

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 (\$ 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.

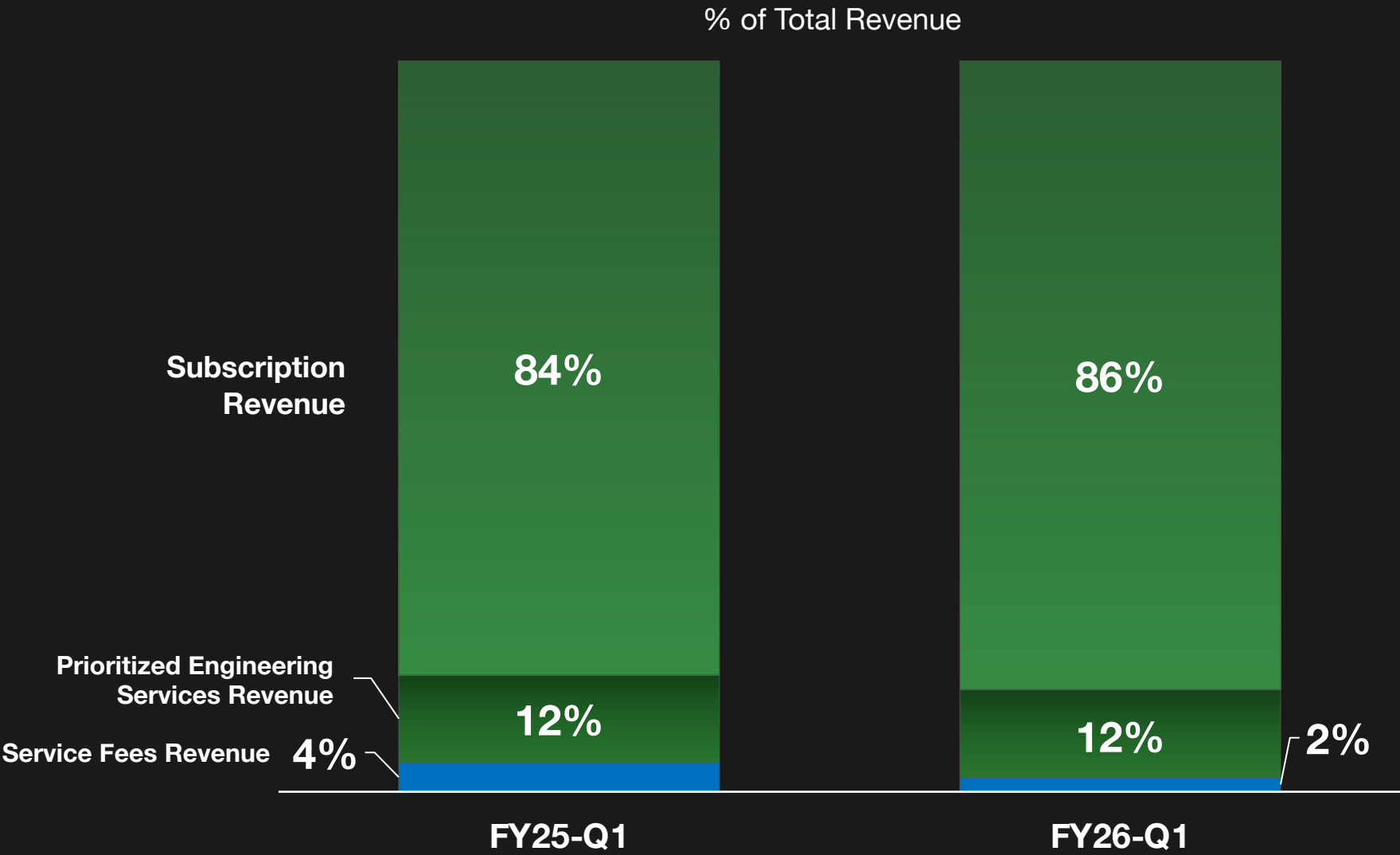
Finance Update

FY26-Q1 Summary Financial Results

	FY26-Q1
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

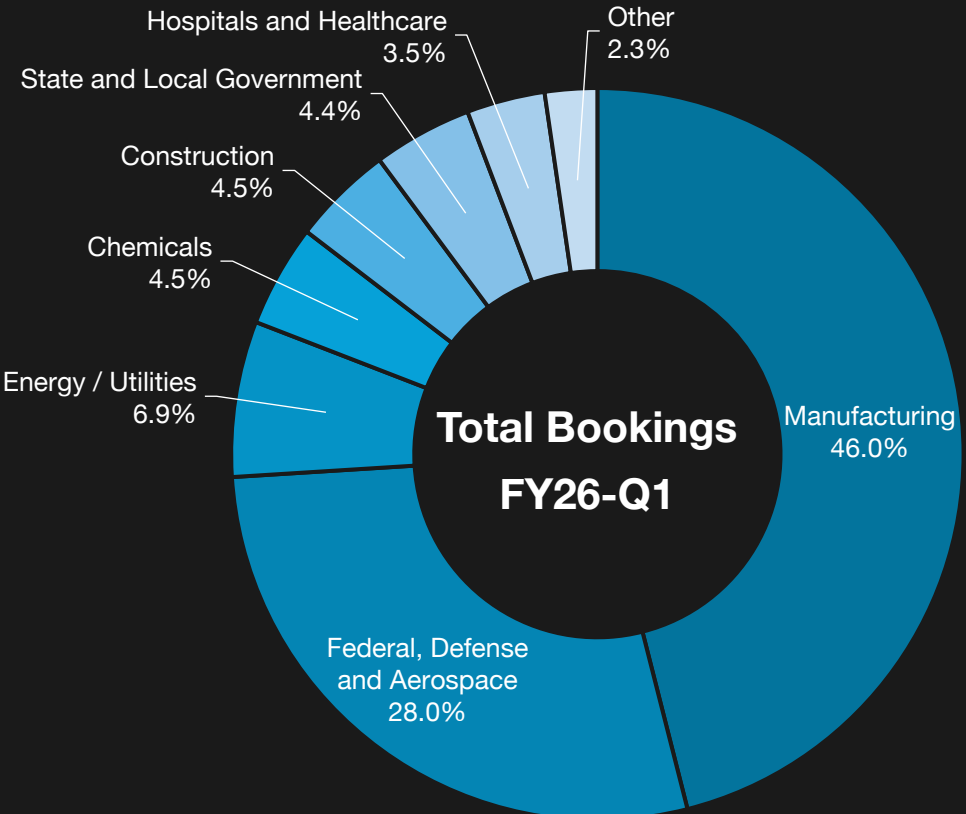
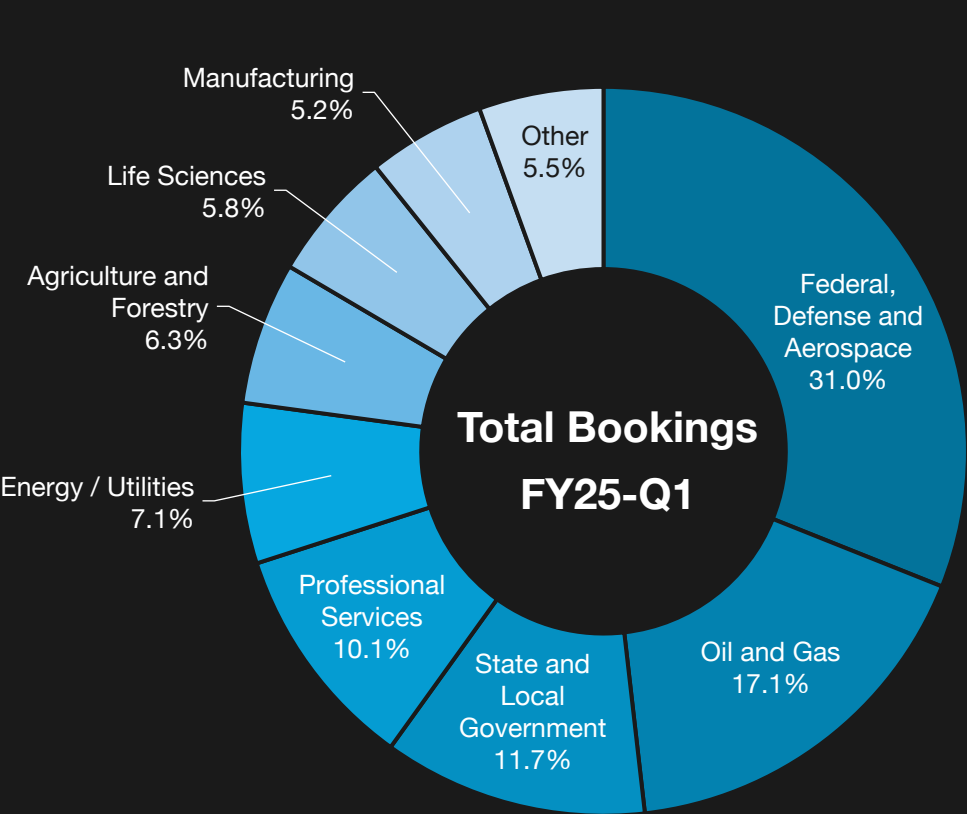
Note: Non-GAAP Gross Profit, Non-GAAP Gross Margin, Non-GAAP loss from Operations, Non-GAAP Net Loss and Free cash flow are non-GAAP financial measures. Refer to the Appendix for a reconciliation of these non-GAAP financial measures to the most directly comparable GAAP measure. Numbers and percentages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

Total Revenue Mix



Note: Numbers and percentages are rounded for presentation purposes.

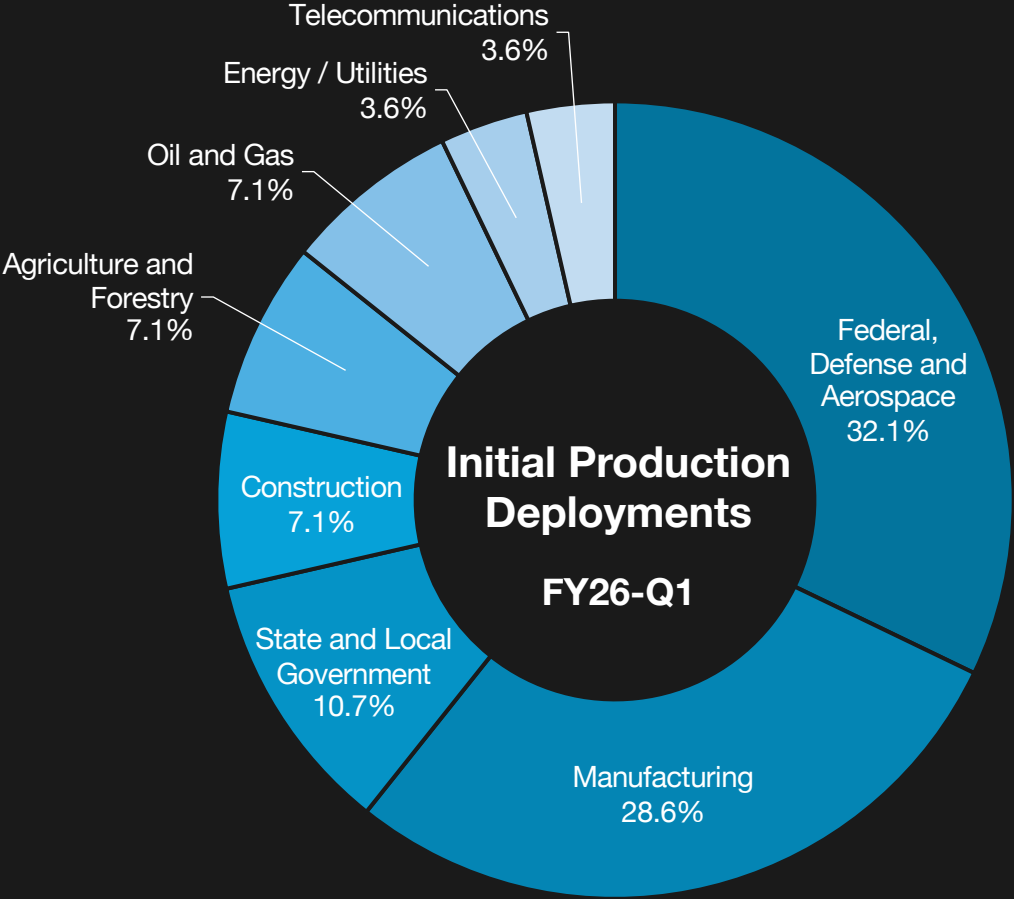
Bookings Diversity by Industry: FY26-Q1



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

Initial Production Deployments Diversity by Industry

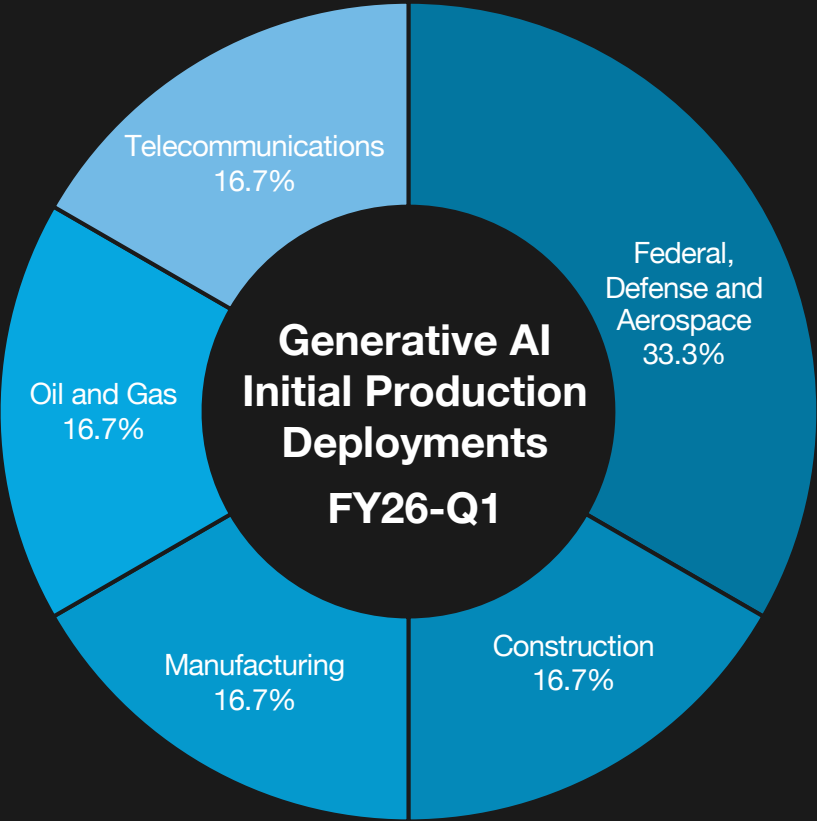
FY26-Q1



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

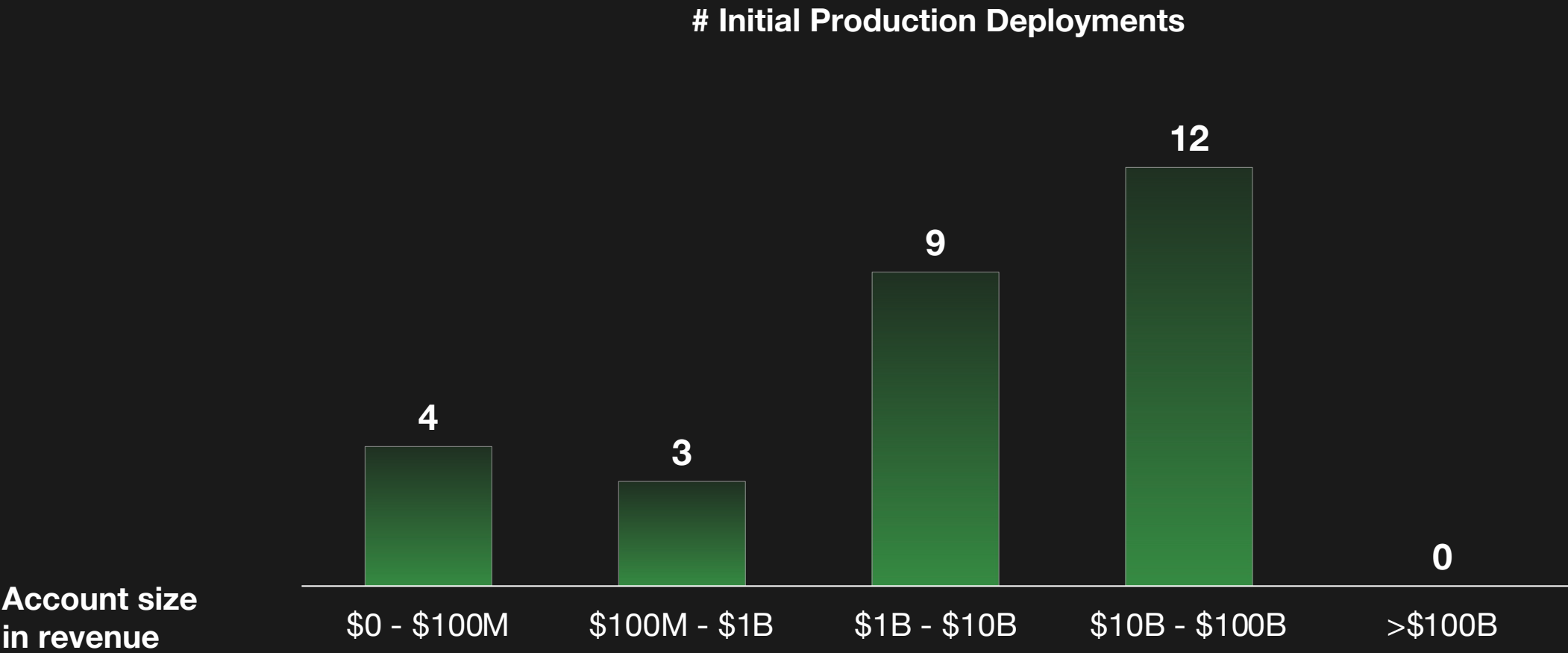
Generative AI Initial Production Deployments Diversity by Industry

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 ⁽¹⁾⁽²⁾	30,937	32,273	34,825	33,292	35,038	37,799	37,712	41,481
Professional services ⁽¹⁾⁽²⁾	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 ⁽¹⁾⁽²⁾	49,895	57,140	63,247	52,125	55,643	61,201	70,690	62,513
Research and development ⁽¹⁾⁽²⁾	50,399	49,480	50,618	52,927	55,715	59,356	58,393	64,651
General and administrative ⁽¹⁾⁽²⁾	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	\$ (69,780)	\$ (72,631)	\$ (72,927)	\$ (62,827)	\$ (65,972)	\$ (80,201)	\$ (79,702)	\$ (116,769)
(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	\$ 53,169	\$ 54,983	\$ 56,729	\$ 54,683	\$ 57,038	\$ 62,652	\$ 56,615	\$ 64,775
(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	\$ 1,274	\$ 1,773	\$ 2,173	\$ 1,272	\$ 1,090	\$ 1,789	\$ 1,185	\$ 2,220

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
Total Revenue	73,229	78,401	86,590	87,213	94,338	98,782	108,723	70,261
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

	Three Months Ended July 31,	
	2025	2024
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	\$ (34,295)	\$ 7,118
Net cash used in investing activities	\$ (51,171)	\$ (41,550)
Net cash provided by financing activities	\$ 1,289	\$ 182

