



Q2 2025 Investor Presentation

Five9 (NASDAQ: FIVN)

Safe Harbor

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This presentation contains statistical data that we obtained from industry publications and reports generated by third parties. Although we believe that the publications and reports are reliable, we have not independently verified this statistical data and accordingly, we cannot guarantee their accuracy or completeness.

Q2'25 Results and Key Metrics

Income Statement	12% Total Revenue YoY Growth
	16% Subscription Revenue YoY Growth
	81% Subscription Revenue as % of Total
	90% LTM Enterprise Revenue as % of Total
	63% Adjusted Gross Margin
	24% (All-time High) Adjusted EBITDA Margin
	63% Adjusted EBITDA YoY \$ Growth
Cash Flow	12% Operating Cash Flow Margin
	8% Free Cash Flow Margin
Operational	108% LTM DBRR
	Highest Total Quarterly ACV Bookings in Two Years <small>(excluding the one Q1'24 Financial Services mega deal)</small>
	All-time High Installed Base Bookings

Note: Non-GAAP and adjusted metrics exclude depreciation, intangibles amortization, stock-based compensation and unusual expense items. See appendix for reconciliation of non-GAAP measures to most comparable GAAP measure

Q2'25 AI Metrics and Innovation

Metrics	
42%	Enterprise AI Revenue YoY Growth
10%	AI as % of Enterprise Subscription Revenue
20%+	AI as % of Enterprise New Logo ACV Bookings
Virtually All	AI Attach on \$1M+ ARR New Logo Deals
3x+	Enterprise AI Bookings YoY Growth
2x+	Enterprise AI New Logo Bookings YoY Growth
4x+	Enterprise AI Installed Base Bookings YoY Growth

Innovation	
Agentic AI Agents	Launched in Q2'25
AI Trust & Governance	Launched in Q2'25
Best AI	Ranked as Having the Best AI Solutions by Channel Partners ⁽¹⁾

⁽¹⁾ Source: Semi-Annual Baird Survey from July 2025

Q2'25 AI Customer Examples

Key Drivers of Momentum		1 View Five9 as their core CX platform, including AI	2 View Five9 as their core CX platform with the AI expertise, products and integrations	3 Achieving significant and tangible ROI with Five9's AI solutions
Outcome	Customer #1	Healthcare company Extended contract to 5-year term	Customer #3	Customer #5
	Increase in Five9 ARR ⁽¹⁾	~40% (\$11M+)	Airline company Expanded AI portfolio after working with Five9 AI experts to evaluate ROI of increasing self-service capabilities	Healthcare company - 80% reduction in abandonment rate - 50%+ increase in containment rate - 60%+ improvement in post interaction work time
Outcome	Customer #2	Healthcare company Extended contract to 5-year term	Customer #4	Customer #6
	Increase in Five9 ARR ⁽¹⁾	2x+ (\$5M+)	Pest Control company Added new AI capabilities	Digital Health company - 19% improvement in self-service containment - Improvement in CSAT metrics - 50% reduction in abandonment rate - ~50% reduction in hold time

Key Customer Wins and Expansion

New Customer #1

Global data and analytics company

Chose Five9 to modernize from a rigid legacy platform to a scalable, AI-powered CX solution to elevate customer engagement and drive operational efficiency

\$3.3M in anticipated ARR

New Customer #2⁽¹⁾

Business unit of Fortune 50 financial services company

Chose Five9 to replace legacy systems and enable scalable, compliant voice solutions integrated with Salesforce

\$2.8M in anticipated ARR

New Customer #3

National mortgage services provider

Chose Five9 to modernize from an inflexible on-prem system that was contributing to client churn, to a cloud platform that could support inbound and outbound engagement, integrate with a complex CRM stack, and elevate their customer experience

\$1.2M in anticipated ARR

New Customer #4

Global veterinary services provider

Chose Five9 to consolidate fragmented on-prem systems and elevate both customer and agent experience by unifying on a modern cloud platform, activating voice and all digital channels to manage workflows and gain visibility into performance trends

\$1.1M in anticipated ARR

Existing Customer

Leading academic health system

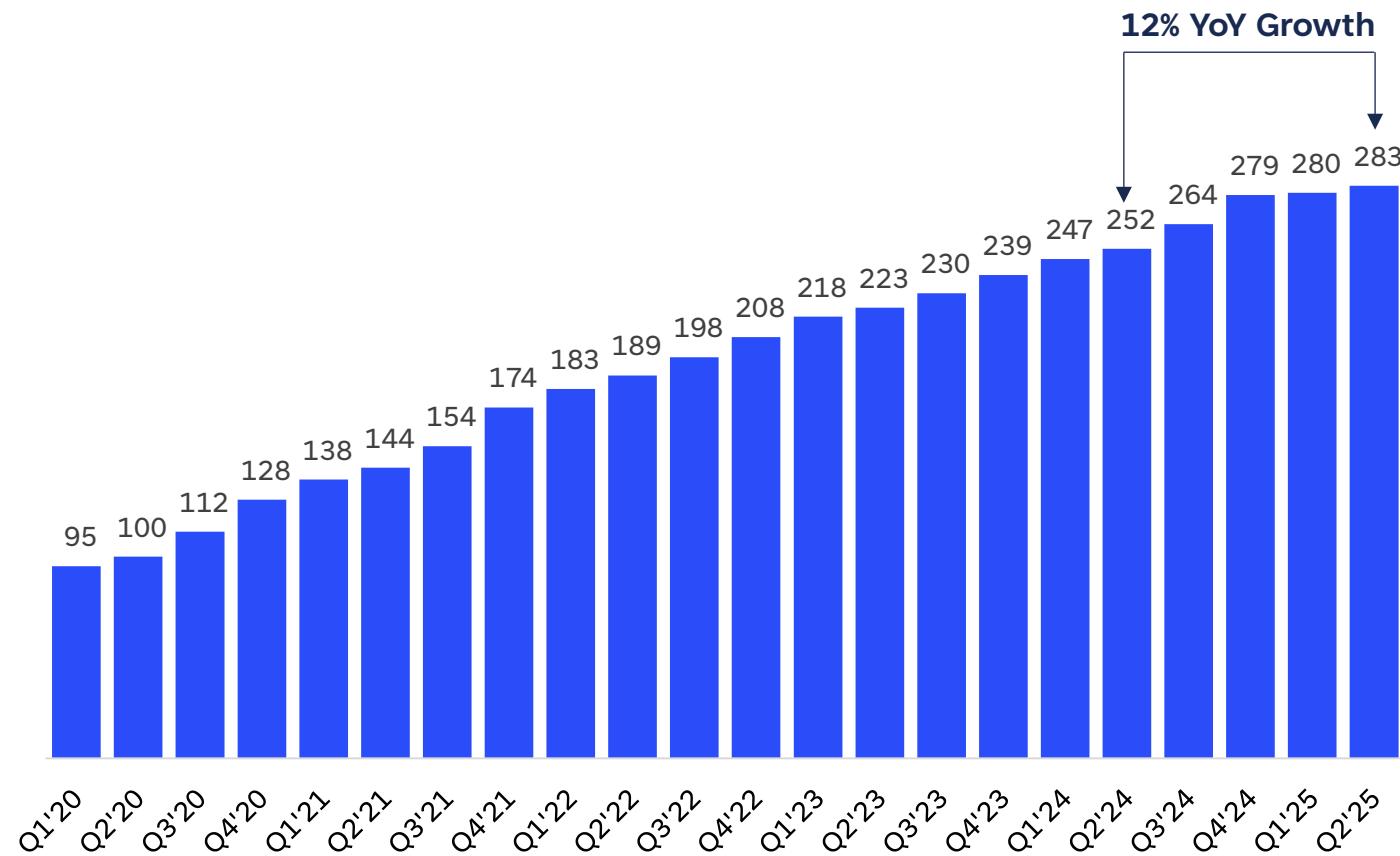
Expanded its partnership with Five9 and signed new five-year agreement with a focus on enhancing their AI Agent solution, integrating Five9 with Epic to streamline clinical workflows, and leveraging Five9 Fusion for Salesforce

\$3.0M in additional ARR to over \$5.0M total ARR

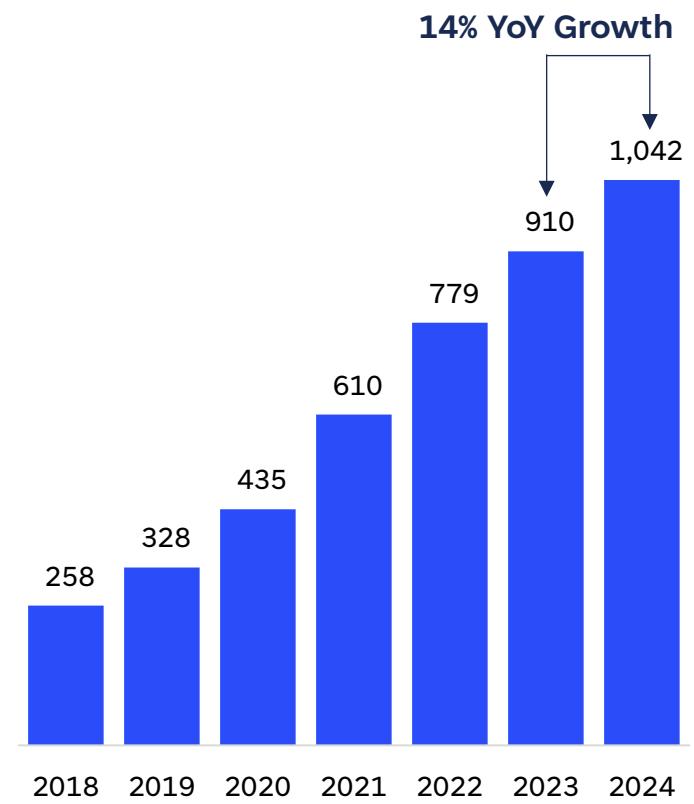
⁽¹⁾ Announced on 5/1/2025 Five9 Earnings Call

Consistent Revenue Growth

Quarterly Revenue (\$M)

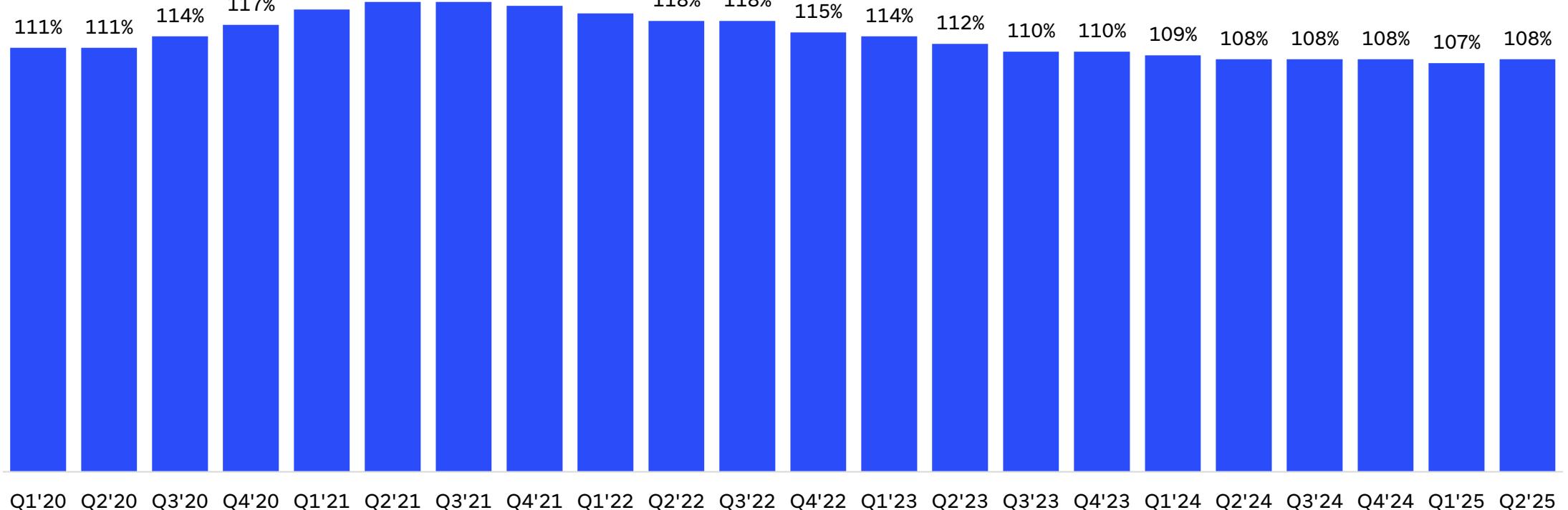


Annual Revenue (\$M)



High Customer Retention

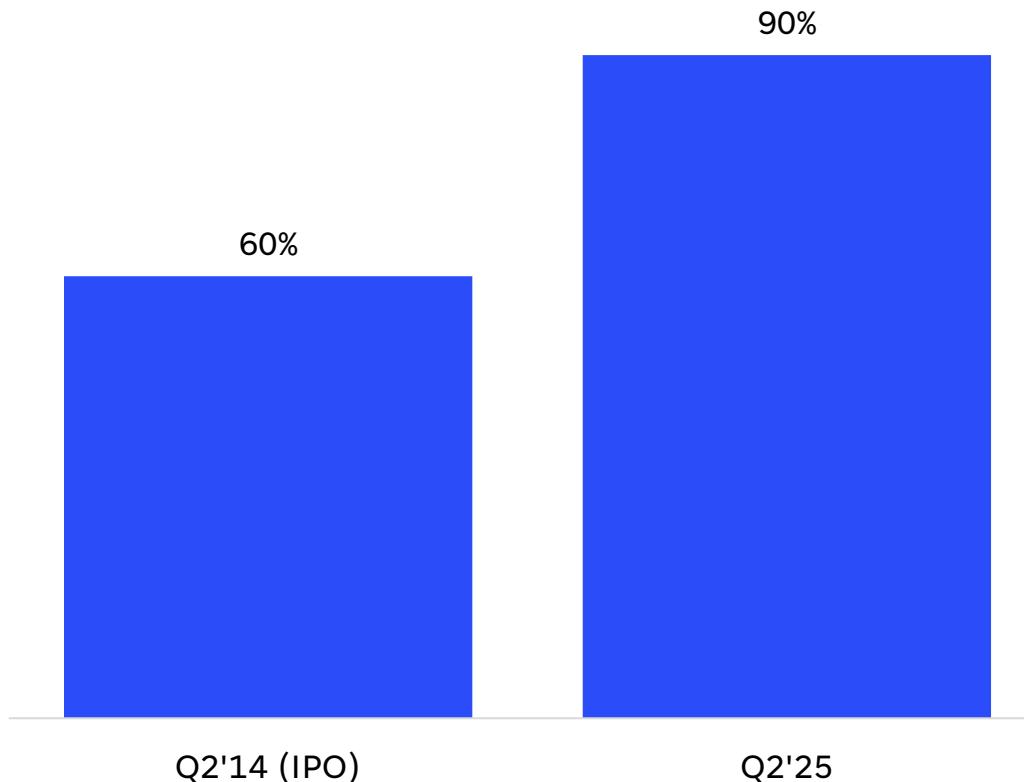
% Annual Dollar Based Retention Rate (DBRR)



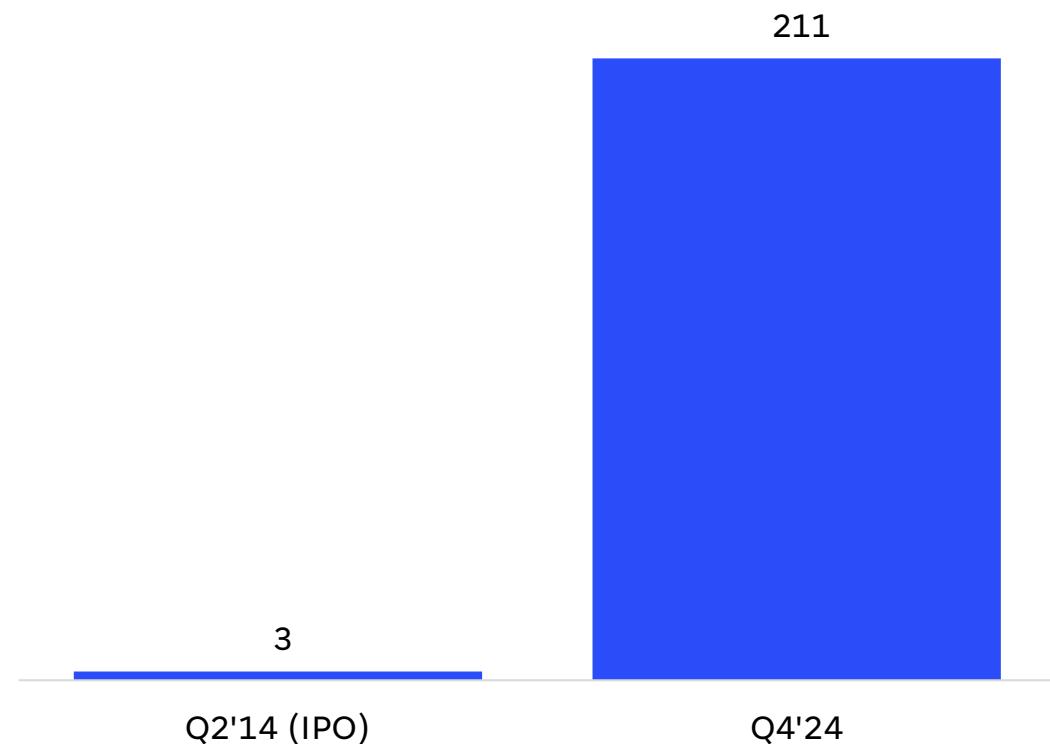
Note: Annual DBRR based on last 12 months at the end of each respective quarter

Executing on Enterprise Opportunity

Enterprise as a % of Total Revenue (LTM)



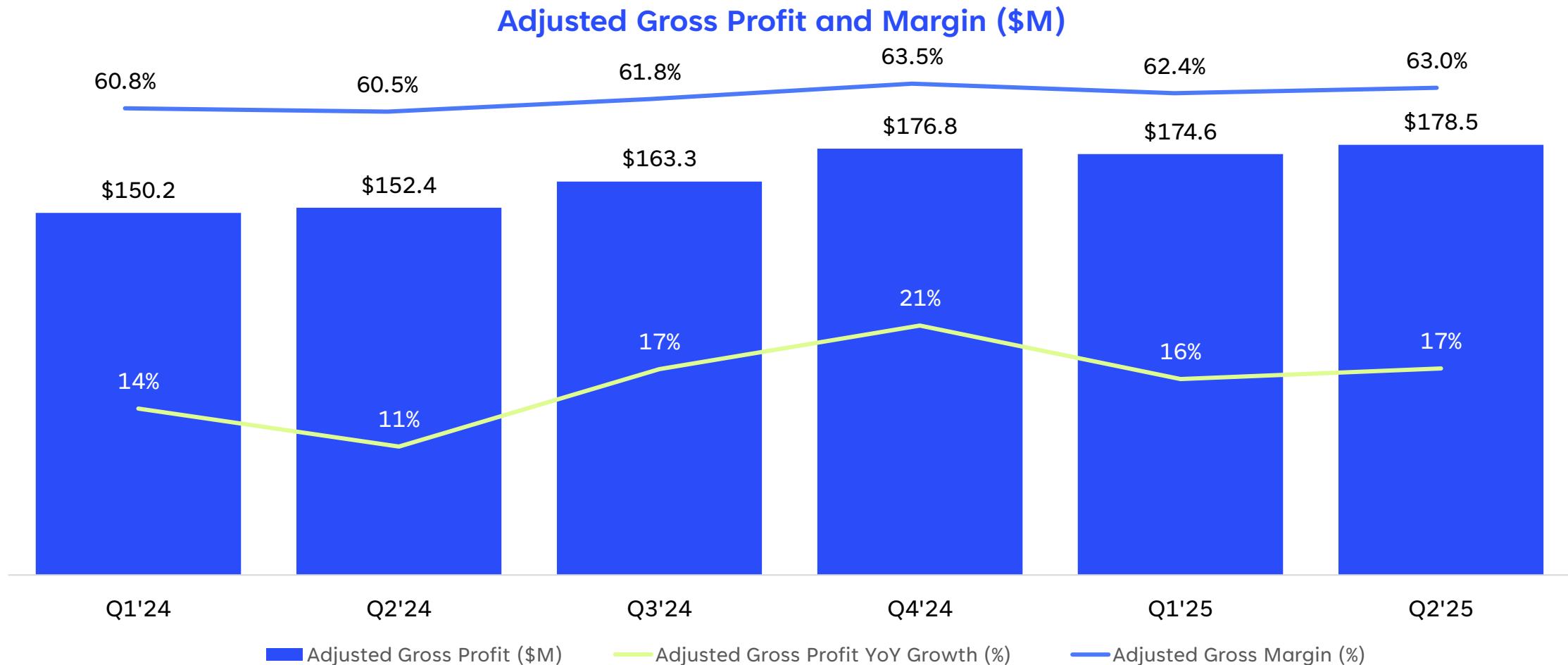
Enterprise Customers \$1M+ ARR (Q4'24 Ann.)



Note: Historical results prior to 2018 based on ASC 605; Results 2018 onward are based on ASC 606; \$1M+ ARR based on Q4'24 annualized

Continued Adjusted Gross Profit Expansion

Non-GAAP

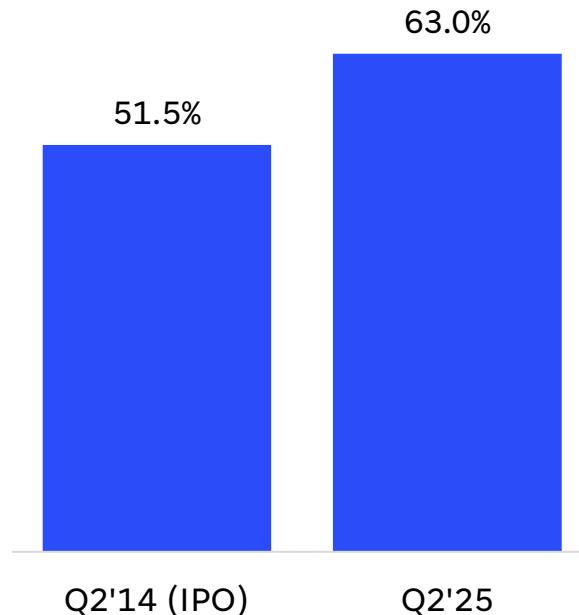


Note: Adjusted gross profit and adjusted gross margin excludes depreciation, intangibles amortization, stock-based compensation and unusual expense items. See appendix for reconciliation of non-GAAP measures to most comparable GAAP measure

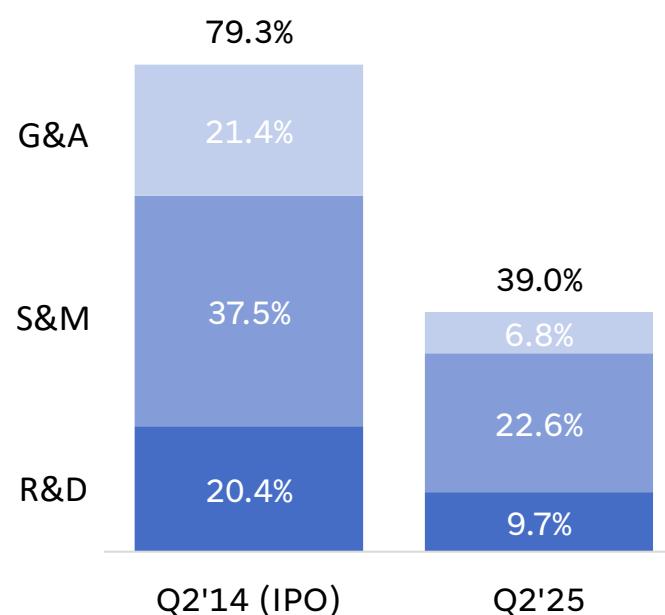
Robust Margin Expansion and Operating Leverage

Non-GAAP

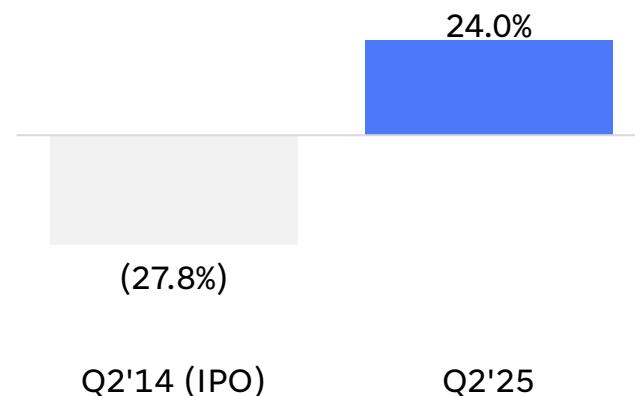
Adj. Gross Margin
11.5% point expansion



Non-GAAP Opex (% of revenue)
40.3% point improvement

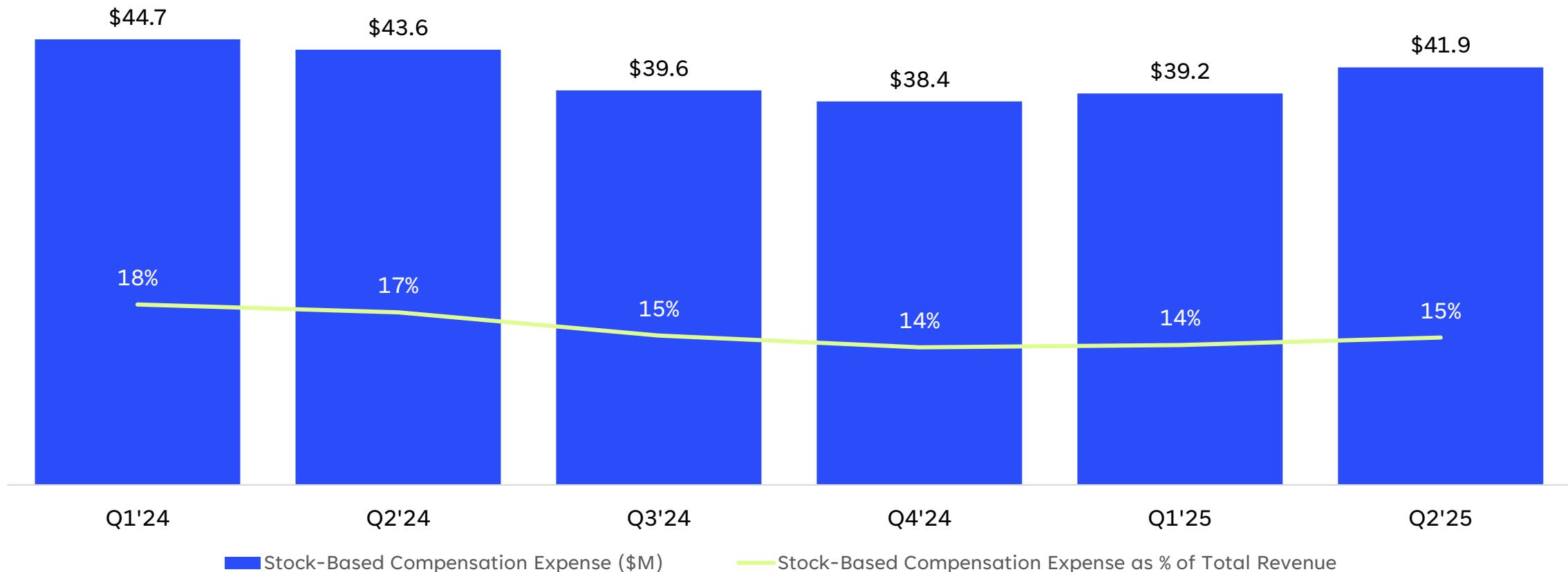


Adj. EBITDA Margin
51.8% point expansion

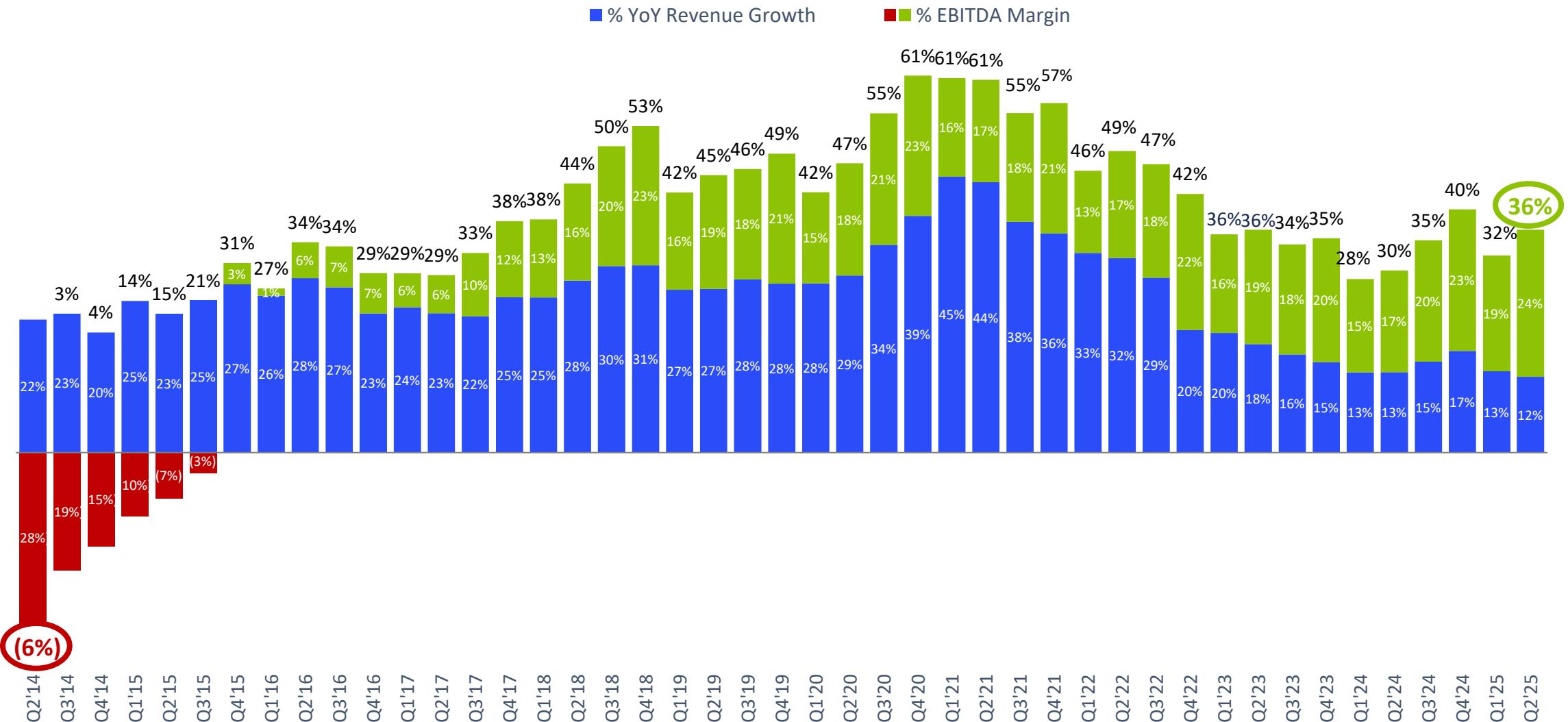


Note: Non-GAAP and adjusted metrics exclude depreciation, intangibles amortization, stock-based compensation and unusual expense items. Historical results prior to 2018 based on ASC 605; Results 2018 onward are based on ASC 606. See appendix for reconciliation of non-GAAP measures to most comparable GAAP measure

YoY Improvement in Stock-Based Compensation Expense



Continuing to Drive Balanced Growth

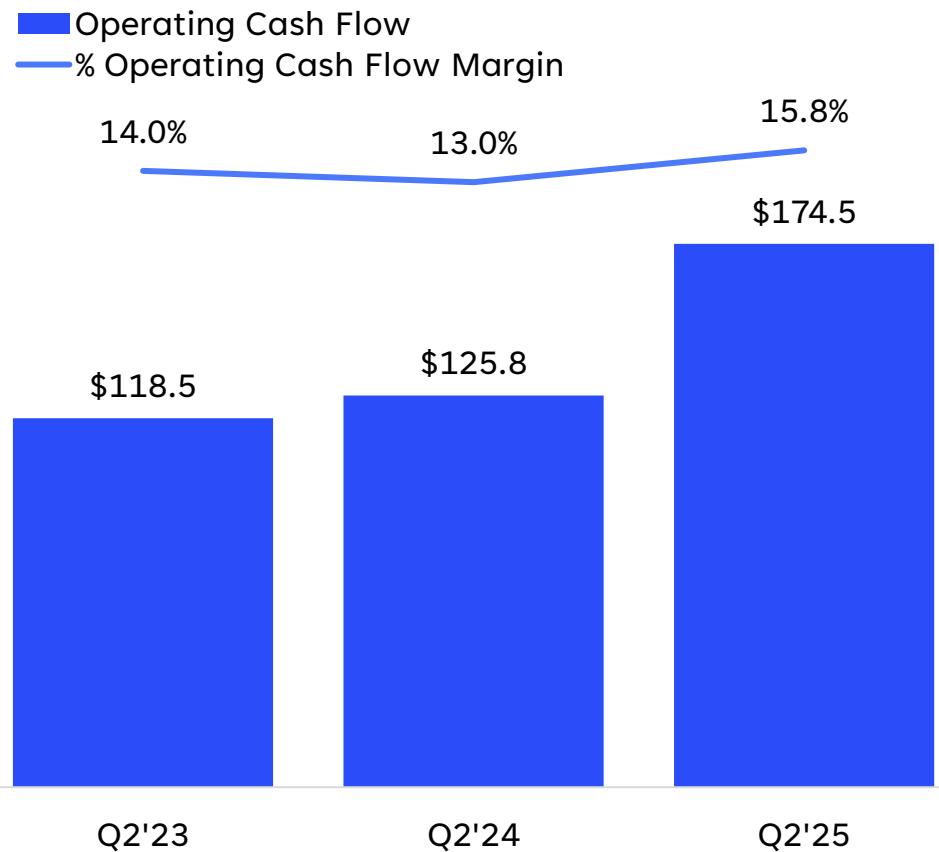


Note: Adjusted EBITDA excludes depreciation, intangibles amortization, stock-based compensation and unusual expense items. See appendix for reconciliation of non-GAAP measures to most comparable GAAP measure; ASC 605 for periods prior to 2018

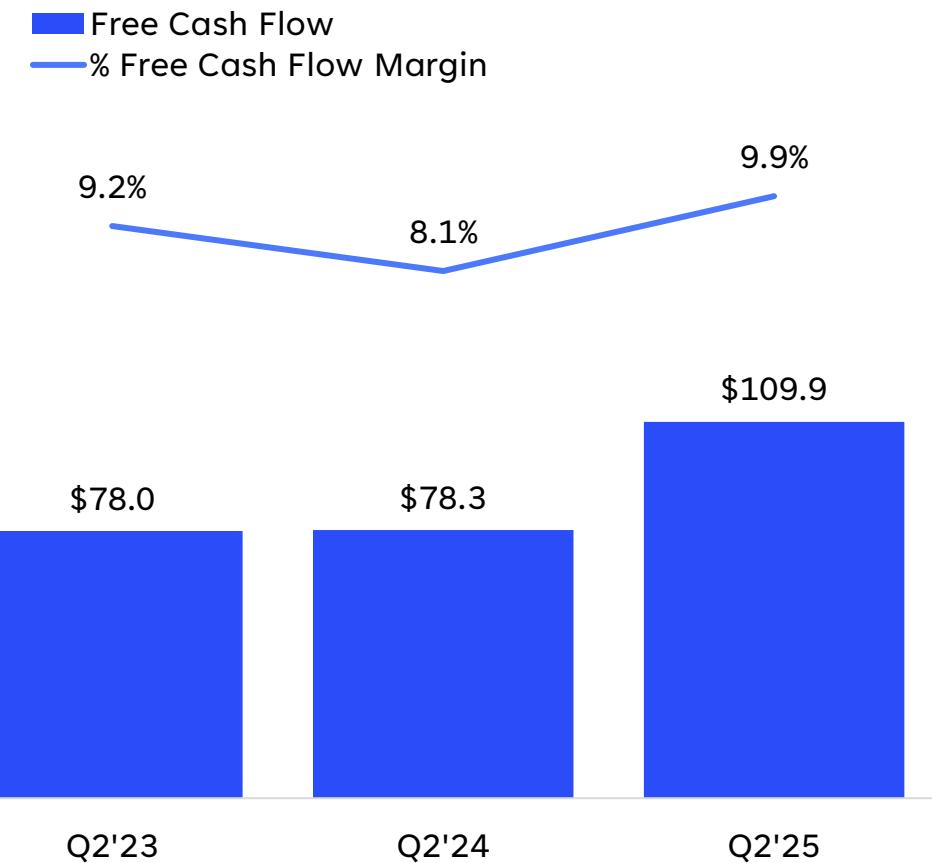
Operating and Free Cash Flow

LTM Operating Cash Flow (\$M)

DSO of 35 days in Q2'25

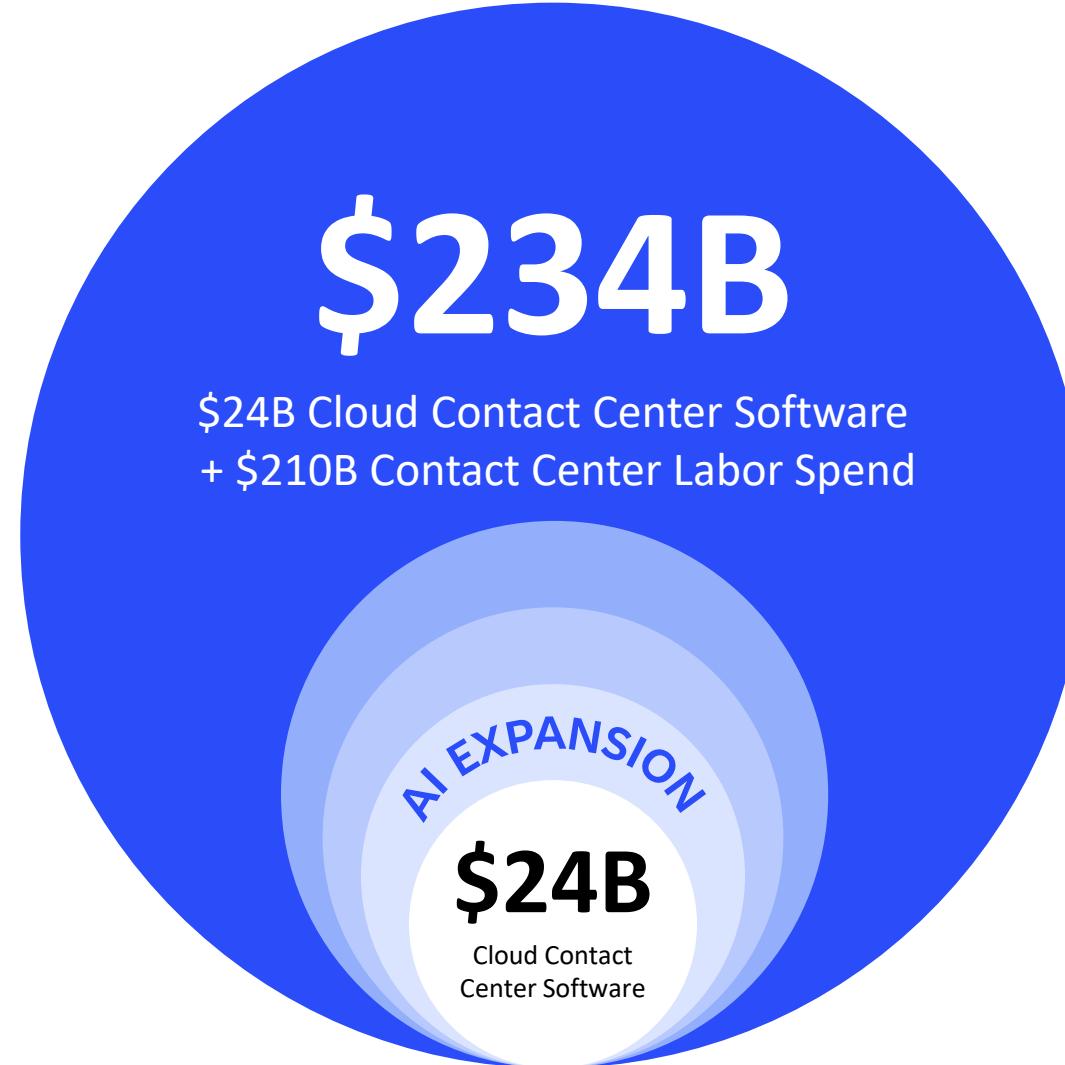


LTM Free Cash Flow (\$M)



Note: Free cash flow defined as operating cash flow less CAPEX less capitalized software; Non-GAAP and adjusted metrics exclude depreciation, intangibles amortization, stock-based compensation and unusual expense items. See appendix for reconciliation of non-GAAP measures to most comparable GAAP measure

TAM Expansion Driven by AI



Q3'25 and 2025 Guidance

	Q3'25	2025
Revenue	\$283.0M – \$286.0M	\$1.1435B – \$1.1495B
GAAP Net Income Per Diluted Share	\$0.06 – \$0.12	\$0.23 – \$0.30
Non-GAAP Net Income Per Diluted Share	\$0.72 – \$0.74	\$2.86 – \$2.90
Diluted Shares – GAAP	87.5M	88.5M
Diluted Shares – Non-GAAP	78.1M	77.7M
Taxes – Non-GAAP	\$2.8M – \$3.0M	\$7.3M – \$7.5M
Purchase of PP&E	\$13M – \$14M	\$26M – \$27M

Note: Refer to the “GAAP to Non-GAAP Net Income (Loss) Reconciliation – Guidance” table in the appendix for more details, including important assumptions upon which such guidance is based; Non-GAAP and adjusted metrics exclude depreciation, intangibles amortization, stock-based compensation and unusual expense items

Medium-Term Operating Model

	Today Q2'25
<u>Revenue (YoY Growth)</u>	
Total Revenue	12%
<u>Profit & Expenses (% of Revenue)</u>	
Adj. Gross Margin	63%
S&M	23%
R&D	10%
G&A	7%
Adj. EBITDA	24%
Stock-Based Compensation	15%



Medium-Term Model (In 2027)

Revenue (YoY Growth)

10% - 15%

Profit & Expenses (% of Revenue)

66% - 68%+

22% - 23%

10% - 11%

6% - 7%

25% - 30%+

Ongoing decline as % of revenue

Key Assumptions

- Assumes stable macro conditions
- Potential further upside with AI

- Subscription margin expansion and increasing subscription revenue mix

- Cost discipline
- Economies of scale
- Key strategic investments in go-to-market and innovation

- Rule of 40+ in 2027

- Lagging indicator
- Increased discipline

Note: Non-GAAP and adjusted metrics exclude depreciation, intangibles amortization, stock-based compensation and unusual expense items. See appendix for reconciliation of non-GAAP measures to most comparable GAAP measure. Medium-term model assumes stable macroeconomic conditions in 2026 and 2027

Appendix

Balance Sheet Summary

\$ in Millions	Quarter Ended	
	June 30, 2025	December 31, 2024
Cash, cash equivalents and marketable investments	\$635.9	\$1,006.0
Working capital	692.6	606.9
Total assets	1,704.9	2,051.2
Total debt ¹	733.6	1,165.3
Total stockholders' equity	717.4	622.2

⁽¹⁾ Total principal amount of debt in the amount of \$747.5M as of June 30, 2025 will become due in March 2029. Total principal amount of debt in the amount of \$434.4M matured on June 1, 2025, and the Company settled its obligations with respect to this note in cash in connection therewith.

GAAP to Adjusted Gross Profit Reconciliation

Q2'14 – Q4'17

	Quarter Ended															
	Q2'14	Q3'14	Q4'14	Q1'15	Q2'15	Q3'15	Q4'15	Q1'16	Q2'16	Q3'16	Q4'16	Q1'17	Q2'17	Q3'17	Q4'17	
GAAP gross profit	\$ 11,216	\$ 12,365	\$ 13,734	\$ 15,496	\$ 16,004	\$ 17,475	\$ 20,398	\$ 21,405	\$ 22,122	\$ 23,192	\$ 28,437	\$ 27,043	\$ 27,454	\$ 29,584	\$ 33,040	
% GAAP gross margin	45.4 %	47.8 %	48.6 %	51.2 %	52.9 %	54.1 %	56.6 %	56.3 %	56.9 %	56.6 %	64.3 %	57.5 %	57.5 %	59.1 %	59.6 %	
Depreciation & amortization	1,373	1,272	1,291	1,439	1,558	1,470	1,483	1,680	1,616	1,668	1,608	1,576	1,716	1,397	1,611	
Stock-based compensation	121	158	176	188	218	233	227	265	329	357	424	434	575	599	594	
One-time integration costs	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Reversal of accrued federal fees	—	—	—	—	—	—	—	—	—	—	(3,114)	—	—	—	—	
Out of period adj. for accrued federal fees	—	—	235	—	—	—	—	—	—	—	—	—	—	—	—	
COVID-19 relief bonus for employees	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Adjusted gross profit	\$ 12,710	\$ 13,795	\$ 15,436	\$ 17,123	\$ 17,780	\$ 19,178	\$ 22,108	\$ 23,350	\$ 24,067	\$ 25,217	\$ 27,355	\$ 29,053	\$ 29,745	\$ 31,580	\$ 35,245	
% adjusted gross margin	51.5 %	53.3 %	54.6 %	56.6 %	58.7 %	59.4 %	61.4 %	61.4 %	61.9 %	61.5 %	61.9 %	61.8 %	62.3 %	63.1 %	63.6 %	

Note: Historical results prior to 2018 based on ASC 605

GAAP to Adjusted Gross Profit Reconciliation

Q1'18 – Q4'21

	Quarter Ended															
	Q1'18	Q2'18	Q3'18	Q4'18	Q1'19	Q2'19	Q3'19	Q4'19	Q1'20	Q2'20	Q3'20	Q4'20	Q1'21	Q2'21	Q3'21	Q4'21
GAAP gross profit	\$ 34,203	\$ 36,306	\$ 39,125	\$ 43,996	\$ 43,687	\$ 46,188	\$ 49,297	\$ 54,323	\$ 55,051	\$ 57,339	\$ 65,582	\$ 76,652	\$ 78,079	\$ 79,387	\$ 87,191	\$ 93,835
% GAAP gross margin	58.1 %	59.4 %	59.9 %	60.8 %	58.6 %	59.6 %	58.8 %	58.9 %	57.9 %	57.5 %	58.5 %	59.9 %	56.6 %	55.2 %	56.5 %	54.1 %
Depreciation & amortization	1,794	1,864	2,021	2,129	2,366	2,504	2,602	3,384	3,940	5,120	5,171	5,948	7,087	7,825	7,658	8,301
Stock-based compensation	678	853	860	942	1,229	1,658	1,702	1,745	1,989	2,499	2,603	2,331	3,105	3,781	3,994	6,854
One-time integration costs	—	—	—	—	—	—	—	—	—	—	—	—	30	2	37	43
Reversal of accrued federal fees	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Out of period adj. for accrued federal fees	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Exit costs related to closure and relocation of Russian operations	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
COVID-19 relief bonus for employees	—	—	—	—	—	—	—	—	—	618	—	—	—	—	—	—
Refund for prior year overpayment of USF fees	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Adjusted gross profit	\$ 36,675	\$ 39,023	\$ 42,006	\$ 47,067	\$ 47,282	\$ 50,350	\$ 53,601	\$ 59,452	\$ 60,980	\$ 65,576	\$ 73,356	\$ 84,931	\$ 88,301	\$ 90,995	\$ 98,880	\$ 109,033
% adjusted gross margin	62.3 %	63.8 %	64.3 %	65.1 %	63.4 %	65.0 %	64.0 %	64.4 %	64.1 %	65.7 %	65.4 %	66.4 %	64.0 %	63.3 %	64.1 %	62.8 %

GAAP to Adjusted Gross Profit Reconciliation

Q1'22 – Q2'25

	Quarter Ended													
	Q1'22	Q2'22	Q3'22	Q4'22	Q1'23	Q2'23	Q3'23	Q4'23	Q1'24	Q2'24	Q3'24	Q4'24	Q1'25	Q2'25
GAAP gross profit	\$ 93,910	\$ 101,153	\$ 104,231	\$ 112,051	\$ 113,683	\$ 118,521	\$ 119,025	\$ 126,569	\$ 132,480	\$ 133,672	\$ 142,249	\$ 155,997	\$ 153,732	\$ 155,404
% GAAP gross margin	51.4 %	53.4 %	52.6 %	53.8 %	52.0 %	53.2 %	51.7 %	52.9 %	53.6 %	53.0 %	53.8 %	56.0 %	55.0 %	54.9 %
Depreciation & amortization	8,500	8,747	8,904	8,803	8,907	9,269	10,075	10,308	9,613	10,421	10,414	12,087	11,883	12,161
Stock-based compensation	7,793	8,538	8,329	8,638	9,333	9,888	9,856	9,182	7,603	7,789	7,512	6,921	7,184	7,296
One-time integration costs	48	80	187	86	34	—	—	—	53	72	94	40	—	—
Reversal of accrued federal fees	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Out of period adj. for accrued federal fees	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Exit costs related to closure and relocation of Russian operations	380	3	96	219	23	51	18	12	—	—	—	—	—	—
Lease amortization for finance leases	—	—	—	—	—	—	492	449	457	455	895	1,802	1,816	2,119
Costs related to reduction in force plan	—	—	—	—	—	—	—	—	—	—	2,115	—	—	—
COVID-19 relief bonus for employees	—	—	—	—	—	—	—	—	—	—	—	—	—	1,565
Refund for prior year overpayment of USF fees	—	(3,511)	—	—	—	—	—	—	—	—	—	—	—	—
Adjusted gross profit	\$ 110,631	\$ 115,010	\$ 121,747	\$ 129,797	\$ 131,980	\$ 137,729	\$ 139,466	\$ 146,520	\$ 150,206	\$ 152,409	\$ 163,279	\$ 176,847	\$ 174,615	\$ 178,545
% adjusted gross margin	60.5 %	60.7 %	61.4 %	62.3 %	60.4 %	61.8 %	60.6 %	61.3 %	60.8 %	60.5 %	61.8 %	63.5 %	62.4 %	63.0 %

GAAP to Adjusted Gross Profit Reconciliation

2014 – 2024

	Year Ended											
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	
GAAP gross profit	\$ 48,441	\$ 69,373	\$ 95,156	\$ 117,121	\$ 153,630	\$ 193,495	\$ 254,624	\$ 338,492	\$ 411,345	\$ 477,798	\$ 564,398	
% GAAP gross margin	47.0 %	53.8 %	58.7 %	58.5 %	59.6 %	59.0 %	58.5 %	55.5 %	52.8 %	52.5 %	54.2 %	
Depreciation & amortization	5,138	5,950	6,573	6,300	7,808	10,856	20,179	30,870	34,955	38,559	42,535	
Stock-based compensation	542	866	1,375	2,202	3,333	6,334	9,422	17,734	33,297	38,259	29,825	
Reversal of accrued federal fees	—	—	(3,114)	—	—	—	—	—	—	—	—	
Out of period adj. for accrued federal fees	235	—	—	—	—	—	—	—	—	—	—	
COVID-19 relief bonus for employees	—	—	—	—	—	—	618	—	—	—	—	
One-time integration costs	—	—	—	—	—	—	—	112	401	34	259	
Exit costs related to closure and relocation of Russian operations	—	—	—	—	—	—	—	—	698	105	—	
Refund for prior year overpayment of USF fees	—	—	—	—	—	—	—	—	(3,511)	—	—	
Lease amortization for finance leases	—	—	—	—	—	—	—	—	—	941	3,609	
Costs related to a reduction in force plan	—	—	—	—	—	—	—	—	—	—	2,115	
Adjusted gross profit	\$ 54,356	\$ 76,189	\$ 99,990	\$ 125,623	\$ 164,771	\$ 210,685	\$ 284,843	\$ 387,208	\$ 477,185	\$ 555,696	\$ 642,741	
% adjusted gross margin	52.7 %	59.1 %	61.7 %	62.7 %	63.9 %	64.2 %	65.5 %	63.5 %	61.3 %	61.0 %	61.7 %	

Note: Historical results prior to 2018 based on ASC 605

GAAP Net Inc. (Loss) to Adj. EBITDA Reconciliation

Q2'14 – Q4'17

	Quarter Ended																
	Q2'14	Q3'14	Q4'14	Q1'15	Q2'15	Q3'15	Q4'15	Q1'16	Q2'16	Q3'16	Q4'16	Q1'17	Q2'17	Q3'17	Q4'17		
GAAP net income (loss)	\$ (8,659)	\$ (11,435)	\$ (9,372)	\$ (8,903)	\$ (7,369)	\$ (6,048)	\$ (3,518)	\$ (4,911)	\$ (3,468)	\$ (3,890)	\$ 409	\$ (5,255)	\$ (4,007)	\$ 924	\$ (631)		
Non-GAAP adjustments:																	
Depreciation and amortization	1,699	1,567	1,605	1,775	1,910	1,840	1,863	2,103	2,060	2,140	2,086	2,095	2,270	1,881	2,068		
Stock-based compensation	1,723	1,877	1,957	2,235	1,830	1,945	1,720	1,994	2,414	2,519	2,716	3,129	3,854	3,720	4,640		
Interest expense	1,092	1,116	1,175	1,139	1,155	1,235	1,198	1,199	1,197	961	869	882	888	865	836		
Interest income and other	28	(95)	(146)	(2)	49	(119)	(28)	45	33	(12)	(54)	(118)	(90)	(118)	(164)		
Provision for (benefit from) income taxes	12	13	33	18	(20)	50	13	28	42	(2)	(14)	49	50	43	126		
Extinguishment of debt	—	—	—	—	—	—	—	—	—	1,026	—	—	—	—	—	—	
Reversal of accrued federal fees	—	—	—	—	—	—	—	—	—	—	(3,114)	—	—	—	—	—	
Legal settlement	—	—	—	—	—	—	—	—	—	—	—	1,700	—	—	—	—	
Legal and indemnification fees related to settlement	—	—	—	—	—	—	—	—	—	—	—	135	—	—	—	—	
Acquisition-related transaction costs and one-time integration costs	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
COVID-19 relief bonus for employees	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Loss on early extinguishment of debt	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Contingent consideration expense	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Change in fair value of convertible preferred and common stock warrant liabilities	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Reversal of contingent sales tax liability (G&A)	(2,766)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Reversal of interest and penalties on accrued federal fees (G&A)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	(2,133)	—	
Accrued FCC charge (G&A)	—	2,000	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Out of period adj. for accrued federal fees (COR)	—	—	235	—	—	—	—	—	—	—	—	—	—	—	—	—	
Out of period adj. for sales tax liability (G&A)	—	—	183	575	190	—	—	—	—	—	—	—	—	—	—	—	
Adjusted EBITDA	\$ (6,871)	\$ (4,957)	\$ (4,330)	\$ (3,163)	\$ (2,255)	\$ (1,097)	\$ 1,248	\$ 458	\$ 2,278	\$ 2,742	\$ 2,898	\$ 2,617	\$ 2,965	\$ 5,182	\$ 6,875		
% adjusted EBITDA margin	(27.8)%	(19.2)%	(15.3)%	(10.4)%	(7.4)%	(3.4)%	3.5 %	1.2 %	5.9 %	6.7 %	6.6 %	5.6 %	6.2 %	10.3 %	12.4%		

Note: Historical results prior to 2018 based on ASC 605

GAAP Net Inc. (Loss) to Adj. EBITDA Reconciliation

Q1'18 – Q4'21

	Quarter Ended															
	Q1'18	Q2'18	Q3'18	Q4'18	Q1'19	Q2'19	Q3'19	Q4'19	Q1'20	Q2'20	Q3'20	Q4'20	Q1'21	Q2'21	Q3'21	Q4'21
GAAP net income (loss)	\$ (607)	\$ (2,042)	\$ (1,305)	\$ 3,733	\$ (1,924)	\$ (1,860)	\$ (1,604)	\$ 836	\$ (7,437)	\$ (16,052)	\$ (11,431)	\$ (7,210)	\$ (12,332)	\$ (16,530)	\$ (20,537)	\$ (3,601)
Non-GAAP adjustments:																
Depreciation and amortization	2,320	2,449	2,667	2,838	3,192	3,361	3,497	4,324	4,970	6,243	6,537	7,337	8,763	9,651	9,780	10,538
Stock-based compensation	5,325	6,797	8,869	7,493	8,686	10,436	11,075	11,868	13,794	16,791	17,286	16,876	20,908	24,901	27,395	35,601
Interest expense	810	2,378	3,595	3,462	3,396	3,406	3,486	3,506	3,484	5,734	9,649	9,481	1,938	2,118	1,947	2,024
Interest income and other	(398)	(206)	(1,352)	(1,359)	(1,745)	(1,490)	(1,460)	(1,384)	(1,072)	(830)	(631)	(501)	(175)	353	(213)	43
Provision for (benefit from) income taxes	45	64	41	150	(49)	29	50	74	69	(2,876)	346	8	(517)	(135)	(188)	(10,445)
Extinguishment of debt	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Reversal of accrued federal fees	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Legal settlement	—	—	—	—	—	420	—	—	—	—	—	—	—	—	—	—
Legal and indemnification fees related to settlement	—	241	258	93	292	64	—	—	—	—	—	—	—	—	—	—
Acquisition-related transaction costs and one-time integration costs	—	—	—	—	—	—	—	338	329	1,637	2,030	2,339	1,094	973	9,158	2,351
Exit costs related to closure and relocation of Russian operations	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
COVID-19 relief bonus for employees	—	—	—	—	—	—	—	—	—	1,817	—	—	—	—	—	—
Loss on early extinguishment of debt	—	—	—	—	—	—	—	—	—	5,795	282	887	—	—	—	—
Contingent consideration expense	—	—	—	—	—	—	—	—	—	—	—	—	2,500	2,700	60	380
Refund for prior year overpayment of USF fees	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Change in fair value of convertible preferred and common stock warrant liabilities	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Reversal of contingent sales tax liability (G&A)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Reversal of interest and penalties on accrued federal fees (G&A)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Accrued FCC charge (G&A)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Out of period adj. for accrued federal fees (COR)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Out of period adj. for sales tax liability (G&A)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Adjusted EBITDA	\$ 7,495	\$ 9,681	\$ 12,773	\$ 16,410	\$ 11,848	\$ 14,366	\$ 15,044	\$ 19,562	\$ 14,137	\$ 18,259	\$ 24,068	\$ 29,217	\$ 22,179	\$ 24,031	\$ 27,402	\$ 36,891
% adjusted EBITDA margin	12.7%	15.8%	19.6%	22.7%	15.9%	18.6%	18.0%	21.2%	14.9%	18.3%	21.5%	22.8%	16.1%	16.7%	17.8%	21.3%

GAAP Net Inc. (Loss) to Adj. EBITDA Reconciliation

Q1'22 – Q2'25

	Quarter Ended													
	Q1'22	Q2'22	Q3'22	Q4'22	Q1'23	Q2'23	Q3'23	Q4'23	Q1'24	Q2'24	Q3'24	Q4'24	Q1'25	Q2'25
GAAP net income (loss)	\$ (34,120)	\$ (23,670)	\$ (23,207)	\$ (13,653)	\$ (27,248)	\$ (21,739)	\$ (20,419)	\$ (12,358)	\$ (7,077)	\$ (12,816)	\$ (4,479)	\$ 11,577	\$ 576	\$ 1,154
Non-GAAP adjustments:														
Depreciation and amortization	10,795	11,640	11,215	11,021	11,347	11,724	12,482	12,962	12,183	12,938	13,144	14,640	14,490	14,649
Stock-based compensation	39,394	44,786	44,503	43,824	50,743	53,367	52,611	49,571	44,684	43,632	39,556	38,443	39,245	41,859
Interest expense	1,870	1,857	1,879	1,887	1,845	1,866	1,972	1,963	2,567	3,906	4,068	4,271	4,115	3,820
Interest income and other	(845)	(280)	(982)	(2,706)	(4,121)	(6,123)	(8,233)	(8,322)	(10,559)	(13,800)	(11,144)	(11,242)	(10,303)	(7,917)
Provision for (benefit from) income taxes	2,256	332	579	1,221	527	753	942	119	989	3,345	(3,868)	(426)	184	1,382
Extinguishment of debt	—	—	—	—	—	—	—	—	(6,615)	—	—	—	—	—
Acquisition-related transaction costs and one-time integration costs	1,638	1,714	1,944	1,605	1,455	877	778	3,670	932	4,089	4,486	2,797	982	1,489
Exit costs related to closure and relocation of Russian operations	3,227	214	774	2,975	596	815	659	243	25	32	21	—	—	—
Lease amortization for finance leases	—	—	—	—	—	—	492	449	457	455	951	1,994	2,008	2,311
Costs related to reduction in force plan	—	—	—	—	—	—	—	—	—	—	9,625	—	—	7,766
Impairment charge related to closure of operating lease facilities	—	—	—	—	—	—	—	—	—	—	—	2,202	—	95
One-time expenses related to strategic consulting services for operational review	—	—	—	—	—	—	—	—	—	—	—	—	1,265	—
Other cost reduction and productivity initiatives	—	—	—	—	—	—	—	—	—	—	—	—	—	974
Legal fees related to the securities class action	—	—	—	—	—	—	—	—	—	—	—	—	141	368
Contingent consideration expense	260	—	—	—	—	—	—	—	—	—	—	—	—	—
Refund for prior year overpayment of USF fees	—	(3,511)	—	—	—	—	—	—	—	—	—	—	—	—
Adjusted EBITDA	\$ 24,475	\$ 33,082	\$ 36,705	\$ 46,174	\$ 35,144	\$ 41,540	\$ 41,284	\$ 48,297	\$ 37,586	\$ 41,781	\$ 52,360	\$ 64,256	\$ 52,703	\$ 67,950
% adjusted EBITDA margin	13.4%	17.5%	18.5%	22.2%	16.1%	18.6%	17.9%	20.2%	15.2%	16.6%	19.8%	23.1%	18.8%	24.0%

GAAP Net Loss to Adjusted EBITDA Reconciliation

2014 – 2019

	Year Ended					
	2014	2015	2016	2017	2018	2019
GAAP net income (loss)	\$ (37,786)	\$ (25,838)	\$ (11,860)	\$ (8,969)	\$ (221)	\$ (4,552)
Non-GAAP adjustments:						
Depreciation and amortization	6,463	7,388	8,390	8,314	10,274	14,374
Stock-based compensation	6,753	7,730	9,643	15,343	28,484	42,065
Interest expense	4,161	4,727	4,226	3,471	10,245	13,794
Interest income and other	(245)	(100)	13	(490)	(3,315)	(6,079)
Provision for (benefit from) income taxes	85	61	54	268	300	104
Extinguishment of debt	—	—	1,026	—	—	—
Reversal of accrued federal fees	—	—	(3,114)	—	—	—
Legal settlement	—	—	—	1,700	—	420
Legal and indemnification fees related to settlement	—	—	—	135	592	356
Acquisition-related transaction costs and one-time integration costs	—	—	—	—	—	338
Change in fair value of convertible preferred and common stock warrant liabilities	(1,745)	—	—	—	—	—
Refund for prior year overpayment of USF fees	—	—	—	—	—	—
Reversal of contingent sales tax liability (G&A)	(2,766)	—	—	—	—	—
Reversal of interest and penalties on accrued federal fees (G&A)	—	—	—	(2,133)	—	—
Accrued FCC charge (G&A)	2,000	—	—	—	—	—
Out of period adj. for accrued federal fees (COR)	235	—	—	—	—	—
Out of period adj. for sales tax liability (G&A)	183	765	—	—	—	—
Adjusted EBITDA	\$ (22,662)	\$ (5,267)	\$ 8,378	\$ 17,639	\$ 46,359	\$ 60,820
% adjusted EBITDA margin	(22.0)%	(4.1)%	5.2 %	8.8 %	18.0 %	18.5 %

Note: Historical results prior to 2018 based on ASC 605

GAAP Net Loss to Adjusted EBITDA Reconciliation

2020 – 2024

	Year Ended				
	2020	2021	2022	2023	2024
GAAP net income (loss)	\$ (42,130)	\$ (53,000)	\$ (94,650)	\$ (81,764)	\$ (12,795)
Non-GAAP adjustments:					
Depreciation and amortization	25,087	38,732	44,671	48,515	52,905
Stock-based compensation	64,747	108,805	172,507	206,292	166,315
Interest expense	28,348	8,027	7,493	7,646	14,812
Interest income and other	(3,034)	8	(4,813)	(26,799)	(46,745)
Provision for (benefit from) income taxes	(2,453)	(11,285)	4,388	2,341	40
Acquisition-related transaction costs and one-time integration costs	6,335	13,576	6,901	6,780	12,303
Exit costs related to closure and relocation of Russian operations	—	—	7,190	2,313	78
Costs related to reduction in force plan	—	—	—	—	9,625
Impairment charge related to closure of operating lease facilities	—	—	—	—	2,202
COVID-19 relief bonus for employees	1,817	—	—	—	—
(Gain) loss on early extinguishment of debt	6,964	—	—	—	(6,615)
Contingent consideration expense	—	5,640	260	—	—
Refund for prior year overpayment of USF fees	—	—	(3,511)	—	—
Lease amortization for finance leases	—	—	—	941	3,857
Adjusted EBITDA	\$ 85,681	\$ 110,503	\$ 140,436	\$ 166,265	\$ 195,982
% adjusted EBITDA margin	19.7 %	18.1 %	18.0 %	18.3 %	18.8 %

GAAP to Non-GAAP COR and OpEx Reconciliation

Q2'14 – Q4'17

	Quarter Ended															
	Q2'14	Q3'14	Q4'14	Q1'15	Q2'15	Q3'15	Q4'15	Q1'16	Q2'16	Q3'16	Q4'16	Q1'17	Q2'17	Q3'17	Q4'17	
GAAP COR	\$ 13,469	\$ 13,504	\$ 14,540	\$ 14,778	\$ 14,270	\$ 14,812	\$ 15,635	\$ 16,610	\$ 16,764	\$ 17,790	\$ 15,770	\$ 19,971	\$ 20,273	\$ 20,497	\$ 22,363	
% of revenue	54.6 %	52.2 %	51.4 %	48.8 %	47.1 %	45.9 %	43.4 %	43.7 %	43.1 %	43.4 %	35.7 %	42.5 %	42.5 %	40.9 %	40.4 %	
Depreciation & amortization	(1,373)	(1,272)	(1,291)	(1,439)	(1,558)	(1,470)	(1,483)	(1,680)	(1,616)	(1,668)	(1,608)	(1,576)	(1,716)	(1,397)	(1,611)	
Stock-based compensation	(121)	(158)	(176)	(188)	(218)	(233)	(227)	(265)	(329)	(357)	(424)	(434)	(575)	(599)	(594)	
Acquisition-related transaction costs and one-time integration costs	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Reversal of accrued federal fees	—	—	—	—	—	—	—	—	—	—	3,114	—	—	—	—	
Out of period adj. for accrued federal fees	—	—	(235)	—	—	—	—	—	—	—	—	—	—	—	—	
COVID-19 relief bonus for employees	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Non-GAAP COR	\$ 11,975	\$ 12,074	\$ 12,838	\$ 13,151	\$ 12,494	\$ 13,109	\$ 13,925	\$ 14,665	\$ 14,819	\$ 15,765	\$ 16,852	\$ 17,961	\$ 17,982	\$ 18,501	\$ 20,158	
% of revenue	48.5 %	46.7 %	45.4 %	43.4 %	41.3 %	40.6 %	38.6 %	38.6 %	38.1 %	38.5 %	38.1 %	38.2 %	37.7 %	36.9 %	36.4 %	
GAAP R&D	\$ 5,554	\$ 5,503	\$ 5,828	\$ 6,038	\$ 5,568	\$ 5,473	\$ 5,580	\$ 5,802	\$ 5,799	\$ 6,041	\$ 6,236	\$ 6,847	\$ 6,836	\$ 6,689	\$ 6,748	
% of revenue	22.5 %	21.3 %	20.6 %	19.9 %	18.4 %	17.0 %	15.5 %	15.3 %	14.9 %	14.7 %	14.1 %	14.6 %	14.3 %	13.4 %	12.2 %	
Depreciation & amortization	(50)	(58)	(75)	(87)	(102)	(126)	(140)	(148)	(161)	(204)	(224)	(206)	(237)	(182)	(170)	
Stock-based compensation	(471)	(583)	(527)	(574)	(340)	(475)	(401)	(435)	(528)	(547)	(549)	(637)	(801)	(797)	(807)	
Acquisition-related transaction costs and one-time integration costs	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
COVID-19 relief bonus for employees	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Non-GAAP R&D	\$ 5,033	\$ 4,862	\$ 5,226	\$ 5,377	\$ 5,126	\$ 4,872	\$ 5,039	\$ 5,219	\$ 5,110	\$ 5,290	\$ 5,463	\$ 6,004	\$ 5,798	\$ 5,710	\$ 5,771	
% of revenue	20.4 %	18.8 %	18.5 %	17.8 %	16.9 %	15.1 %	14.0 %	13.7 %	13.1 %	12.9 %	12.4 %	12.8 %	12.1 %	11.4 %	10.4 %	

Note: Historical results prior to 2018 based on ASC 605

GAAP to Non-GAAP OpEx Reconciliation

Q2'14 – Q4'17

	Quarter Ended															
	Q2'14	Q3'14	Q4'14	Q1'15	Q2'15	Q3'15	Q4'15	Q1'16	Q2'16	Q3'16	Q4'16	Q1'17	Q2'17	Q3'17	Q4'17	
GAAP S&M	\$ 9,674	\$ 9,296	\$ 9,453	\$ 9,931	\$ 10,594	\$ 10,797	\$ 10,720	\$ 12,706	\$ 12,637	\$ 12,925	\$ 14,480	\$ 15,778	\$ 16,932	\$ 16,502	\$ 17,358	
% of revenue	39.2 %	35.9 %	33.4 %	32.8 %	35.0 %	33.4 %	29.8 %	33.4 %	32.5 %	31.5 %	32.8 %	33.6 %	35.5 %	33.0 %	31.3 %	
Depreciation & amortization	(48)	(50)	(50)	(49)	(51)	(52)	(54)	(53)	(54)	(56)	(58)	(30)	(30)	(30)	(30)	
Stock-based compensation	(368)	(361)	(455)	(524)	(458)	(448)	(370)	(434)	(544)	(626)	(759)	(928)	(1,224)	(1,084)	(1,128)	
Acquisition-related transaction costs and one-time integration costs	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
COVID-19 relief bonus for employees	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Non-GAAP S&M	9,258	8,885	8,948	9,358	10,085	10,297	10,296	12,219	12,039	12,243	13,663	14,820	15,678	15,388	16,200	
% of revenue	37.5 %	34.3 %	31.6 %	30.9 %	33.3 %	31.9 %	28.6 %	32.1 %	31.0 %	29.9 %	30.9 %	31.5 %	32.8 %	30.7 %	29.2 %	

Note: Historical results prior to 2018 based on ASC 605

GAAP to Non-GAAP OpEx Reconciliation

Q2'14 – Q4'17

	Quarter Ended															
	Q2'14	Q3'14	Q4'14	Q1'15	Q2'15	Q3'15	Q4'15	Q1'16	Q2'16	Q3'16	Q4'16	Q1'17	Q2'17	Q3'17	Q4'17	
GAAP G&A	\$ 3,515	\$ 7,967	\$ 6,763	\$ 7,275	\$ 6,027	\$ 6,087	\$ 6,433	\$ 6,536	\$ 5,882	\$ 6,143	\$ 6,511	\$ 8,860	\$ 6,845	\$ 4,679	\$ 8,767	
% of revenue	14.2 %	30.8 %	23.9 %	24.0 %	19.9 %	18.9 %	17.9 %	17.2 %	15.1 %	15.0 %	14.7 %	18.8 %	14.3 %	9.3 %	15.8 %	
Depreciation & amortization	(228)	(187)	(189)	(200)	(199)	(192)	(186)	(222)	(229)	(212)	(196)	(283)	(287)	(272)	(257)	
Stock-based compensation	(763)	(775)	(799)	(949)	(814)	(789)	(722)	(860)	(1,013)	(989)	(984)	(1,130)	(1,254)	(1,240)	(2,111)	
Legal settlement	—	—	—	—	—	—	—	—	—	—	—	(1,700)	—	—	—	
Legal and indemnification fees related to settlement	—	—	—	—	—	—	—	—	—	—	—	(135)	—	—	—	
Acquisition and related transaction costs and one-time integration costs	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
COVID-19 relief bonus for employees	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Contingent consideration expense	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Reversal of contingent sales tax liability	2,766	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Reversal of interest & penalties on accrued fed. fees	—	—	—	—	—	—	—	—	—	—	—	—	—	2,133	—	
Accrued FCC charge	—	(2,000)	—	—	—	—	—	—	—	—	—	—	—	—	—	
Out of period adj. for sales tax liability	—	—	(183)	(575)	(190)	—	—	—	—	—	—	—	—	—	—	
Non-GAAP G&A	5,290	5,005	5,592	5,551	4,824	5,106	5,525	5,454	4,640	4,942	5,331	5,612	5,304	5,300	6,399	
% of revenue	21.4 %	19.3 %	19.8 %	18.3 %	15.9 %	15.8 %	15.3 %	14.3 %	11.9 %	12.1 %	12.1 %	11.9 %	11.1 %	10.6 %	11.5 %	

Note: Historical results prior to 2018 based on ASC 605

GAAP to Non-GAAP COR and OpEx Reconciliation

Q1'18 – Q4'21

	Quarter Ended															
	Q1'18	Q2'18	Q3'18	Q4'18	Q1'19	Q2'19	Q3'19	Q4'19	Q1'20	Q2'20	Q3'20	Q4'20	Q1'21	Q2'21	Q3'21	Q4'21
GAAP COR	\$ 24,702	\$ 24,814	\$ 26,179	\$ 28,339	\$ 30,851	\$ 31,248	\$ 34,472	\$ 37,940	\$ 40,037	\$ 42,453	\$ 46,561	\$ 51,233	\$ 59,803	\$ 64,395	\$ 67,137	\$ 79,764
% of revenue	41.9 %	40.6 %	40.1 %	39.2 %	41.4 %	40.4 %	41.2 %	41.1 %	42.1 %	42.5 %	41.5 %	40.1 %	43.4 %	44.8 %	43.5 %	45.9 %
Depreciation & amortization	(1,794)	(1,864)	(2,021)	(2,129)	(2,366)	(2,504)	(2,602)	(3,384)	(3,940)	(5,120)	(5,171)	(5,948)	(7,087)	(7,825)	(7,658)	(8,301)
Stock-based compensation	(678)	(853)	(860)	(942)	(1,229)	(1,658)	(1,702)	(1,745)	(1,989)	(2,499)	(2,603)	(2,331)	(3,105)	(3,781)	(3,994)	(6,854)
Acquisition-related transaction costs and one-time integration costs	—	—	—	—	—	—	—	—	—	—	—	—	(30)	(2)	(37)	(43)
Reversal of accrued federal fees	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Out of period adj. for accrued federal fees	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Exit costs related to closure and relocation of Russian operations	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
COVID-19 relief bonus for employees	—	—	—	—	—	—	—	—	—	(618)	—	—	—	—	—	—
Refund for prior year overpayment of USF fees	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Non-GAAP COR	\$ 22,230	\$ 22,097	\$ 23,298	\$ 25,268	\$ 27,256	\$ 27,086	\$ 30,168	\$ 32,811	\$ 34,108	\$ 34,216	\$ 38,787	\$ 42,954	\$ 49,581	\$ 52,787	\$ 55,448	\$ 64,566
% of revenue	37.7 %	36.2 %	35.7 %	34.9 %	36.6 %	35.0 %	36.0 %	35.6 %	35.9 %	34.3 %	34.6 %	33.6 %	36.0 %	36.7 %	35.9 %	37.2 %
GAAP R&D	\$ 7,772	\$ 8,367	\$ 9,582	\$ 8,451	\$ 10,546	\$ 10,811	\$ 11,665	\$ 12,168	\$ 15,189	\$ 17,208	\$ 17,674	\$ 18,676	\$ 22,121	\$ 24,648	\$ 29,680	\$ 30,448
% of revenue	13.2 %	13.7 %	14.7 %	11.7 %	14.1 %	14.0 %	13.9 %	13.2 %	16.0 %	17.2 %	15.8 %	14.6 %	16.0 %	17.1 %	19.2 %	17.5 %
Depreciation & amortization	(194)	(233)	(278)	(331)	(440)	(450)	(450)	(461)	(465)	(497)	(512)	(488)	(596)	(729)	(1,004)	(948)
Stock-based compensation	(877)	(1,064)	(2,352)	(1,010)	(1,470)	(1,907)	(2,022)	(2,259)	(2,806)	(3,684)	(3,876)	(3,675)	(4,763)	(6,152)	(9,101)	(9,163)
Acquisition-related transaction costs and one-time integration costs	—	—	—	—	—	—	—	—	—	(248)	(439)	(332)	(337)	(666)	(660)	(462)
Exit costs related to closure and relocation of Russian operations	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
COVID-19 relief bonus for employees	—	—	—	—	—	—	—	—	—	(365)	—	—	—	—	—	—
Non-GAAP R&D	\$ 6,701	\$ 7,070	\$ 6,952	\$ 7,110	\$ 8,636	\$ 8,454	\$ 9,193	\$ 9,448	\$ 11,918	\$ 12,414	\$ 12,847	\$ 14,181	\$ 16,425	\$ 17,101	\$ 18,915	\$ 19,875
% of revenue	11.4 %	11.6 %	10.6 %	9.8 %	11.6 %	10.9 %	11.0 %	10.2 %	12.5 %	12.4 %	11.5 %	11.1 %	11.9 %	11.9 %	12.3 %	11.4 %

GAAP to Non-GAAP COR and OpEx Reconciliation

Q1'22 – Q2'25

	Quarter Ended													
	Q1'22	Q2'22	Q3'22	Q4'22	Q1'23	Q2'23	Q3'23	Q4'23	Q1'24	Q2'24	Q3'24	Q4'24	Q1'25	Q2'25
GAAP COR	\$ 88,867	\$ 88,229	\$ 94,111	\$ 96,294	\$ 104,756	\$ 104,361	\$ 111,080	\$ 112,493	\$ 114,530	\$ 118,414	\$ 121,933	\$ 122,663	\$ 125,973	\$ 127,865
% of revenue	48.6 %	46.6 %	47.4 %	46.2 %	48.0 %	46.8 %	48.3 %	47.1 %	46.4 %	47.0 %	46.2 %	44.0 %	45.0 %	45.1 %
Depreciation & amortization	(8,500)	(8,747)	(8,904)	(8,803)	(8,907)	(9,269)	(10,075)	(10,308)	(9,613)	(10,421)	(10,414)	(12,087)	(11,883)	(12,161)
Stock-based compensation	(7,793)	(8,538)	(8,329)	(8,638)	(9,333)	(9,888)	(9,856)	(9,182)	(7,603)	(7,789)	(7,512)	(6,921)	(7,184)	(7,296)
Acquisition-related transaction costs and one-time integration costs	(48)	(80)	(187)	(86)	(34)	—	—	(63)	(53)	(72)	(94)	(40)	—	—
Exit costs related to closure and relocation of Russian operations	(380)	(3)	(96)	(219)	(23)	(51)	(18)	(12)	—	—	—	—	—	—
Lease amortization for finance leases	—	—	—	—	—	—	(492)	(449)	(457)	(455)	(895)	(1,802)	(1,816)	(2,119)
Costs related to reduction in force plan	—	—	—	—	—	—	—	—	—	—	(2,115)	—	—	(1,565)
Refund for prior year overpayment of USF fees	—	3,511	—	—	—	—	—	—	—	—	—	—	—	—
Non-GAAP COR	\$ 72,146	\$ 74,372	\$ 76,595	\$ 78,548	\$ 86,459	\$ 85,153	\$ 90,639	\$ 92,479	\$ 96,804	\$ 99,677	\$ 100,903	\$ 101,813	\$ 105,090	\$ 104,724
% of revenue	39.5 %	39.3 %	38.6 %	37.7 %	39.6 %	38.2 %	39.4 %	38.7 %	39.2 %	39.5 %	38.2 %	36.5 %	37.6 %	37.0 %
GAAP R&D	\$ 35,824	\$ 34,992	\$ 34,113	\$ 36,865	\$ 38,108	\$ 39,210	\$ 40,391	\$ 38,873	\$ 41,518	\$ 40,717	\$ 42,482	\$ 41,480	\$ 41,100	\$ 39,912
% of revenue	19.6 %	18.5 %	17.2 %	17.7 %	17.4 %	17.6 %	17.6 %	16.3 %	16.8 %	16.2 %	16.1 %	14.9 %	14.7 %	14.1 %
Depreciation & amortization	(825)	(804)	(768)	(768)	(872)	(868)	(831)	(1,012)	(890)	(741)	(721)	(620)	(680)	(799)
Stock-based compensation	(10,145)	(11,818)	(10,603)	(11,799)	(12,382)	(13,013)	(12,980)	(12,055)	(10,930)	(9,827)	(8,244)	(8,259)	(8,690)	(8,829)
Acquisition-related transaction costs and one-time integration costs	(656)	(1,307)	(1,654)	(1,449)	(1,423)	—	—	(12)	(323)	(488)	(412)	(501)	(466)	(742)
Exit costs related to closure and relocation of Russian operations	(2,629)	(59)	(557)	(2,615)	(475)	(542)	(503)	(197)	(8)	(28)	(18)	—	—	—
Lease amortization for finance leases	—	—	—	—	—	—	—	—	—	—	—	(192)	(192)	(192)
Costs related to reduction in force plan	—	—	—	—	—	—	—	—	—	—	(1,942)	—	—	(1,931)
COVID-19 relief bonus for	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Non-GAAP R&D	\$ 21,569	\$ 21,004	\$ 20,531	\$ 20,234	\$ 22,956	\$ 24,787	\$ 26,077	\$ 25,597	\$ 29,367	\$ 29,633	\$ 31,145	\$ 31,908	\$ 31,072	\$ 27,419
% of revenue	11.8 %	11.1 %	10.4 %	9.7 %	10.5 %	11.1 %	11.3 %	10.7 %	11.9 %	11.8 %	11.8 %	11.5 %	11.1 %	9.7 %

GAAP to Non-GAAP OpEx Reconciliation

Q1'18 – Q4'21

	Quarter Ended																	
	Q1'18	Q2'18	Q3'18	Q4'18	Q1'19	Q2'19	Q3'19	Q4'19	Q1'20	Q2'20	Q3'20	Q4'20	Q1'21	Q2'21	Q3'21	Q4'21		
GAAP S&M	\$ 17,478	\$ 17,912	\$ 17,818	\$ 18,793	\$ 21,701	\$ 23,250	\$ 25,014	\$ 25,627	\$ 30,160	\$ 32,231	\$ 32,969	\$ 37,053	\$ 44,799	\$ 46,024	\$ 49,712	\$ 53,394		
% of revenue	29.7 %	29.3 %	27.3 %	26.0 %	29.1 %	30.0 %	29.9 %	27.8 %	31.7 %	32.3 %	29.4 %	29.0 %	32.5 %	32.0 %	32.2 %	30.8 %		
Depreciation & amortization	(29)	(30)	(30)	(6)	(1)	(1)	(2)	(2)	(2)	(2)	(1)	(2)	(1)	(1)	(1)	(1)	(1)	
Stock-based compensation	(1,362)	(1,585)	(1,613)	(1,747)	(2,249)	(2,749)	(3,017)	(3,353)	(4,106)	(5,265)	(5,427)	(5,366)	(6,771)	(8,208)	(8,304)	(11,987)		
Acquisition-related transaction costs and one-time integration costs	—	—	—	—	—	—	—	—	—	(169)	(28)	(43)	(11)	(28)	(322)	(642)		
Exit costs related to closure and relocation of Russian operations	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
COVID-19 relief bonus for employees	—	—	—	—	—	—	—	—	—	(596)	—	—	—	—	—	—	—	
Non-GAAP S&M	\$ 16,087	\$ 16,297	\$ 16,175	\$ 17,040	\$ 19,451	\$ 20,500	\$ 21,995	\$ 22,272	\$ 26,052	\$ 26,199	\$ 27,513	\$ 31,642	\$ 38,016	\$ 37,787	\$ 41,085	\$ 40,764		
% of revenue	27.3 %	26.7 %	24.8 %	23.6 %	26.1 %	26.5 %	26.3 %	24.1 %	27.4 %	26.3 %	24.5 %	24.7 %	27.6 %	26.3 %	26.6 %	23.5 %		

GAAP to Non-GAAP OpEx Reconciliation

Q1'22 – Q2'25

	Quarter Ended													
	Q1'22	Q2'22	Q3'22	Q4'22	Q1'23	Q2'23	Q3'23	Q4'23	Q1'24	Q2'24	Q3'24	Q4'24	Q1'25	Q2'25
GAAP S&M	\$ 64,611	\$ 64,098	\$ 67,353	\$ 65,928	\$ 76,314	\$ 74,077	\$ 73,366	\$ 72,956	\$ 81,109	\$ 78,332	\$ 78,615	\$ 73,898	\$ 82,855	\$ 80,668
% of revenue	35.3 %	33.8 %	34.0 %	31.6 %	34.9 %	33.2 %	31.9 %	30.5 %	32.8 %	31.1 %	29.8 %	26.5 %	29.6 %	28.5 %
Depreciation & amortization	(1)	(1)	(1)	(1)	(1)	(1)	(36)	(27)	(27)	(26)	(32)	(38)	(36)	(27)
Stock-based compensation	(13,424)	(14,963)	(15,761)	(15,152)	(17,045)	(17,391)	(16,404)	(15,389)	(14,020)	(13,824)	(12,490)	(10,880)	(11,574)	(13,355)
Acquisition-related transaction costs and one-time integration costs	(46)	(23)	—	—	—	—	—	—	—	—	—	—	—	—
Exit costs related to closure and relocation of Russian operations	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Costs related to reduction in force plan	—	—	—	—	—	—	—	—	—	—	(4,424)	—	—	(3,319)
COVID-19 relief bonus for employees	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Non-GAAP S&M	\$ 51,140	\$ 49,111	\$ 51,591	\$ 50,775	\$ 59,268	\$ 56,685	\$ 56,926	\$ 57,540	\$ 67,062	\$ 64,482	\$ 61,669	\$ 62,980	\$ 71,245	\$ 63,967
% of revenue	28.0 %	25.9 %	26.0 %	24.4 %	27.1 %	25.4 %	24.7 %	24.1 %	27.1 %	25.6 %	23.3 %	22.6 %	25.5 %	22.6 %

GAAP to Non-GAAP OpEx Reconciliation

Q1'18 – Q4'21

	Quarter Ended																
	Q1'18	Q2'18	Q3'18	Q4'18	Q1'19	Q2'19	Q3'19	Q4'19	Q1'20	Q2'20	Q3'20	Q4'20	Q1'21	Q2'21	Q3'21	Q4'21	
GAAP G&A	\$ 9,103	\$ 9,833	\$ 10,746	\$ 10,766	\$ 11,762	\$ 12,042	\$ 12,146	\$ 13,496	\$ 14,658	\$ 16,129	\$ 16,724	\$ 18,258	\$ 22,245	\$ 22,909	\$ 26,790	\$ 21,972	
% of revenue	15.5 %	16.1 %	16.5 %	14.9 %	15.8 %	15.6 %	14.5 %	14.6 %	15.4 %	16.2 %	14.9 %	14.3 %	16.1 %	15.9 %	17.4 %	12.7 %	
Depreciation & amortization	(303)	(322)	(338)	(372)	(385)	(406)	(443)	(477)	(563)	(624)	(853)	(899)	(1,079)	(1,096)	(1,117)	(1,288)	
Stock-based compensation	(2,408)	(3,295)	(4,044)	(3,794)	(3,738)	(4,122)	(4,334)	(4,511)	(4,893)	(5,343)	(5,380)	(5,504)	(6,269)	(6,760)	(5,996)	(7,597)	
Legal settlement	—	—	—	—	—	(420)	—	—	—	—	—	—	—	—	—	—	
Legal and indemnification fees related to settlement	—	(241)	(258)	(93)	(292)	(64)	—	—	—	—	—	—	—	—	—	—	
Acquisition and related transaction costs and one-time integration costs	—	—	—	—	—	—	—	(338)	(329)	(1,220)	(1,563)	(1,964)	(716)	(278)	(8,139)	(1,204)	
Exit costs related to closure and relocation of Russian operations	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
COVID-19 relief bonus for employees	—	—	—	—	—	—	—	—	—	(238)	—	—	—	—	—	—	
Contingent consideration expense	—	—	—	—	—	—	—	—	—	—	—	—	(2,500)	(2,700)	(60)	(380)	
Reversal of contingent sales tax liability	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Reversal of interest & penalties on accrued fed. fees	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Accrued FCC charge	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Out of period adj. for sales tax liability	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Non-GAAP G&A	\$ 6,392	\$ 5,975	\$ 6,106	\$ 6,507	\$ 7,347	\$ 7,030	\$ 7,369	\$ 8,170	\$ 8,873	\$ 8,704	\$ 8,928	\$ 9,891	\$ 11,681	\$ 12,075	\$ 11,478	\$ 11,503	
% of revenue	10.9 %	9.8 %	9.4 %	9.0 %	9.9 %	9.1 %	8.8 %	8.9 %	9.3 %	8.7 %	8.0 %	7.7 %	8.5 %	8.4 %	7.4 %	6.6 %	

GAAP to Non-GAAP OpEx Reconciliation

Q1'22 – Q2'25

	Quarter Ended													
	Q1'22	Q2'22	Q3'22	Q4'22	Q1'23	Q2'23	Q3'23	Q4'23	Q1'24	Q2'24	Q3'24	Q4'24	Q1'25	Q2'25
GAAP G&A	\$ 24,314	\$ 23,824	\$ 24,496	\$ 22,509	\$ 28,258	\$ 30,477	\$ 31,006	\$ 33,338	\$ 30,548	\$ 33,988	\$ 36,575	\$ 36,439	\$ 35,205	\$ 36,385
% of revenue	13.3 %	12.6 %	12.4 %	10.8 %	12.9 %	13.7 %	13.5 %	13.9 %	12.4 %	13.5 %	13.8 %	13.1 %	12.6 %	12.8 %
Depreciation & amortization	(1,469)	(2,088)	(1,542)	(1,449)	(1,567)	(1,586)	(1,540)	(1,615)	(1,653)	(1,750)	(1,977)	(1,895)	(1,891)	(1,662)
Stock-based compensation	(8,032)	(9,467)	(9,810)	(8,235)	(11,983)	(13,075)	(13,371)	(12,945)	(12,131)	(12,192)	(11,310)	(12,383)	(11,797)	(12,379)
Acquisition and related transaction costs and one-time integration costs	(888)	(304)	(103)	(70)	2	(877)	(778)	(3,595)	(556)	(3,529)	(3,980)	(2,256)	(516)	(746)
Exit costs related to closure and relocation of Russian operations	(218)	(152)	(121)	(141)	(98)	(222)	(138)	(34)	(17)	(4)	(3)	—	—	—
Lease amortization for finance leases	—	—	—	—	—	—	—	—	—	—	(56)	—	—	—
Costs related to reduction in force plan	—	—	—	—	—	—	—	—	—	—	(1,144)	—	—	(952)
Impairment charge related to closure of operating lease facilities	—	—	—	—	—	—	—	—	—	—	—	(2,202)	—	—
Office closure lease termination costs	—	—	—	—	—	—	—	—	—	—	—	—	—	(95)
One-time expenses related to strategic consulting services for operational review	—	—	—	—	—	—	—	—	—	—	—	—	(1,265)	—
Other cost reduction and productivity initiatives	—	—	—	—	—	—	—	—	—	—	—	—	—	(974)
Legal fees related to the securities class action	—	—	—	—	—	—	—	—	—	—	—	—	(141)	(368)
Contingent consideration expense	(260)	—	—	—	—	—	—	—	—	—	—	—	—	—
Non-GAAP G&A	\$ 13,447	\$ 11,813	\$ 12,920	\$ 12,614	\$ 14,612	\$ 14,717	\$ 15,179	\$ 15,149	\$ 16,191	\$ 16,513	\$ 18,105	\$ 17,703	\$ 19,595	\$ 19,209
% of revenue	7.4 %	6.2 %	6.5 %	6.1 %	6.7 %	6.6 %	6.6 %	6.3 %	6.6 %	6.6 %	6.9 %	6.4 %	7.0 %	6.8 %

GAAP to Non-GAAP COR Reconciliation

2014 – 2024

	Year Ended											
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	
GAAP COR	\$ 54,661	\$ 59,495	\$ 66,934	\$ 83,104	\$ 104,034	\$ 134,511	\$ 180,284	\$ 271,099	\$ 367,501	\$ 432,690	\$ 477,540	
% of revenue	53.0 %	46.2 %	41.3 %	41.5 %	40.4 %	41.0 %	41.5 %	44.5 %	47.2 %	47.5 %	45.8 %	
Depreciation & amortization	(5,138)	(5,950)	(6,573)	(6,300)	(7,808)	(10,856)	(20,179)	(30,870)	(34,955)	(38,559)	(42,535)	
Stock-based compensation	(542)	(866)	(1,375)	(2,202)	(3,333)	(6,334)	(9,422)	(17,734)	(33,297)	(38,259)	(29,825)	
Acquisition and related transaction costs and one-time integration costs	—	—	—	—	—	—	—	(112)	(401)	(34)	(259)	
Exit costs related to closure and relocation of Russian operations	—	—	—	—	—	—	—	—	(698)	(105)	—	
Refund for prior year overpayment of USF fees	—	—	—	—	—	—	—	—	3,511	—	—	
Lease amortization for finance leases	—	—	—	—	—	—	—	—	—	(941)	(3,609)	
Costs related to a reduction in force plan	—	—	—	—	—	—	—	—	—	—	—	
Reversal of accrued federal fees	—	—	3,114	—	—	—	—	—	—	—	(2,115)	
Out of period adj. for accrued federal fees	(235)	—	—	—	—	—	—	—	—	—	—	
COVID-19 relief bonus for employees	—	—	—	—	—	—	(618)	—	—	—	—	
Non-GAAP COR	\$ 48,746	\$ 52,679	\$ 62,100	\$ 74,602	\$ 92,893	\$ 117,321	\$ 150,065	\$ 222,383	\$ 301,661	\$ 354,792	\$ 399,197	
% of revenue	47.3 %	40.9 %	38.3 %	37.3 %	36.1 %	35.8 %	34.5 %	36.5 %	38.7 %	39.0 %	38.3 %	

Note: Historical results prior to 2018 based on ASC 605

GAAP to Non-GAAP OpEx Reconciliation

2014 – 2024

	Year Ended											
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	
GAAP R&D	\$ 22,110	\$ 22,659	\$ 23,878	\$ 27,120	\$ 34,172	\$ 45,190	\$ 68,747	\$ 106,897	\$ 141,794	\$ 156,582	\$ 166,197	
% of revenue	21.4 %	17.6 %	14.7 %	13.5 %	13.3 %	13.8 %	15.8 %	17.5 %	18.2 %	17.2 %	16.0 %	
Depreciation & amortization	(229)	(455)	(737)	(795)	(1,036)	(1,801)	(1,962)	(3,277)	(3,164)	(3,583)	(2,972)	
Stock-based compensation	(1,931)	(1,790)	(2,059)	(3,042)	(5,303)	(7,658)	(14,041)	(29,179)	(44,367)	(50,430)	(37,260)	
Acquisition and related transaction costs and one-time integration costs	—	—	—	—	—	—	(1,019)	(2,125)	(5,066)	(1,435)	(1,724)	
Exit costs related to closure and relocation of Russian operations	—	—	—	—	—	—	—	—	(5,860)	(1,717)	(54)	
Lease amortization for finance leases	—	—	—	—	—	—	—	—	—	—	(192)	
Costs related to a reduction in force plan	—	—	—	—	—	—	—	—	—	—	(1,942)	
COVID-19 relief bonus for employees	—	—	—	—	—	—	(365)	—	—	—	—	
Non-GAAP R&D	\$ 19,950	\$ 20,414	\$ 21,082	\$ 23,283	\$ 27,833	\$ 35,731	\$ 51,360	\$ 72,316	\$ 83,337	\$ 99,417	\$ 122,053	
% of revenue	19.3 %	15.8 %	13.0 %	11.6 %	10.8 %	10.9 %	11.8 %	11.9 %	10.7 %	10.9 %	11.7 %	

Note: Historical results prior to 2018 based on ASC 605

GAAP to Non-GAAP OpEx Reconciliation

2014 – 2024

	Year Ended											
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	
GAAP S&M	\$ 37,445	\$ 42,042	\$ 52,748	\$ 66,570	\$ 72,001	\$ 95,592	\$ 132,413	\$ 193,929	\$ 261,990	\$ 296,713	\$ 311,954	
% of revenue	36.3 %	32.6 %	32.5 %	33.2 %	27.9 %	29.1 %	30.4 %	31.8 %	33.6 %	32.6 %	29.9 %	
Depreciation & amortization	(196)	(206)	(221)	(120)	(95)	(6)	(7)	(4)	(4)	(65)	(123)	
Stock-based compensation	(1,510)	(1,800)	(2,363)	(4,364)	(6,307)	(11,368)	(20,164)	(35,270)	(59,300)	(66,229)	(51,214)	
Acquisition and related transaction costs and one-time integration costs	—	—	—	—	—	—	(240)	(1,003)	(69)	—	—	
Costs related to a reduction in force plan	—	—	—	—	—	—	—	—	—	—	(4,424)	
COVID-19 relief bonus for employees	—	—	—	—	—	—	(596)	—	—	—	—	
Non-GAAP S&M	\$ 35,739	\$ 40,036	\$ 50,164	\$ 62,086	\$ 65,599	\$ 84,218	\$ 111,406	\$ 157,652	\$ 202,617	\$ 230,419	\$ 256,193	
% of revenue	34.7 %	31.1 %	30.9 %	31.0 %	25.5 %	25.7 %	25.6 %	25.9 %	26.0 %	25.3 %	24.6 %	

Note: Historical results prior to 2018 based on ASC 605

GAAP to Non-GAAP OpEx Reconciliation

2014 – 2024

OpEx Item	Year Ended											
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	
GAAP G&A	\$ 24,416	\$ 25,822	\$ 25,072	\$ 29,151	\$ 40,448	\$ 49,446	\$ 65,769	\$ 93,916	\$ 95,143	\$ 123,079	\$ 137,550	
% of revenue	23.7 %	20.0 %	15.5 %	14.6 %	15.7 %	15.1 %	15.1 %	15.4 %	12.2 %	13.5 %	13.2 %	
Depreciation & amortization	(900)	(777)	(859)	(1,099)	(1,335)	(1,711)	(2,939)	(4,581)	(6,548)	(6,308)	(7,275)	
Stock-based compensation	(2,770)	(3,274)	(3,846)	(5,735)	(13,541)	(16,705)	(21,120)	(26,622)	(35,543)	(51,374)	(48,016)	
Legal settlement	—	—	—	(1,700)	—	(420)	—	—	—	—	—	
Legal and indemnification fees related to settlement	—	—	—	(135)	(592)	(356)	—	—	—	—	—	
Acquisition and related transaction costs and one-time integration costs	—	—	—	—	—	(338)	(5,076)	(10,336)	(1,365)	(5,248)	(10,320)	
Exit costs related to closure and relocation of Russian operations	—	—	—	—	—	—	—	—	(632)	(492)	(24)	
Lease amortization for finance leases	—	—	—	—	—	—	—	—	—	—	(56)	
Costs related to a reduction in force plan	—	—	—	—	—	—	—	—	—	—	(1,144)	
Impairment charge related to closure of operating lease facilities	—	—	—	—	—	—	—	—	—	—	(2,202)	
COVID-19 relief bonus for employees	—	—	—	—	—	—	(238)	—	—	—	—	
Contingent consideration expense	—	—	—	—	—	—	—	(5,640)	(260)	—	—	
Reversal of contingent sales tax liability	2,766	—	—	—	—	—	—	—	—	—	—	
Reversal of interest & penalties on accrued federal fees	—	—	—	2,133	—	—	—	—	—	—	—	
Accrued FCC charge	(2,000)	—	—	—	—	—	—	—	—	—	—	
Out of period adj. for sales tax liability	(183)	(765)	—	—	—	—	—	—	—	—	—	
Non-GAAP G&A	\$ 21,329	\$ 21,006	\$ 20,367	\$ 22,615	\$ 24,980	\$ 29,916	\$ 36,396	\$ 46,737	\$ 50,795	\$ 59,657	\$ 68,513	
% of revenue	20.7 %	16.3 %	12.6 %	11.3 %	9.7 %	9.1 %	8.4 %	7.7 %	6.5 %	6.6 %	6.6 %	

Note: Historical results prior to 2018 based on ASC 605

GAAP to Non-GAAP Net Income (Loss) Reconciliation

	Three Months Ended		Six Months Ended	
	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
GAAP net income (loss)	\$ 1,154	\$ (12,816)	\$ 1,730	\$ (19,893)
Non-GAAP adjustments:				
Stock-based compensation	41,859	43,632	81,104	88,316
Intangibles amortization	3,464	2,648	7,564	5,296
Amortization of discount and issuance costs on convertible senior notes	1,273	1,435	2,680	2,509
Gain on early extinguishment of debt	—	—	—	(6,615)
Acquisition and related transaction costs and one-time integration costs	1,489	4,089	2,470	5,020
Exit costs related to closure and relocation of Russian operations	(169)	(114)	(545)	(20)
Costs related to reduction in force plan	7,766	—	7,766	—
One-time expenses related to strategic consulting services for operational review	—	—	1,265	—
Other cost reduction and productivity initiatives	974	—	974	—
Legal fees related to the securities class action	368	—	509	—
Office closure lease termination costs	95	—	95	—
Income tax expense effects ⁽¹⁾	—	—	—	—
Non-GAAP net income	<u>\$ 58,273</u>	<u>\$ 38,874</u>	<u>\$ 105,612</u>	<u>\$ 74,613</u>
GAAP net income (loss) per share:				
Basic	<u>\$ 0.02</u>	<u>\$ (0.17)</u>	<u>\$ 0.02</u>	<u>\$ (0.27)</u>
Diluted	<u>\$ 0.01</u>	<u>\$ (0.17)</u>	<u>\$ 0.02</u>	<u>\$ (0.27)</u>
Non-GAAP net income per share:				
Basic	<u>\$ 0.76</u>	<u>\$ 0.52</u>	<u>\$ 1.38</u>	<u>\$ 1.01</u>
Diluted	<u>\$ 0.76</u>	<u>\$ 0.52</u>	<u>\$ 1.37</u>	<u>\$ 1.00</u>
Shares used in computing GAAP net income (loss) per share:				
Basic	<u>76,654</u>	<u>74,203</u>	<u>76,303</u>	<u>73,845</u>
Diluted	<u>88,523</u>	<u>74,203</u>	<u>88,964</u>	<u>73,845</u>
Shares used in computing non-GAAP net income per share:				
Basic	<u>76,654</u>	<u>74,203</u>	<u>76,303</u>	<u>73,845</u>
Diluted	<u>76,919</u>	<u>74,647</u>	<u>76,836</u>	<u>74,415</u>

(1) Non-GAAP adjustments do not have a material impact on our worldwide income tax provision due to the tax treatment of non-GAAP adjustments reported, and our domestic valuation allowance position.

Capital Expenditure and Free Cash Flow

Q1'22 - Q4'23

\$ in Thousands	Q1'22	Q2'22	Q3'22	Q4'22	12 mo ended 12/31/2022	12 mo ended 12/31/2023				12 mo ended 12/31/2023
						Q1'23	Q2'23	Q3'23	Q4'23	
Net cash provided by operating activities	\$ 28,724	\$ (3,125)	\$ 30,526	\$ 32,740	\$ 88,865	\$ 33,412	\$ 21,852	\$ 37,030	\$ 36,544	\$ 128,838
(Refer to cash flows from operating activities in cash flow stmt)										
Capital expenditure										
Purchases of property and equipment	12,398	22,076	11,554	6,244	52,272	9,928	6,714	3,299	11,293	31,234
(Refer to cash flows from investing activities in cash flow stmt)										
Capitalization of software development costs	569	823	1,028	1,479	3,899	1,806	1,759	2,255	3,717	9,537
Equipment purchased and unpaid at period-end:										
Beginning balance	13,871	22,365	16,141	13,372	13,871	12,332	8,310	5,849	11,419	12,332
Ending balance	22,365	16,141	13,372	12,332	12,332	8,310	5,849	11,419	11,243	11,243
(Refer to non-cash investing and financing activities in cash flow stmt)										
Change in equipment purchased and unpaid during period	8,494	(6,224)	(2,769)	(1,040)	(1,539)	(4,022)	(2,461)	5,570	(176)	(1,089)
Total capital expenditure	\$ 21,461	\$ 16,675	\$ 9,813	\$ 6,683	\$ 54,632	\$ 7,712	\$ 6,012	\$ 11,124	\$ 14,834	\$ 39,682
Free cash flow (operating cash flow less capex paid in cash and capitalized software)	\$ 15,757	\$ (26,024)	\$ 17,944	\$ 25,017	\$ 32,694	\$ 21,678	\$ 13,379	\$ 31,476	\$ 21,534	\$ 88,067

Note 1: Revised original cash flow presentation to include restricted cash, which resulted in the following changes in net cash from operating activities from the originally reported disclosures:

- (1) Q2'22 changed from \$(3,103k) to \$(3,125k)
- (2) Q3'22 changed from \$30,504k to \$30,526k

Capital Expenditure and Free Cash Flow

Q1'24 – Q2'25

\$ in Thousands	Q1'24	Q2'24	Q3'24	Q4'24	12 mo ended 12/31/2024	Q1'25	Q2'25
Net cash provided by operating activities (Refer to cash flows from operating activities in cash flow stmt)	\$ 32,353	\$ 19,878	\$ 41,122	\$ 49,815	\$ 143,168	\$ 48,384	\$ 35,061
Capital expenditure Purchases of property and equipment (Refer to cash flows from investing activities in cash flow stmt)	11,951	6,771	14,375	9,291	42,388	4,724	3,494
Capitalization of software development costs	3,242	5,018	5,951	8,012	22,223	8,732	9,998
Equipment purchased and unpaid at period-end: Beginning balance	11,243	9,335	16,684	12,944	11,243	11,890	9,330
Ending balance (Refer to non-cash investing and financing activities in cash flow stmt)	9,335	16,684	12,944	11,890	11,890	9,330	13,058
Change in equipment purchased and unpaid during period	(1,908)	7,349	(3,740)	(1,054)	(647)	(2,560)	3,728
Total capital expenditure	\$ 13,285	\$ 19,138	\$ 16,586	\$ 16,249	\$ 65,258	\$ 10,896	\$ 17,220
Free cash flow (operating cash flow less capex paid in cash and capitalized software)	\$ 17,160	\$ 8,089	\$ 20,796	\$ 32,512	\$ 78,557	\$ 34,928	\$ 21,569

GAAP to Non-GAAP Net Income Reconciliation

Guidance⁽¹⁾

	Three Months Ended September 30, 2025				Twelve Months Ended December 31, 2025			
	Low		High		Low		High	
	\$	5,515	\$	10,077	\$	20,238	\$	26,346
GAAP net income								
Non-GAAP adjustments:								
Stock-based compensation ⁽²⁾		41,509		39,509		162,022		160,022
Intangibles amortization		2,643		2,643		12,849		12,849
Amortization of discount and issuance costs on convertible senior notes		932		932		4,002		4,002
Exit costs related to closure and relocation of Russian operations		—		—		(545)		(545)
Acquisition and related transaction costs and one-time integration costs ⁽³⁾		3,736		2,736		8,972		7,972
Costs related to a reduction in force plan		—		—		7,766		7,766
One-time expenses related to strategic consulting services for operational review		—		—		1,265		1,265
Other cost-reduction and productivity initiatives		1,898		1,898		4,771		4,771
Legal fees related to the securities class action		—		—		509		509
Office closure lease termination costs		—		—		95		95
Income tax expense effects ⁽⁴⁾		—		—		—		—
Non-GAAP net income		<u>\$ 56,233</u>		<u>\$ 57,795</u>		<u>\$ 221,944</u>		<u>\$ 225,052</u>
GAAP net income per share:								
Diluted		<u>\$ 0.06</u>		<u>\$ 0.12</u>		<u>\$ 0.23</u>		<u>\$ 0.30</u>
Non-GAAP net income per share:								
Diluted		<u>\$ 0.72</u>		<u>\$ 0.74</u>		<u>\$ 2.86</u>		<u>\$ 2.90</u>
Shares used in computing GAAP net income per share:								
Diluted		<u>87,500</u>		<u>87,500</u>		<u>88,500</u>		<u>88,500</u>
Shares used in computing non-GAAP net income per share:								
Diluted		<u>78,100</u>		<u>78,100</u>		<u>77,700</u>		<u>77,700</u>

(1) Represents guidance discussed on 07/31/2025. Reader shall not construe presentation of this information after 07/31/2025 as an update or reaffirmation of such guidance.

(2) Stock-based compensation expense are based on a range of probable significance, assuming market price for our common stock that is approximately consistent with current levels.

(3) Acquisition and related transaction costs and one-time integration costs are based on a range of probable significance for completed acquisitions, and no new acquisitions assumed.

(4) Non-GAAP adjustments do not have a material impact on our worldwide income tax provision due to the tax treatment of the non-GAAP adjustments reported, and our domestic valuation allowance position.



Thank you
