

INVESTOR PRESENTATION

# AI Knowledge for Service

**eGain**

NASDAQ: EGAN

September 2025



# Safe Harbor statement

This presentation contains forward-looking statements within the meaning of the safe harbor provisions of the U.S. Private Securities Litigation Reform Act of 1995, including without limitation: our financial guidance for the first quarter of fiscal 2026 and fiscal 2026 full year ending June 30, 2026; our focus and market opportunity and demand for our products; our sales pipeline; our belief that our shares are undervalued; and the expected benefits of our products. The achievement or success of the matters covered by such forward-looking statements, including future financial guidance, involves risks, uncertainties, and assumptions, many of which involve factors or circumstances that are beyond our control. If any such risks or uncertainties materialize or if any of the assumptions prove incorrect, our actual results could differ materially from the results expressed or implied by the forward-looking statements we make, including our ability to achieve our targets for the first quarter of fiscal 2026 and fiscal 2026 full year ending June 30, 2026. The risks and uncertainties referred to above include, but are not limited to: risks to our business, operating results, and financial condition; the pace of technological advancements in generative AI and the adaptability of our services to incorporate these advancements; market demand for AI-enabled solutions; risks associated with new product releases and new services and products features; risks that customer demand may fluctuate or decrease; risks that we are unable to collect unbilled contractual commitments, particularly in the current economic environment; risks that our lengthy sales cycles may negatively affect our operating results; currency risks; our ability to capitalize on customer engagement; risks related to our reliance on a relatively small number of customers for a substantial portion of our revenue; our ability to compete successfully and manage growth; our ability to develop and expand strategic and third-party distribution channels; risks related to our international operations; our ability to continue to innovate; our strategy of making investments in sales to drive growth; general political or destabilizing events, including war, intensified international hostilities, conflict or acts of terrorism; the effect of legislative initiatives or proposals, statutory changes, governmental or other applicable regulations and/or changes in industry requirements, including those addressing data privacy, cyber-security and cross-border data transfers; and other risks detailed from time to time in eGain's public filings, including eGain's annual report on Form 10-K for the fiscal year ended June 30, 2024 and subsequent reports filed with the Securities and Exchange Commission, which are available on the Securities and Exchange Commission's website at [www.sec.gov](http://www.sec.gov). These forward-looking statements are based on current expectations and speak only as of September 4, 2025. We assume no obligation and do not intend to update these forward-looking statements, except as required by law.

Who we are



**We are the**  
**#1 AI**  
**Knowledge**  
**Platform**

Using AI Knowledge, eGain helps companies reduce customer service costs by 75% while improving experience by 20 NPS points.

## Why a Knowledge Hub was needed

Tools across lines of business and between clients  
Tools didn't meet needs of all lines of business  
Take too long to deploy  
Single version of the truth  
Navigation not intuitive or user-friendly causing long  
Confidence in content accuracy and value  
Agents handling calls across more clients  
Updates and maintenance are expensive and time-consuming  
Complex business and environment challenges

— Limited continuous improvement opportunities due to lack of

- Usage
- Agent feedback



# The problem

Businesses worldwide spend \$1.5 trillion annually on customer service<sup>\*</sup>

1

Financial challenge

Businesses **must reduce costs** to expand profitability

2

Operational challenge

**Lack of trusted answers** leads to ineffective customer self-service and poor agent performance




3

Technology challenge

**Knowledge systems cannot deliver trusted answers** because they are siloed and knowledge creation and curation is expensive.

# The solution

**AI Knowledge will significantly lower service costs and improve experience**

	Technology Solution	AI Knowledge delivers trusted answers to customers and agents by automating the creation and curation of knowledge.
	Operational Impact	Trusted answers lead to increased customer self-service and all agents can effectively resolve all contacts
	Financial Outcome	<b>\$400 billion in potential cost savings annually</b>

# The opportunity

**\$20B+ SaaS Market for AI Knowledge for Service**

## Customer Service Market

17 Million  
CC Agents  
= \$5B

Conversational  
Self Service  
= \$5B

**\$10k/agent/year saving** with a  
\$300/agent/year eGain  
investment

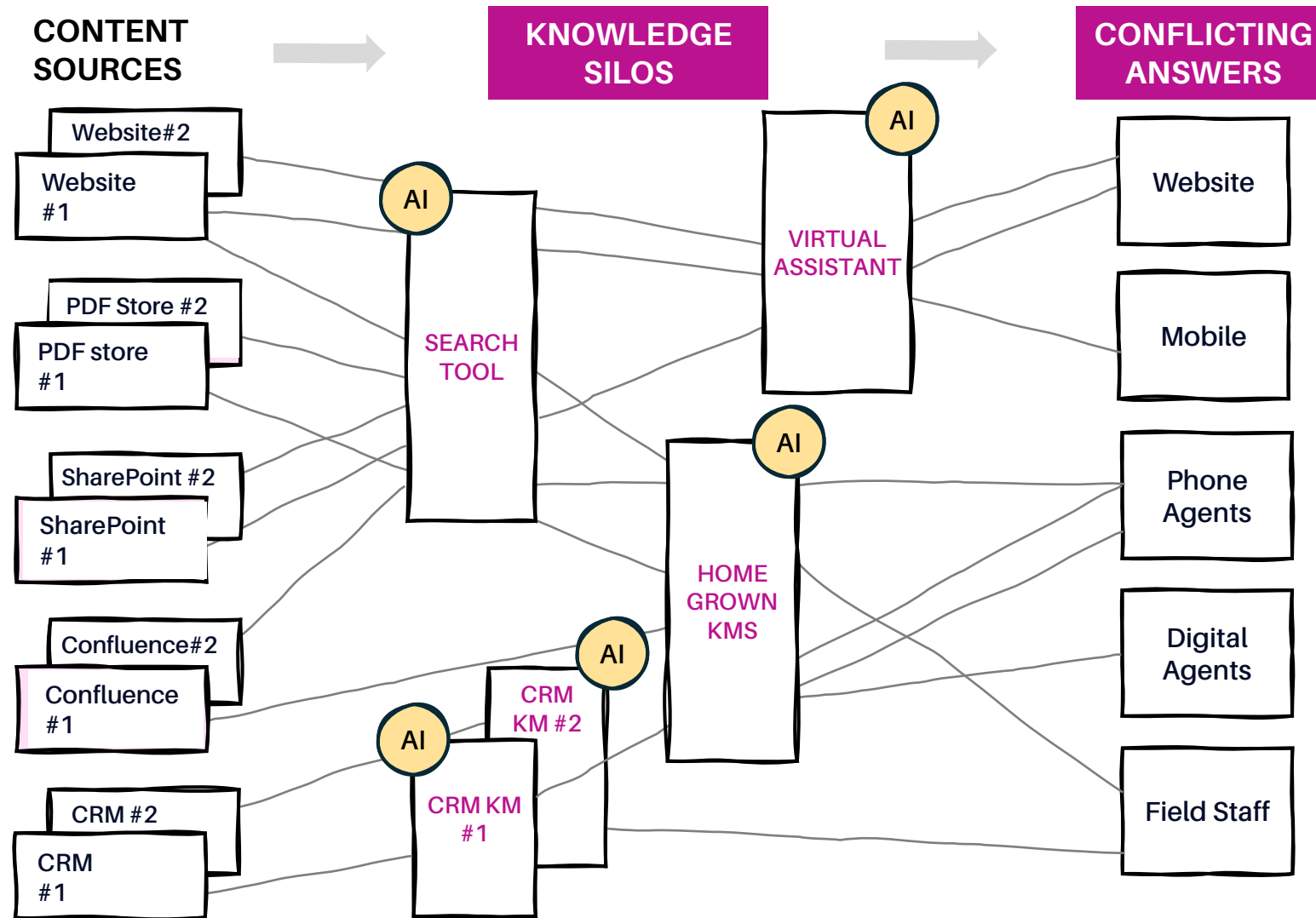
**\$5/contact saving**  
with a \$0.10/contact  
eGain investment

## Enterprise Service Market

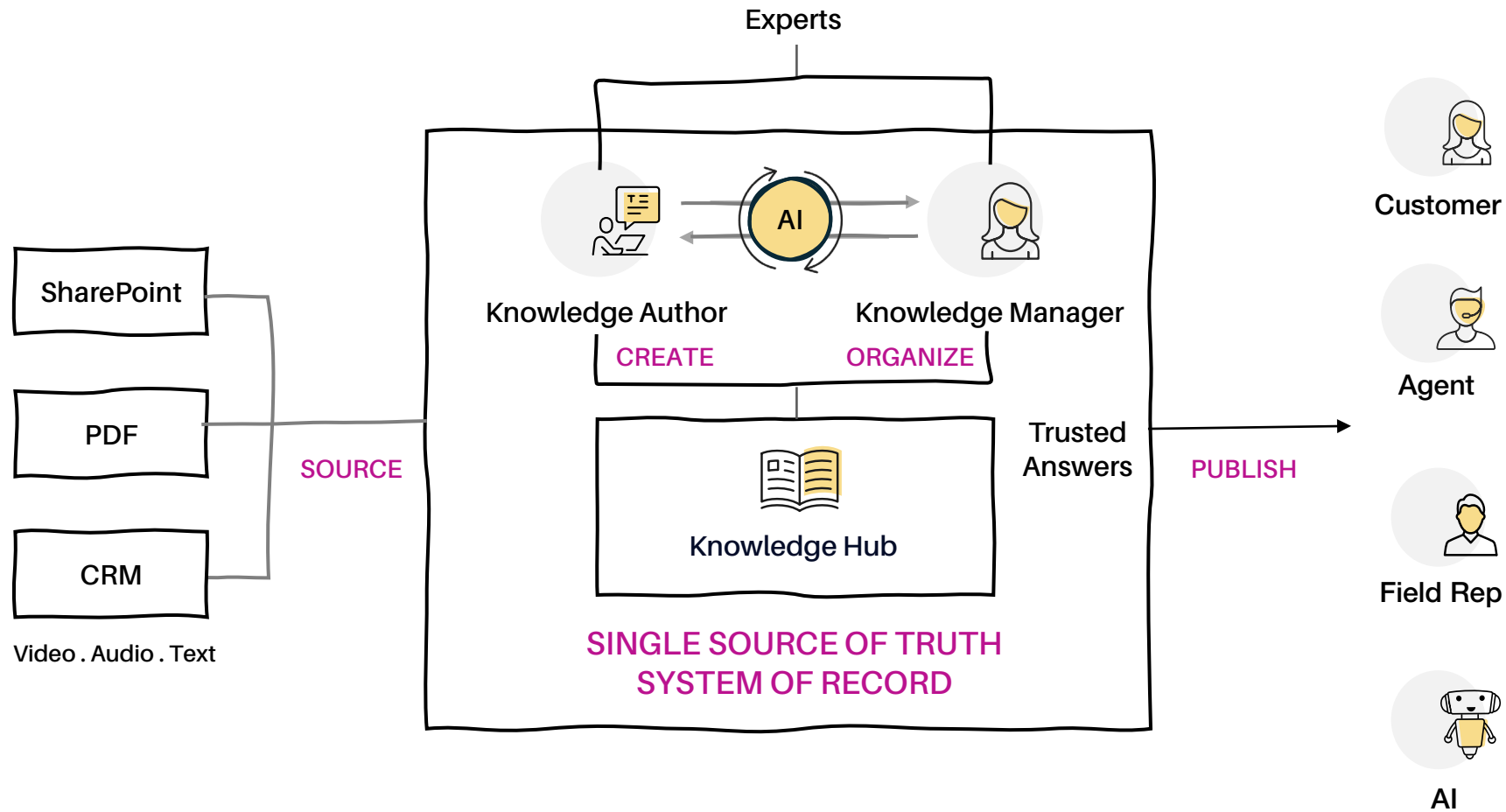
100 Million  
Employees  
= \$10B

**\$1k/employee/year saving** with  
a \$100/employee/year eGain  
investment

# Without a Knowledge Hub, AI cannot be trusted



Trusted answers come from a knowledge hub, a single source of truth powered by experts and AI



# Leader in Gartner Emerging MQ for GenAI Apps



**KM**World

**Readers' Choice  
Award, 2024**

**KM Promise Award  
Winner, 2023**

## Gartner®

#1 Knowledge Management for Customer Service  
Market Guide

- *KMCS Market Guide 2024*

#1 Knowledge Management + Digital Engagement +  
Automation + Composable Architecture

- *Critical Capabilities Report on Customer Engagement, 2024*

#1 Peer Insights Customer Reviews (4.9/5.0)



# Our Ideal Client



## **Enterprise with 5000+ employees**

1. High agent turnover or rapid employee onboarding
2. Complex content and compliance needs
3. Conversationally deliver answers across all touch points

## **Failed KM or GenAI project for Service**

1. Home-grown KM or Legacy vendor KM not working
2. CRM KM or CCaaS KM not delivering value
3. Gen AI project struggling with GIGO (Garbage In Garbage out)

# Global brands trust us

## FINANCIAL SERVICES & INSURANCE



JPMorganChase



## HEALTHCARE & INSURANCE



## RETAIL & MANUFACTURING



## TELECOM & MEDIA



## FEDERAL & STATE GOVERNMENT



## OTHER INDUSTRIES





## Why AI Knowledge Now

### **Knowledge silos with poor adoption**

- Not trustable, inconsistent answers
- Poor user adoption of knowledge tools

### **Legacy KM could not power AI features**

- Inadequate functionality
- No AI innovation

**30K**

users

**105**

user groups

**200**

authors

**44**

portals

## **Knowledge Everywhere**

for agents, claims managers, underwriters  
across service, sales, and claims

## Why AI Knowledge now

### Struggling with service cost

- High growth business
- Rapid agent turnover

### SFDC Knowledge failed

- Weak creation/curation/feedback capabilities
- Poor findability and content personalization

**3500**

users

**7**

portals

**14%**

AHT reduction

**2X**

speed to value

# **Progress report**

# AI Knowledge gaining traction

1

AI Knowledge ARR grew 25% year-over-year in Q425

2

AI Knowledge ARR represents 59% of SaaS ARR, up from 52% a year ago

3

AI Knowledge net retention of 115%, up from 98% a year ago

# Product innovation



## **eGain AI Agent for Contact Center**

1. Launched March 18
2. Empowers the human agent with Agentic AI assistance
3. Proactive, real-time, dynamic, guided experience
4. Effortless self-sign



## **eGain AI Knowledge Hub now KCS-Verified**

1. KCS integrates knowledge creation into the workflow of service teams
2. eGain AI Knowledge Hub automates KCS workflows with AI
3. Offers highest level of verification out of the box
4. Entrée into tech manufacturing, software & services, gaming, and related sectors

# Q425 highlights

- **Revenue stabilized and is poised for growth in FY26**
  - Total revenue of \$23.2 M up 3% y-o-y
  - SaaS revenue of \$21.7 M up 6% y-o-y
- **Improved gross margins**
  - Total gross margin of 73% up from 71% a year ago
  - SaaS gross margin of 80% up from 76% a year ago
- **Solid profitability**
  - Adjusted EBITDA of \$4.5 M or a margin of 19% up from 11% a year ago
  - Non-GAAP net income of \$2.4 M, or \$0.09 per share, compared to \$2.5 M or \$0.08 per share a year ago
- **Strong balance sheet**
  - Ending cash balance of \$62.9 M
  - Bought back \$3.8 M in stock

# FY25 financial results

Metric	Performance
Total Revenue	<b>\$88.4 million</b> , down 5% year-over-year
Non-GAAP SaaS Gross Margin	<b>78%</b> , up 1% from FY24
Non-GAAP Gross Margin	<b>71%</b> compared to 72% in FY24
R&D Expense	<b>\$29.0 million</b> , up 15% year-over-year
GAAP Net Income	<b>\$32.3 million</b> , including a \$29.0 million tax benefit
Operating Cash Flow	<b>\$5.3 million</b> , or 6% margin
Adjusted EBITDA Margin	<b>10%</b> compared to 12% in FY24
Cash and equivalents	<b>\$62.9 million</b>

\$62.9 million  
in net cash

### **AI Knowledge investment focus**

- R&D expense up 15% year-over-year
- Brand Marketing

### **Share repurchase program**

- Purchased \$15.8 million in FY25

# Q126 and FY26 guidance

	Q126	FY26
Total Revenue	\$23.0 M – \$23.5 M	\$90.5 M – \$92.0 M
GAAP Net Income	\$0.9 M – \$1.6 M	\$3.5 M – \$5.0 M
GAAP Net Income EPS	\$0.03 – \$0.06	\$0.13 – \$0.18
Non-GAAP Net Income	\$3.1 M – \$3.8 M	\$8.3 M – \$9.8 M
Non-GAAP Net Income EPS	\$0.11 – \$0.14	\$0.30 – \$0.36
Adjusted EBITDA <sup>1</sup>	\$3.7 M – \$4.4 M	\$10.4 M – \$11.9 M

1. Excludes depreciation, intangibles amortization, stock-based compensation, other income/expense, and unusual transactions.

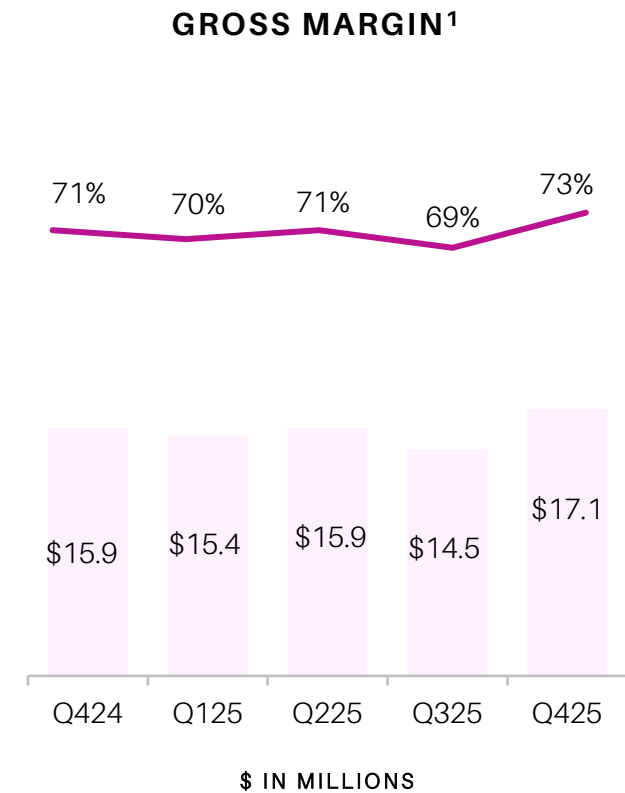
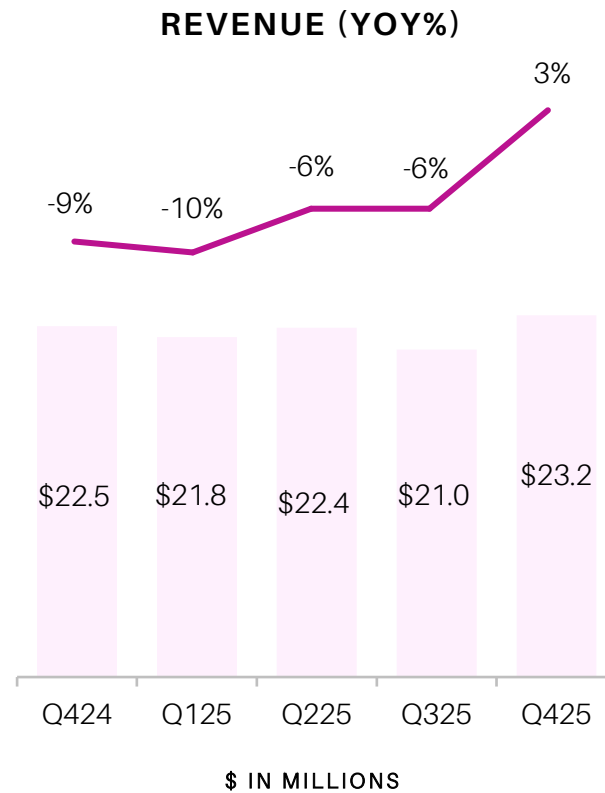
# FY26 outlook – driving growth & profitability

- **Targeting 20+% growth in ARR Knowledge business**
  - ARR of \$44.8M in FY25
- **Strategically sunseting non-core Messaging business**
  - ARR of \$4.7M in FY25
- **Gross margin expansion through operational efficiencies**
  - 74-75% up from 71% in FY25
- **Redeploying a portion of savings into R&D investments**
  - 6% increase y-o-y
- **Resulting in adjusted EBITDA growth**
  - 20-40% increase y-o-y



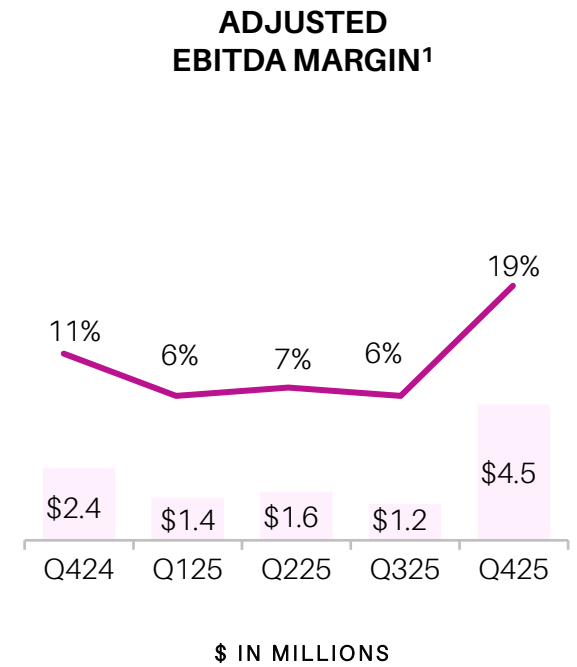
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# Revenue and gross margin



1. Excludes stock-based compensation.

# Net income and EBITDA margin



1. Excludes depreciation, intangibles amortization, stock-based compensation, other income/expense, and unusual transactions.

# GAAP P&L last 5 quarters

\$ in thousands	Q424	Q125	Q225	Q325	Q425
SaaS	20,439	19,820	20,847	19,563	21,691
Professional services	2,023	1,979	1,542	1,446	1,543
<b>Total Revenue</b>	<b>22,462</b>	<b>21,799</b>	<b>22,389</b>	<b>21,009</b>	<b>23,234</b>
Cost of revenue	6,906	6,666	6,680	6,723	6,354
<b>Gross Profit</b>	<b>15,556</b>	<b>15,133</b>	<b>15,709</b>	<b>14,286</b>	<b>16,880</b>
<i>Gross Profit %</i>	69%	69%	70%	68%	73%
Research and development	6,679	7,421	7,708	7,514	6,961
Sales and marketing	5,214	4,760	5,251	4,704	4,641
General and administrative	2,471	2,443	2,100	2,041	2,031
<b>Total Operating Expense</b>	<b>14,364</b>	<b>14,624</b>	<b>15,059</b>	<b>14,259</b>	<b>13,633</b>
<b>Income (Loss) From Operations</b>	<b>1,192</b>	<b>509</b>	<b>650</b>	<b>27</b>	<b>3,247</b>
Interest income	865	771	661	597	440
Other non-operating income/(exp.)	(38)	(140)	(431)	(304)	(390)
<b>EBT</b>	<b>2,019</b>	<b>1,140</b>	<b>880</b>	<b>320</b>	<b>3,297</b>
Income tax benefit/(provision)	(513)	(488)	(209)	(254)	27,568
<b>Net (Loss) Income</b>	<b>1,506</b>	<b>652</b>	<b>671</b>	<b>66</b>	<b>30,865</b>

# GAAP to Non-GAAP reconciliation

\$ in thousands	Q424	Q125	Q225	Q325	Q425
Gross profit	\$15,556	\$15,133	\$15,709	\$14,286	\$16,880
<i>Gross profit %</i>	69%	69%	70%	68%	73%
Stock-based compensation expense	313	230	232	232	186
Non-GAAP gross profit	15,869	15,363	15,941	14,503	17,066
<i>Non-GAAP gross profit %</i>	71%	70%	71%	69%	73%
Operating income	1,192	509	650	27	3,247
Stock-based compensation expense	1,016	632	622	699	496
Non-GAAP operating income	\$2,208	\$1,141	\$1,272	\$726	\$3,743

# GAAP to Non-GAAP reconciliation

\$ in thousands	Q424	Q125	Q225	Q325	Q425
GAAP Cost of SaaS	\$4,871	\$4,522	\$4,626	\$4,594	\$4,233
Stock-based compensation expense	-	-	-	-	-
Non-GAAP cost of SaaS	\$4,871	\$4,522	\$4,626	\$4,594	\$4,233
GAAP Cost of professional services	\$2,035	\$2,144	\$2,054	\$2,129	\$2,121
Stock-based compensation expense	(313)	(230)	(232)	(217)	(186)
Non-GAAP cost of professional services	\$1,722	\$1,914	\$1,822	\$1,912	\$1,935
GAAP research and development	\$6,679	\$7,421	\$7,708	\$7,514	\$6,961
Stock-based compensation expense	(329)	(177)	(74)	(272)	(117)
Non-GAAP research and development	\$6,350	\$7,244	\$7,634	\$7,242	\$6,844
GAAP sales and marketing	\$5,214	\$4,760	\$5,251	\$4,704	\$4,641
Stock-based compensation expense	(169)	(65)	(114)	(98)	(75)
Non-GAAP sales and marketing	\$5,045	\$4,695	\$5,137	\$4,606	\$4,566
GAAP general and administration	\$2,471	\$2,443	\$2,100	\$2,041	\$2,031
Stock-based compensation expense	(205)	(160)	(202)	(112)	(118)
Non-GAAP general and administration	\$2,266	\$2,283	\$1,898	\$1,929	\$1,913

# GAAP to Non-GAAP reconciliation

\$ in thousands	Q424	Q125	Q225	Q325	Q425
Net income	\$1,506	\$652	\$671	\$66	\$30,865
Depreciation and amortization expense	91	93	82	88	77
Stock-based compensation expense	1,016	632	622	699	496
Interest income	(865)	(771)	(661)	(597)	(440)
Income tax (benefit) provision	513	488	209	254	1,396
Valuation allowance	-	-	-	-	(28,964)
Other (expense) income, net	38	140	431	304	390
Severance and related charges	104	123	278	358	648
Adjusted EBITDA	\$2,403	\$1,357	\$1,632	\$1,172	\$4,468
% of total revenue	11%	6%	7%	6%	19%

# Balance sheet

\$ in thousands	Jun-30-2025	Jun-30-2024	\$ in thousands as of:	Jun-30-2025	Jun-30-2024
<b>Current Assets</b>			<b>Current Liabilities</b>		
Cash and Cash Equivalents	62,909	70,003	Accounts Payable	2,596	2,725
Accounts Receivables	32,775	31,731	Accrued Expenses	9,570	12,720
Prepaid & Other C/A	4,875	5,382	Operating Lease Liabilities	1,220	1,179
Restricted Cash	8	8	Deferred Revenue	48,765	45,989
<b>Total Current Assets</b>	<b>100,567</b>	<b>107,124</b>	<b>Total Current Liabilities</b>	<b>62,151</b>	<b>62,613</b>
<b>Non-Current Assets</b>			<b>Non-Current Liabilities</b>		
PPE, Net	670	441	Operating Lease Liabilities, Net of Current	2,449	2,592
Operating lease right-of-use assets	3,530	3,811	Deferred Revenue, Net of Current	1,766	3,280
Goodwill	13,186	13,186	Other Long-term Liabilities	908	871
Other Assets, Net	30,052	3,290	<b>Total Non-Current Liabilities</b>	<b>5,123</b>	<b>6,743</b>
<b>Total Assets</b>	<b>148,005</b>	<b>127,852</b>	<b>Shareholders' Equity</b>		
			Common Stock	33	33
			APIC	410,917	405,155
			Treasury Stock	(38,812)	(23,031)
			Retained Earnings	(291,407)	(323,661)
			<b>Total Shareholders Equity</b>	<b>80,731</b>	<b>58,496</b>
			<b>Total Liabilities &amp; Shareholders Equity</b>	<b>148,005</b>	<b>127,852</b>