



# Investor Supplemental FY26-Q1

September 3, 2025

# Disclaimer

This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. The words “anticipate,” “believe,” “continue,” “estimate,” “expect,” “intend,” “may,” “will” and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain these words. Forward-looking statements in this press release include, but are not limited to, statements regarding our market leadership position, anticipated benefits from our partnerships, our financial outlook for the second quarter of fiscal 2026, our sales and customer opportunity pipeline including our industry diversification, the expected benefits of our offerings (including the potential benefits of our C3 Generative AI offerings), the role and responsibilities of Mr. Siebel, our expectations with respect to the transition of the chief executive officer role to Mr. Ehikian, the expected benefits of the recent restructuring of our sales and services organizations, the expectations for our C3 AI Strategic Integrator Program, and our business strategies, plans, and objectives for future operations. We have based these forward-looking statements largely on our current expectations and projections about future events and trends that we believe may affect our financial condition, results of operations, business strategy, short-term and long-term business operations and objectives, and financial needs. These forward-looking statements are subject to a number of risks and uncertainties, including our history of losses and ability to achieve and maintain profitability in the future, our historic dependence on a limited number of existing customers that account for a substantial portion of our revenue, our ability to attract new customers and retain existing customers, our ability to successfully transition the role of chief executive officer to Mr. Ehikian and integrate Mr. Ehikian into the C3 organization, , the ability of our restructured global sales and services organization to achieve desired productivity levels in a reasonable period of time, market awareness and acceptance of enterprise AI solutions in general and our products in particular, the length and unpredictability of our sales cycles and the time and expense required for our sales efforts. Some of these risks are described in greater detail in our filings with the Securities and Exchange Commission, including our Annual Report on Form 10-K for the fiscal year ended April 30, 2025, and other filings and reports we make the Securities and Exchange Commissions from time to time, including our Quarterly Report on Form 10-Q that will be filed for the fiscal quarter ended July 31, 2025, although new and unanticipated risks may arise. The future events and trends discussed in this press release may not occur and actual results could differ materially and adversely from those anticipated or implied in the forward-looking statements. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, performance, achievements, or events and circumstances reflected in the forward-looking statements will occur. Except to the extent required by law, we do not undertake to update any of these forward-looking statements after the date of this press release to conform these statements to actual results or revised expectations.

This presentation also contains estimates and other statistical data made by independent parties and by us relating to market size and growth and other data about our industry. This data involves a number of assumptions and limitations, and you are cautioned not to give undue weight to such estimates. Neither we nor any other person makes any representation as to the accuracy or completeness of such data or undertakes any obligation to update such data after the date of this presentation. In addition, projections, assumptions, and estimates of our future performance and the future performance of the markets in which we operate are necessarily subject to a high degree of uncertainty and risk.

In addition to the financials presented in accordance with U.S. generally accepted accounting principles (“GAAP”), this presentation includes non-GAAP financial information. We believe that non-GAAP financial information, when taken collectively with financial information presented in accordance with GAAP, may be helpful to investors because it provides consistency and comparability with past financial performance. There are a number of limitations related to the use of non-GAAP financial metrics versus their nearest GAAP equivalents. For example, other companies may calculate non-GAAP metrics differently or may use other metrics to evaluate their performance, all of which could reduce the usefulness of our non-GAAP financial metrics as tools for comparison. We urge you to review the non-GAAP financial information with the financial information presented in accordance with GAAP, and not to rely on any single financial measure to evaluate our business.

# C3 AI Announces New Chief Executive Officer

## Stephen Ehikian

### Chief Executive Officer

Stephen Ehikian is Chief Executive Officer of C3 AI. He is a seasoned technology executive in the enterprise software industry and public-sector leader. Mr. Ehikian successfully built and scaled RelateIQ and Airkit.ai — both acquired by Salesforce. RelateIQ underpins Salesforce Einstein, and Airkit.ai is now a core component of Salesforce Agentforce. He also served as President Trump's appointee as Acting Administrator of the U.S. General Services Administration, spearheading historic reforms in federal procurement and technology modernization, pioneering AI adoption, and unlocking billions in taxpayer savings.

Mr. Ehikian received a bachelor's in mechanical engineering and economics from Yale University, and an MBA from the Graduate School of Business at Stanford University.



# FY26-Q1 Highlights

Revenue

**\$70.3M**

Initial Production Deployments

**28**

Number of Agreements

**46**

Cash Balance

**\$711.9M**



c3.ai This is Enterprise AI.

# FY26-Q1 C3 AI Partner Model Success

- In Q1, the Company closed 40 agreements through its partner network.
- The joint 12-month qualified opportunity pipeline with partners increased by 54% year-over-year.
- C3 AI and Microsoft jointly closed 24 agreements, with customer wins across manufacturing and the public sector.
- C3 AI and McKinsey & Company advanced the strategic alliance, jointly closing a new customer agreement and driving momentum through QuantumBlack engineer trainings, C3 AI Accelerator sessions, and executive roundtables.
- **C3 AI launched the C3 AI Strategic Integrator Program**, an OEM initiative that enables partners to license the C3 Agentic AI Platform to rapidly build and commercialize Enterprise AI applications.



# Customer Success



# Guidance

**FY26-Q2**

|   |                     |
|---|---------------------|
| Total Revenue (\$ million)                    | \$72.0 - \$80.0     |
| YoY Growth %                                  | (15) % – (24) %     |
| Non-GAAP Loss from Operations<br>(\$ million) | \$(49.5) - \$(57.5) |

Given the appointment of a new Chief Executive Officer and the recent restructuring of the sales and services organizations, the Company is withdrawing its previous full-year fiscal 2026 guidance. The Company will provide guidance for the third quarter of fiscal 2026 and full-year fiscal 2026 when it announces its financial results for the second quarter of fiscal 2026.

Our guidance includes GAAP and non-GAAP financial measures. A reconciliation of non-GAAP guidance measures to corresponding GAAP measures is not available on a forward-looking basis without unreasonable effort due to the uncertainty regarding, and the potential variability of, expenses that may be incurred in the future. Stock-based compensation expense-related charges, including employer payroll tax-related items on employee stock transactions, are impacted by the timing of employee stock transactions, the future fair market value of our common stock, and our future hiring and retention needs, all of which are difficult to predict and subject to constant change. We have provided a reconciliation of GAAP to non-GAAP financial measures in the financial statement tables for our historical non-GAAP results included in this presentation. Our fiscal year ends April 30, and numbers are rounded for presentation purposes.

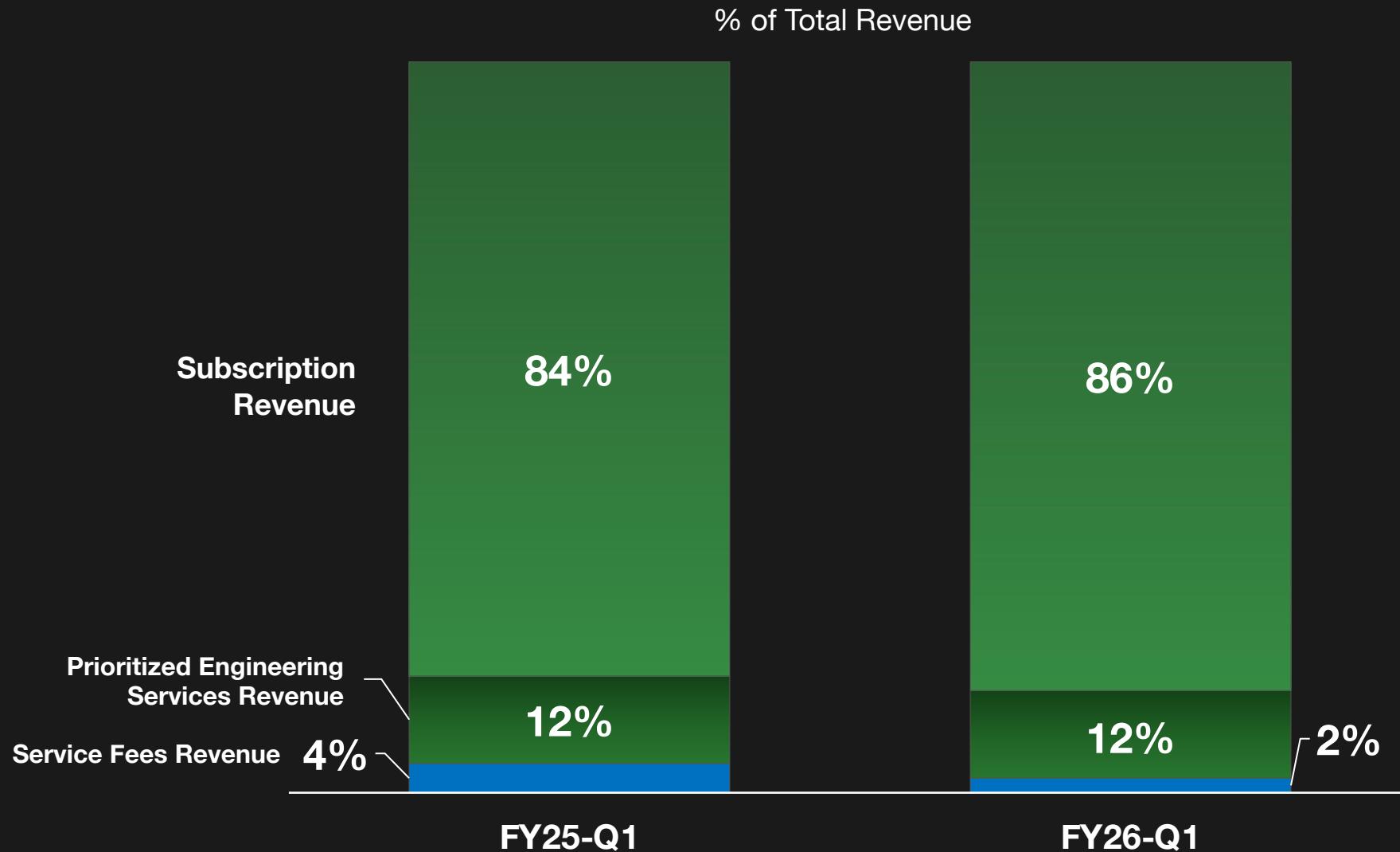
# Finance Update

# FY26-Q1 Summary Financial Results

|  | <b>FY26-Q1</b>   |
|--|------------------|
| Revenue  | \$70.3 million   |
| Subscription Revenue   | \$60.3 million   |
| Subscription and Prioritized Engineering Services Revenue Combined | \$69.0 million   |
| Non-GAAP Gross Profit  | \$36.3 million   |
| Non-GAAP Gross Margin  | 52%              |
| Non-GAAP Loss from Operations                                      | (\$57.8) million |
| Non-GAAP Net Loss  | (\$49.8) million |
| Free Cash Flow   | (\$34.3) million |

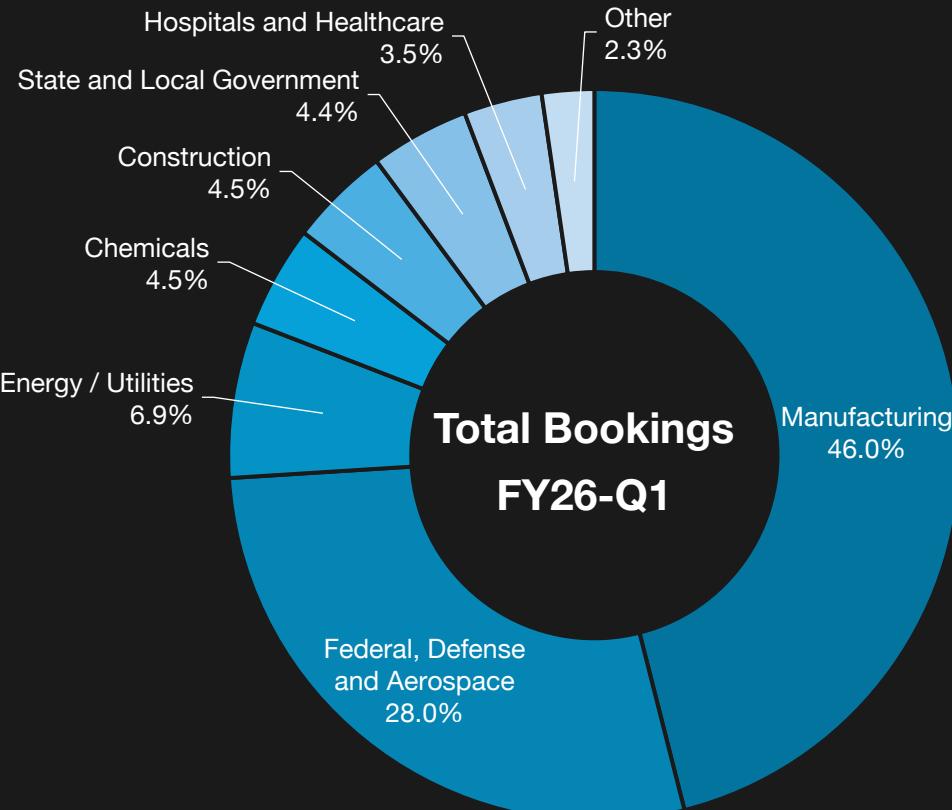
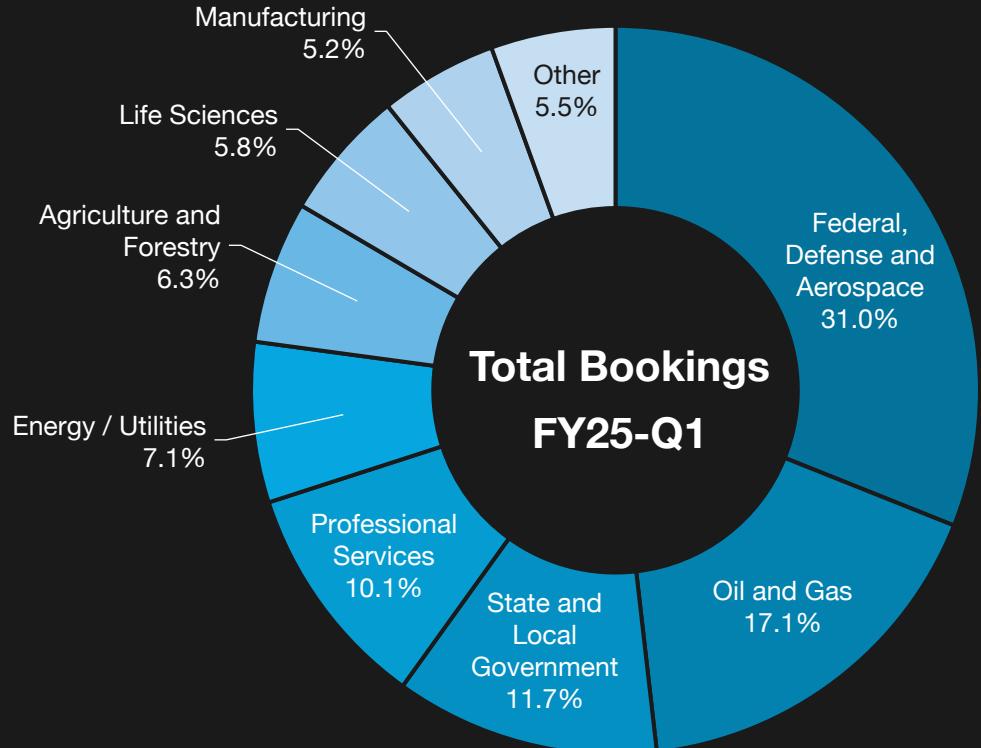
Note: Non-GAAP Gross Profit, Non-GAAP Gross Margin, Non-GAAP loss from Operations, Non-GAAP Net Loss and Free cash flow are non-GAAP financial measures. Refer to the Appendix for a reconciliation of these non-GAAP financial measures to the most directly comparable GAAP measure. Numbers and percentages are rounded for presentation purposes.

# Total Revenue Mix



Note: Numbers and percentages are rounded for presentation purposes.

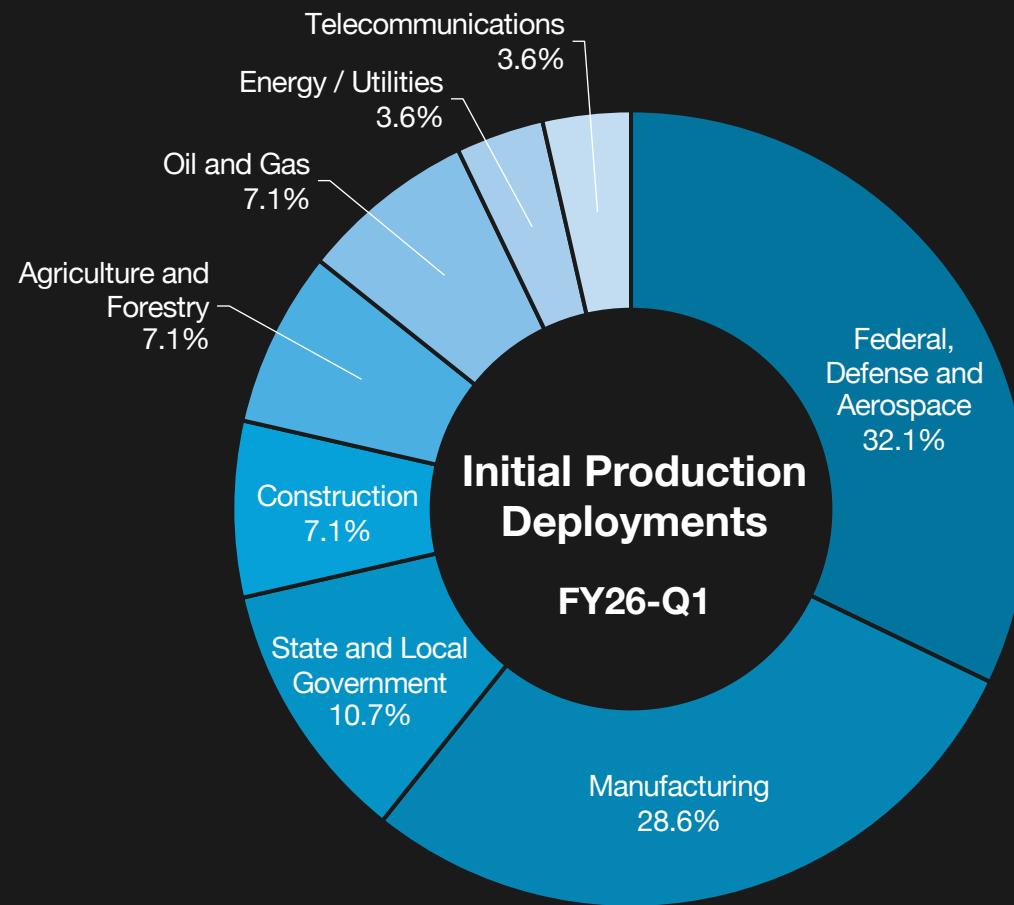
# Bookings Diversity by Industry: FY26-Q1



Note: Fiscal year ends April 30. Percentages are rounded for presentation purposes. % calculation is based on dollar amount

# Initial Production Deployments Diversity by Industry

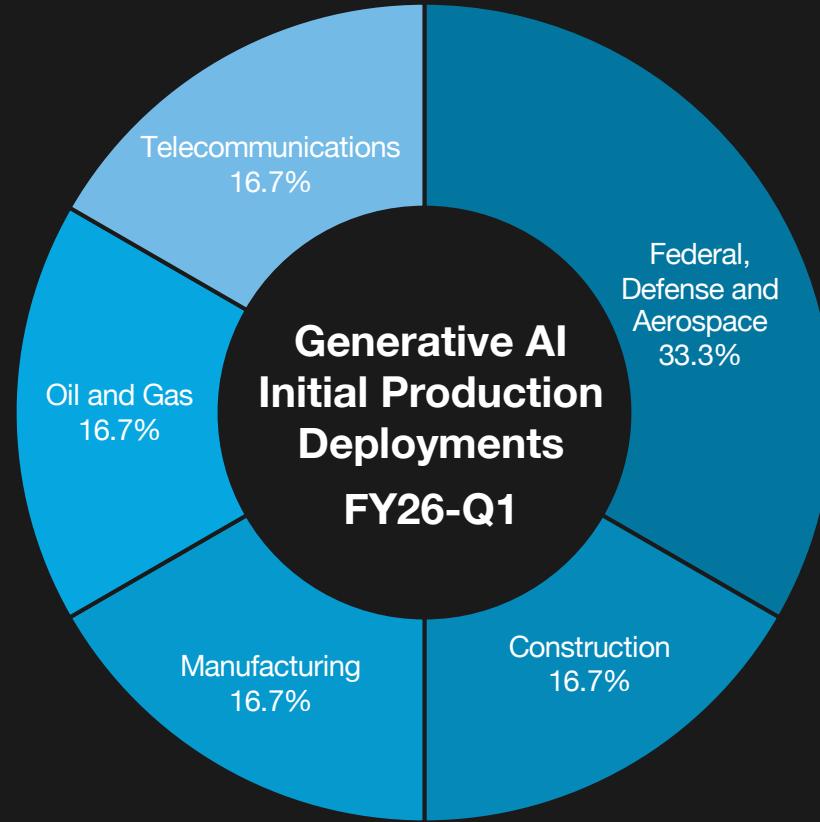
FY26-Q1



Note: Fiscal year ends April 30. Percentages are rounded for presentation purposes. % calculation is based on deal count

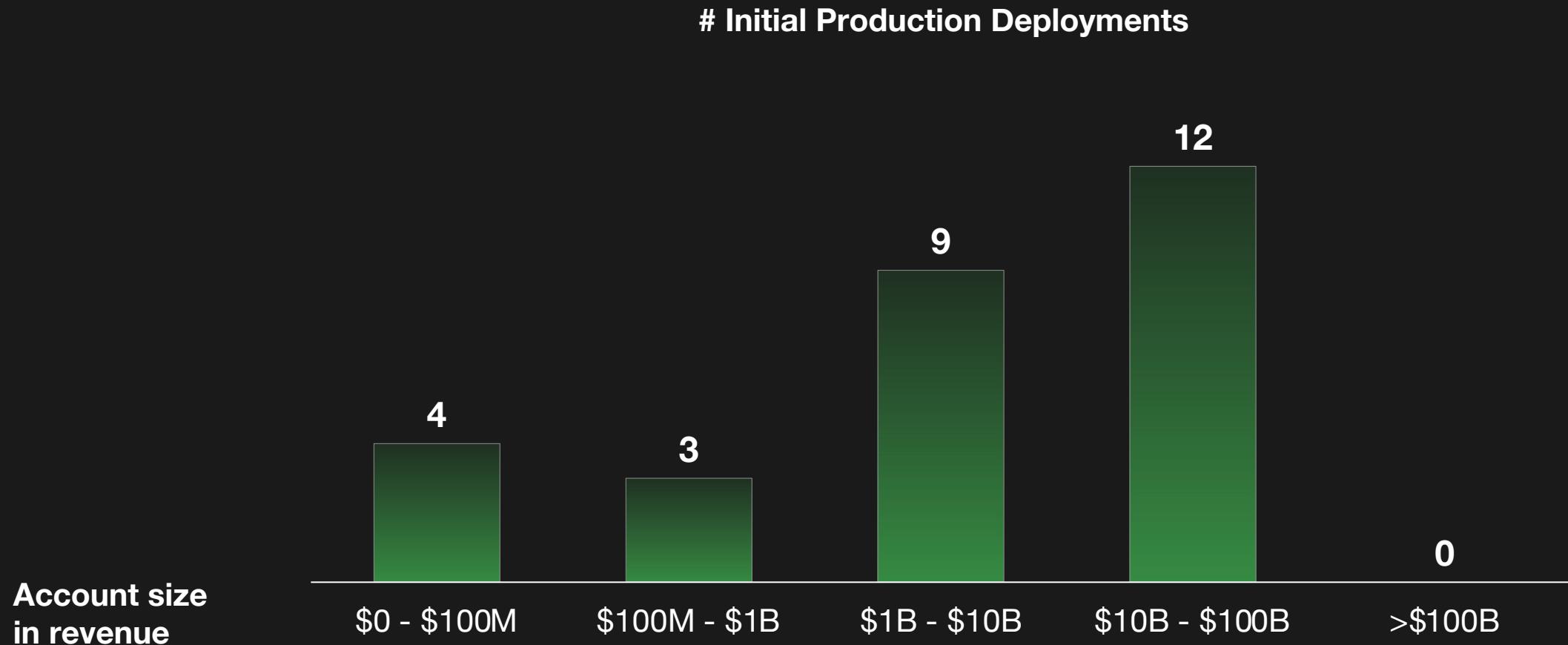
# Generative AI Initial Production Deployments Diversity by Industry

FY26-Q1



Note: Fiscal year ends April 30. Percentages are rounded for presentation purposes. % calculation is based on deal count

# Initial Production Deployments Account Profile: FY26-Q1



# C3 AI Investment Thesis

 Huge Addressable Market

 First-mover Advantage

 Patented Enterprise AI Application Platform

 Substantial Market Partner Ecosystem

 Recognized AI Market Leadership

 Proven Track Record of Success

 Veteran Disciplined Management Team

 High-Performance Corporate Culture

 Excellence in Execution



**c3.ai This is Enterprise AI.**

# Appendix

# Income Statement

|   | Three Months Ended |                    |                    |                    |                    |                    |                    |                     |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|---------------------|
|   | October 31, 2023   | January 31, 2024   | April 30, 2024     | July 31, 2024      | October 31, 2024   | January 31, 2025   | April 30, 2025     | July 31, 2025       |
| Revenue   |                    |                    |                    |                    |                    |                    |                    |                     |
| Subscription  | \$ 66,449          | \$ 70,400          | \$ 79,903          | \$ 73,456          | \$ 81,162          | \$ 85,679          | \$ 87,333          | \$ 60,301           |
| Professional services   | 6,780              | 8,001              | 6,687              | 13,757             | 13,176             | 13,103             | 21,390             | 9,960               |
| Total Revenue   | 73,229             | 78,401             | 86,590             | 87,213             | 94,338             | 98,782             | 108,723            | 70,261              |
| Cost of revenue   |                    |                    |                    |                    |                    |                    |                    |                     |
| Subscription <sup>(1)(2)</sup>  | 30,937             | 32,273             | 34,825             | 33,292             | 35,038             | 37,799             | 37,712             | 41,481              |
| Professional services <sup>(1)(2)</sup>   | 1,179              | 841                | 154                | 1,755              | 1,460              | 2,636              | 3,501              | 2,336               |
| Total cost of revenue   | 32,116             | 33,114             | 34,979             | 35,047             | 36,498             | 40,435             | 41,213             | 43,817              |
| Gross profit  | 41,113             | 45,287             | 51,611             | 52,166             | 57,840             | 58,347             | 67,510             | 26,444              |
| Operating expenses  |                    |                    |                    |                    |                    |                    |                    |                     |
| Sales and marketing <sup>(1)(2)</sup>   | 49,895             | 57,140             | 63,247             | 52,125             | 55,643             | 61,201             | 70,690             | 62,513              |
| Research and development <sup>(1)(2)</sup>  | 50,399             | 49,480             | 50,618             | 52,927             | 55,715             | 59,356             | 58,393             | 64,651              |
| General and administrative <sup>(1)(2)</sup>  | 20,215             | 21,213             | 20,053             | 19,700             | 21,770             | 25,375             | 27,392             | 24,099              |
| Total operating expenses  | 120,509            | 127,833            | 133,918            | 124,752            | 133,128            | 145,932            | 156,475            | 151,263             |
| Loss from operations  | (79,396)           | (82,546)           | (82,307)           | (72,586)           | (75,288)           | (87,585)           | (88,965)           | (124,819)           |
| Interest income   | 10,480             | 9,995              | 9,482              | 10,003             | 9,560              | 8,677              | 7,949              | 8,218               |
| Other (expense) income, net   | (638)              | 409                | (173)              | 28                 | 13                 | (957)              | 1,425              | 132                 |
| Net loss before provision for income taxes  | (69,554)           | (72,142)           | (72,998)           | (62,555)           | (65,715)           | (79,865)           | (79,591)           | (116,469)           |
| Provision for income taxes  | 226                | 489                | (71)               | 272                | 257                | 336                | 111                | 300                 |
| Net loss  | <u>\$ (69,780)</u> | <u>\$ (72,631)</u> | <u>\$ (72,927)</u> | <u>\$ (62,827)</u> | <u>\$ (65,972)</u> | <u>\$ (80,201)</u> | <u>\$ (79,702)</u> | <u>\$ (116,769)</u> |
| (1) Includes stock-based compensation expense as follows:                                 |                    |                    |                    |                    |                    |                    |                    |                     |
|   | Three Months Ended |                    |                    |                    |                    |                    |                    |                     |
|   | October 31, 2023   | January 31, 2024   | April 30, 2024     | July 31, 2024      | October 31, 2024   | January 31, 2025   | April 30, 2025     | July 31, 2025       |
| Cost of subscription  | \$ 8,514           | \$ 8,674           | \$ 8,788           | \$ 7,694           | \$ 7,827           | \$ 8,563           | \$ 6,396           | \$ 8,622            |
| Cost of professional services   | 479                | 309                | 40                 | 714                | 484                | 941                | 1,041              | 668                 |
| Sales and marketing   | 18,226             | 17,528             | 19,218             | 18,833             | 20,802             | 21,860             | 22,465             | 24,181              |
| Research and development  | 16,685             | 18,757             | 19,561             | 18,431             | 17,999             | 19,896             | 15,303             | 19,323              |
| General and administrative  | 9,265              | 9,715              | 9,122              | 9,011              | 9,926              | 11,392             | 11,410             | 11,981              |
| Total stock-based compensation expense  | <u>\$ 53,169</u>   | <u>\$ 54,983</u>   | <u>\$ 56,729</u>   | <u>\$ 54,683</u>   | <u>\$ 57,038</u>   | <u>\$ 62,652</u>   | <u>\$ 56,615</u>   | <u>\$ 64,775</u>    |
| (2) Includes employer payroll tax expense related to stock-based compensation as follows: |                    |                    |                    |                    |                    |                    |                    |                     |
|   | Three Months Ended |                    |                    |                    |                    |                    |                    |                     |
|   | October 31, 2023   | January 31, 2024   | April 30, 2024     | July 31, 2024      | October 31, 2024   | January 31, 2025   | April 30, 2025     | July 31, 2025       |
| Cost of subscription  | \$ 282             | \$ 392             | \$ 490             | \$ 326             | \$ 163             | \$ 329             | \$ 203             | \$ 550              |
| Cost of professional services   | 15                 | 13                 | 3                  | 30                 | 8                  | 27                 | 26                 | 36                  |
| Sales and marketing   | 463                | 496                | 642                | 472                | 450                | 614                | 410                | 674                 |
| Research and development  | 415                | 738                | 869                | 364                | 231                | 578                | 375                | 793                 |
| General and administrative  | 99                 | 134                | 169                | 80                 | 238                | 241                | 172                | 167                 |
| Total employer payroll tax expense  | <u>\$ 1,274</u>    | <u>\$ 1,773</u>    | <u>\$ 2,173</u>    | <u>\$ 1,272</u>    | <u>\$ 1,090</u>    | <u>\$ 1,789</u>    | <u>\$ 1,185</u>    | <u>\$ 2,220</u>     |

# GAAP to Non-GAAP Reconciliation

|   | Three Months Ended |                  |                |               |                  |                  |                |               |
|---|--------------------|------------------|----------------|---------------|------------------|------------------|----------------|---------------|
|   | October 31, 2023   | January 31, 2024 | April 30, 2024 | July 31, 2024 | October 31, 2024 | January 31, 2025 | April 30, 2025 | July 31, 2025 |
| Subscription revenue  | \$ 66,449          | \$ 70,400        | \$ 79,903      | \$ 73,456     | \$ 81,162        | \$ 85,679        | \$ 87,333      | \$ 60,301     |
| Professional services revenue   | 6,780              | 8,001            | 6,687          | 13,757        | 13,176           | 13,103           | 21,390         | 9,960         |
| <b>Total Revenue</b>  | <b>73,229</b>      | <b>78,401</b>    | <b>86,590</b>  | <b>87,213</b> | <b>94,338</b>    | <b>98,782</b>    | <b>108,723</b> | <b>70,261</b> |
| GAAP cost of subscription revenue   | 30,937             | 32,273           | 34,825         | 33,292        | 35,038           | 37,799           | 37,712         | 41,481        |
| Stock-based compensation  | 8,514              | 8,674            | 8,788          | 7,694         | 7,827            | 8,563            | 6,396          | 8,622         |
| Employer payroll tax expense related to employee stock-based compensation | 282                | 392              | 490            | 326           | 163              | 329              | 203            | 550           |
| Non-GAAP cost of subscription revenue                                     | 22,141             | 23,207           | 25,547         | 25,272        | 27,048           | 28,907           | 31,113         | 32,309        |
| GAAP cost of professional services revenue                                | 1,179              | 841              | 154            | 1,755         | 1,460            | 2,636            | 3,501          | 2,336         |
| Stock-based compensation  | 479                | 309              | 40             | 714           | 484              | 941              | 1,041          | 668           |
| Employer payroll tax expense related to employee stock-based compensation | 15                 | 13               | 3              | 30            | 8                | 27               | 26             | 36            |
| Non-GAAP cost of professional services revenue                            | 685                | 519              | 111            | 1,011         | 968              | 1,668            | 2,434          | 1,632         |
| GAAP sales and marketing expense  | 49,895             | 57,140           | 63,247         | 52,125        | 55,643           | 61,201           | 70,690         | 62,513        |
| Stock-based compensation  | 18,226             | 17,528           | 19,218         | 18,833        | 20,802           | 21,860           | 22,465         | 24,181        |
| Employer payroll tax expense related to employee stock-based compensation | 463                | 496              | 642            | 472           | 450              | 614              | 410            | 674           |
| Non-GAAP sales and marketing expense                                      | 31,206             | 39,116           | 43,387         | 32,820        | 34,391           | 38,727           | 47,815         | 37,658        |
| GAAP research and development expense                                     | 50,399             | 49,480           | 50,618         | 52,927        | 55,715           | 59,356           | 58,393         | 64,651        |
| Stock-based compensation  | 16,685             | 18,757           | 19,561         | 18,431        | 17,999           | 19,896           | 15,303         | 19,323        |
| Employer payroll tax expense related to employee stock-based compensation | 415                | 738              | 869            | 364           | 231              | 578              | 375            | 793           |
| Non-GAAP research and development expense                                 | 33,299             | 29,985           | 30,188         | 34,132        | 37,485           | 38,882           | 42,715         | 44,535        |
| GAAP general and administrative expense                                   | 20,215             | 21,213           | 20,053         | 19,700        | 21,770           | 25,375           | 27,392         | 24,099        |
| Stock-based compensation  | 9,265              | 9,715            | 9,122          | 9,011         | 9,926            | 11,392           | 11,410         | 11,981        |
| Employer payroll tax expense related to employee stock-based compensation | 99                 | 134              | 169            | 80            | 238              | 241              | 172            | 167           |
| Non-GAAP general and administrative expense                               | 10,851             | 11,364           | 10,762         | 10,609        | 11,606           | 13,742           | 15,810         | 11,951        |
| Gross profit on a GAAP basis  | \$ 41,113          | \$ 45,287        | \$ 51,611      | \$ 52,166     | \$ 57,840        | \$ 58,347        | \$ 67,510      | \$ 26,444     |
| Stock-based compensation  | 8,993              | 8,983            | 8,828          | 8,408         | 8,311            | 9,504            | 7,437          | 9,290         |
| Employer payroll tax expense related to employee stock-based compensation | 297                | 405              | 493            | 356           | 171              | 356              | 229            | 586           |
| Gross profit on a non-GAAP basis  | 50,403             | 54,675           | 60,932         | 60,930        | 66,322           | 68,207           | 75,176         | 36,320        |
| Gross margin on a GAAP basis  | 56 %               | 58 %             | 60 %           | 60 %          | 61 %             | 59 %             | 62 %           | 38 %          |
| Gross margin on a non-GAAP basis  | 69 %               | 70 %             | 70 %           | 70 %          | 70 %             | 69 %             | 69 %           | 52 %          |
| Loss from operations on a GAAP basis                                      | (79,396)           | (82,546)         | (82,307)       | (72,586)      | (75,288)         | (87,585)         | (88,965)       | (124,819)     |
| Stock-based compensation expense  | 53,169             | 54,983           | 56,729         | 54,683        | 57,038           | 62,652           | 56,615         | 64,775        |
| Employer payroll tax expense related to employee stock-based compensation | 1,274              | 1,773            | 2,173          | 1,272         | 1,090            | 1,789            | 1,185          | 2,220         |
| Loss from operations on a non-GAAP basis                                  | \$ (24,953)        | \$ (25,790)      | \$ (23,405)    | \$ (16,631)   | \$ (17,160)      | \$ (23,144)      | \$ (31,165)    | \$ (57,824)   |
| Operating margin on a GAAP basis  | -108 %             | -105 %           | -95 %          | -83 %         | -80 %            | -89 %            | -82 %          | -178 %        |
| Operating margin on a non-GAAP basis                                      | -34 %              | -33 %            | -27 %          | -19 %         | -18 %            | -23 %            | -29 %          | -82 %         |

# Free Cash Flow

|   | <b>Three Months Ended July 31,</b> |                    |
|---|------------------------------------|--------------------|
|   | <b>2025</b>                        | <b>2024</b>        |
| Net cash (used in) provided by operating activities | \$ (33,535)                        | \$ 8,042           |
| Less:   |                                    |                    |
| Purchases of property and equipment                 | (760)                              | (924)              |
| Capitalized software development costs              | —                                  | —                  |
| Free cash flow                                      | <u>\$ (34,295)</u>                 | <u>\$ 7,118</u>    |
| Net cash used in investing activities               | <u>\$ (51,171)</u>                 | <u>\$ (41,550)</u> |
| Net cash provided by financing activities           | <u>\$ 1,289</u>                    | <u>\$ 182</u>      |

