Total cost of revenue	55,901	39,983	199,599	168,240
Gross profit	146,966	126,702	527,338	448,782
Operating expenses				
Sales and marketing	69,145	57,073	241,186	238,454
Research and development	45,142	39,193	172,188	163,400
General and administrative	33,366	25,403	113,355	107,781
Total operating expenses	147,653	121,669	526,729	509,635
Operating loss	(687)	5,033	609	(60,853)
Other non-operating (income) expense				
Other (income) expense, net	(2,007)	12,655	(26,685)	6,773
Interest expense	4,902	5,661	20,850	23,582
Total other non-operating expense (income)	2,895	18,316	(5,835)	30,355
(Loss) income before income taxes	(3,582)	(13,283)	6,444	(91,208)
Income tax expense	1,521	364	5,211	1,054
Net (loss) income	\$ (5,103)	\$ (13,647)	\$ 1,233	\$ (92,262)
(Loss) earnings per share:				
Basic	\$ (0.07)	\$ (0.18)	\$ 0.02	\$ (1.26)
Diluted	\$ (0.07)	\$ (0.18)	\$ 0.02	\$ (1.26)
Weighted average common shares outstanding:				
Basic	73,895	73,953	74,049	72,988
Diluted	73,895	73,953	74,649	72,988

Stock-Based Compensation Expense.

<i>\$ in thousands</i>	Three Months Ended December 31,		Year Ended December 31,	
	2025	2024	2025	2024
	<i>(unaudited)</i>			
Cost of revenue				
Subscriptions	\$ 475	\$ 395	\$ 1,810	\$ 1,638
Professional services	1,483	1,362	5,787	5,925
Operating expenses				
Sales and marketing	2,219	1,991	8,434	8,526
Research and development	3,045	2,937	12,407	12,077
General and administrative	3,326	2,349	13,102	10,879
Total stock-based compensation expense	<u>\$ 10,548</u>	<u>\$ 9,034</u>	<u>\$ 41,540</u>	<u>\$ 39,045</u>

Reconciliation of GAAP to Non-GAAP Measures.

unaudited, \$ in thousands

	GAAP Measure	Stock-Based Compensation	Litigation Expense	JPI Amortization	Lease Impairment and Lease-Related Charges	Unrealized Foreign Exchange Rate Gains and Losses	Non-GAAP Measure
Three Months Ended December 31, 2025							
Subscriptions cost of revenue	\$ 23,093	\$ (475)	\$ —	\$ —	\$ —	\$ —	\$ 22,618
Professional services cost of revenue	32,808	(1,483)	—	—	—	—	31,325
Total cost of revenue	55,901	(1,958)	—	—	—	—	53,943
Sales and marketing expense	69,145	(2,219)	—	—	—	—	66,926
Research and development expense	45,142	(3,045)	—	—	—	—	42,097
General and administrative expense	33,366	(3,326)	(4,083)	(3,153)	(318)	—	22,486
Total operating expense	147,653	(8,590)	(4,083)	(3,153)	(318)	—	131,509
Operating (loss) income	(687)	10,548	4,083	3,153	318	—	17,415
Non-operating expense	2,895	—	—	—	—	1,060	3,955
Income tax impact of above items	1,521	183	—	—	—	618	2,322
Net (loss) income	(5,103)	10,365	4,083	3,153	318	(1,678)	11,138
Net (loss) income per share, basic and diluted	\$ (0.07)	\$ 0.14	\$ 0.05	\$ 0.04	\$ —	\$ (0.02)	\$ 0.15

Reconciliation of GAAP to Non-GAAP Measures.

unaudited, \$ in thousands

	GAAP Measure	Stock-Based Compensation	Litigation Expense	JPI Amortization	Lease Impairment and Lease-Related Charges	Unrealized Foreign Exchange Rate Gains and Losses	Non-GAAP Measure
Three Months Ended December 31, 2024							
Subscriptions cost of revenue	\$ 16,774	\$ (395)	\$ —	\$ —	\$ —	\$ —	\$ 16,379
Professional services cost of revenue	23,209	(1,362)	—	—	—	—	21,847
Total cost of revenue	39,983	(1,757)	—	—	—	—	38,226
Sales and marketing expense	57,073	(1,991)	—	—	—	—	55,082
Research and development expense	39,193	(2,937)	—	—	—	—	36,256
General and administrative expense	25,403	(2,349)	(1,160)	(3,152)	(318)	—	18,424
Total operating expense	121,669	(7,277)	(1,160)	(3,152)	(318)	—	109,762
Operating income	5,033	9,034	1,160	3,152	318	—	18,697
Non-operating expense	18,316	—	—	—	—	(13,840)	4,476
Income tax impact of above items	364	241	—	—	—	398	1,003
Net (loss) income	(13,647)	8,793	1,160	3,152	318	13,442	13,218
Net (loss) income per share, basic and diluted ^(a)	\$ (0.18)	\$ 0.12	\$ 0.02	\$ 0.04	\$ —	\$ 0.18	\$ 0.18

^(a) Totals do not foot due to rounding.

Reconciliation of GAAP to Non-GAAP Measures.

unaudited, \$ in thousands

	GAAP Measure	Stock-Based Compensation	Litigation Expense	JPI Amortization	Lease Impairment and Lease-Related Charges	Unrealized Foreign Exchange Rate Gains and Losses	Non-GAAP Measure
Year Ended December 31, 2025							
Subscriptions cost of revenue	\$ 83,988	\$ (1,810)	\$ —	\$ —	\$ —	\$ —	\$ 82,178
Professional services cost of revenue	115,611	(5,787)	—	—	—	—	109,824
Total cost of revenue	199,599	(7,597)	—	—	—	—	192,002
Sales and marketing expense	241,186	(8,434)	—	—	—	—	232,752
Research and development expense	172,188	(12,407)	—	—	—	—	159,781
General and administrative expense	113,355	(13,102)	(10,407)	(12,508)	(2,032)	—	75,306
Total operating expense	526,729	(33,943)	(10,407)	(12,508)	(2,032)	—	467,839
Operating income	609	41,540	10,407	12,508	2,032	—	67,096
Non-operating (income) expense	(5,835)	—	—	—	—	21,939	16,104
Income tax impact of above items	5,211	1,308	—	—	—	(1,114)	5,405
Net income (loss)	1,233	40,232	10,407	12,508	2,032	(20,825)	45,587
Net income (loss) per share, basic	\$ 0.02	\$ 0.54	\$ 0.14	\$ 0.17	\$ 0.03	\$ (0.28)	\$ 0.62
Net income (loss) per share, diluted ^(a)	\$ 0.02	\$ 0.54	\$ 0.14	\$ 0.17	\$ 0.03	\$ (0.28)	\$ 0.61

Reconciliation of GAAP to Non-GAAP Measures.

unaudited, \$ in thousands

	GAAP Measure	Stock-Based Compensation	Litigation Expense	JPI Amortization	Severance Costs	Lease Impairment and Lease-Related Charges	Short-Swing Profit Payment	Unrealized Foreign Exchange Rate Gains and Losses	Non-GAAP Measure
Year Ended December 31, 2024									
Subscriptions cost of revenue	\$ 65,680	\$ (1,638)	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 64,042
Professional services cost of revenue	102,560	(5,925)	—	—	(1,398)	—	—	—	95,237
Total cost of revenue	168,240	(7,563)	—	—	(1,398)	—	—	—	159,279
Sales and marketing expense	238,454	(8,526)	—	—	(3,937)	—	—	—	225,991
Research and development expense	163,400	(12,077)	—	—	(5)	—	—	—	151,318
General and administrative expense	107,781	(10,879)	(4,602)	(15,795)	(194)	(6,104)	—	—	70,207
Total operating expense	509,635	(31,482)	(4,602)	(15,795)	(4,136)	(6,104)	—	—	447,516
Operating (loss) income	(60,853)	39,045	4,602	15,795	5,534	6,104	—	—	10,227
Non-operating expense (income)	30,355	—	—	—	—	—	1,799	(16,697)	15,457
Income tax impact of above items	1,054	1,499	—	—	1,096	—	—	479	4,128
Net (loss) income	(92,262)	37,546	4,602	15,795	4,438	6,104	(1,799)	16,218	(9,358)
Net (loss) income per share, basic and diluted	\$ (1.26)	\$ 0.51	\$ 0.06	\$ 0.22	\$ 0.06	\$ 0.08	\$ (0.02)	\$ 0.22	\$ (0.13)

Reconciliation of GAAP to Non-GAAP Measures.

unaudited, \$ in thousands

	Three Months Ended December 31,		Year Ended December 31,	
	2025	2024	2025	2024
Reconciliation of adjusted EBITDA:				
GAAP net (loss) income	\$ (5,103)	\$ (13,647)	\$ 1,233	\$ (92,262)
Other (income) expense, net	(2,007)	12,655	(26,685)	6,773
Interest expense	4,902	5,661	20,850	23,582
Income tax expense	1,521	364	5,211	1,054
Depreciation expense and amortization of intangible assets	2,276	2,527	9,706	10,030
Stock-based compensation expense	10,548	9,034	41,540	39,045
Litigation Expense	4,083	1,160	10,407	4,602
JPI Amortization	3,153	3,152	12,508	15,795
Severance Costs	—	—	—	5,534
Lease Impairment and Lease-Related Charges	318	318	2,032	6,104
Adjusted EBITDA	\$ 19,691	\$ 21,224	\$ 76,802	\$ 20,257

Reconciliation of GAAP to Non-GAAP Measures.

The following table reconciles our GAAP gross margin percentage to our non-GAAP gross margin percentage for our overall, subscriptions, and professional services margins. The non-GAAP adjustment represents adding back the margin impact of stock-based compensation expense and severance costs recorded to "Cost of revenue" within our consolidated income statements.

	<u>Q4 2024</u>	<u>Q1 2025</u>	<u>Q2 2025</u>	<u>Q3 2025</u>	<u>Q4 2025</u>
Reconciliation of non-GAAP overall gross margin:					
GAAP overall gross margin	76.0%	73.5%	71.3%	72.9%	72.4%
Add back:					
Non-GAAP adjustments to overall gross margin	1.1%	1.2%	1.1%	1.0%	1.0%
Non-GAAP overall gross margin	77.1%	74.7%	72.4%	73.9%	73.4%
Reconciliation of non-GAAP subscriptions gross margin:					
GAAP subscriptions gross margin	87.7%	86.2%	84.4%	85.3%	85.8%
Add back:					
Non-GAAP adjustments to subscriptions gross margin	0.3%	0.4%	0.3%	0.3%	0.3%
Non-GAAP subscriptions gross margin	88.0%	86.6%	84.7%	85.6%	86.1%
Reconciliation of non-GAAP professional services gross margin:					
GAAP professional services gross margin	22.4%	20.4%	25.6%	27.1%	19.2%
Add back:					
Non-GAAP adjustments to professional services gross margin	4.5%	4.6%	3.7%	3.6%	3.6%
Non-GAAP professional services gross margin	26.9%	25.0%	29.3%	30.7%	22.8%

Reconciliation of GAAP to Non-GAAP Measures.

The following table reconciles our GAAP sales and marketing expense to our non-GAAP sales and marketing expense. The non-GAAP adjustment represents adding back the impact of stock-based compensation expense and severance costs recorded to "Sales and marketing expense" within our consolidated income statements.

<i>in thousands</i>	Q4 2025	Q3 2025	Q2 2025	Q1 2025	Q4 2024	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023
GAAP sales and marketing expense	69,145	53,574	62,157	56,310	57,073	52,710	68,535	60,136	62,938	57,568	64,439	65,023
Subtract:												
Sales and marketing stock compensation	(2,219)	(1,882)	(2,087)	(2,246)	(1,991)	(1,827)	(2,088)	(2,620)	(2,477)	(3,352)	(2,866)	(2,552)
Sales and marketing severance costs	—	—	—	—	—	—	(3,937)	—	—	—	(1,006)	(3,731)
Non-GAAP sales and marketing expense	66,926	51,692	60,070	54,064	55,082	50,883	62,510	57,516	60,461	54,216	60,567	58,740

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