

blackbaud®

Blackbaud *Investor Presentation*

Ticker: BLKB

February 10, 2026

Forward-looking Statements

This presentation contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Forward-looking statements in this presentation consist of, among other things, statements regarding future operating results, all of which are based on current expectations, estimates, and forecasts, and the beliefs and assumptions of the Company's management. Words such as "believes," "seeks," "expects," "may," "might," "should," "intends," "could," "would," "likely," "will," "targets," "plans," "anticipates," "aims," "projects," "estimates," or any variations of such words and similar expressions are intended to identify such forward-looking statements. These forward-looking statements are subject to risks, uncertainties and assumptions that are difficult to predict. Accordingly, they should not be viewed as assurances of future performance, and actual results may differ materially and adversely from those expressed in any forward-looking statements. Factors that could cause actual results to differ materially from the Company's expectations expressed in this presentation include: expectations for continuing to successfully execute the Company's growth and operational improvement strategies; expectations of future growth in the social good software solutions market, segments within that market and the Company's total addressable market; expectations that achieving the Company's goals will extend its competitive advantage and provide improved product quality and innovative solutions for its customers; expectations that centers of excellence and use of best-of-breed platforms will drive increasing operating efficiency and contribute to margin improvement; expectations that the Company's financial position provides flexibility to fuel future growth through acquisitions or other opportunities; expectations that past acquisitions have expanded the Company's customer and market opportunities; risks associated with unfavorable media coverage; risks associated with acquisitions; risks inherent in the expansion of our international operations; the possibility of reduced growth or amount of charitable giving; uncertainty regarding increased business and renewals from existing customers; risks associated with implementation of software products; the ability to attract and retain key personnel; risks related to the Company's leverage, credit facility and share repurchase program; lengthy sales and implementation cycles; technological changes that make the Company's products and services less competitive; risk related to the adequacy of our data security procedures and cybersecurity and data protection risks and related liabilities and potential legal proceedings involving us and uncertainty regarding existing legal proceedings and the other risk factors set forth from time to time in the Company's SEC filings. Factors that could cause or contribute to such differences include, but are not limited to, those summarized under Risk Factors in the Company's most recent annual report on Form 10-K, and any quarterly reports on Forms 10-Q thereafter, copies of which are available free of charge at the SEC's website at www.sec.gov or upon request from the Company's investor relations department. Given these risks and uncertainties, you should not place undue reliance on these forward-looking statements. Also, forward-looking statements represent the Company's beliefs and assumptions only as of the date of this presentation. Except as required by law, the Company does not intend, and undertakes no obligation, to revise or update these forward-looking statements, or to update the reasons actual results could differ materially from those anticipated in these forward-looking statements, even if new information becomes available in the future.

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Historical Financials and Non-GAAP Financial Measures

Use of Non-GAAP Financial Measures: The Company has provided in this presentation financial information that has not been prepared in accordance with GAAP. The Company uses these non-GAAP financial measures internally in analyzing its financial results and believes they are useful to investors, as a supplement to GAAP measures, in evaluating the Company's ongoing operational performance. The Company believes that the use of these non-GAAP financial measures provides an additional tool for investors to use in evaluating ongoing operating results and trends and in comparing its financial results from period to period with other companies in the Company's industry, many of which present similar non-GAAP financial measures to investors. These non-GAAP financial measures may not be completely comparable to similarly titled measures of other companies due to potential differences in the exact method of calculation between companies. The Company believes that these non-GAAP financial measures reflect the Company's ongoing business in a manner that allows for meaningful period-to-period comparison and analysis of trends in the Company's business. Non-GAAP financial measures should not be considered in isolation from, or as a substitute for, financial information prepared in accordance with GAAP. Investors are encouraged to review the reconciliations of these non-GAAP measures to their most directly comparable GAAP financial measures.

Blackbaud discusses non-GAAP organic revenue growth measures, including non-GAAP organic revenue growth, non-GAAP organic revenue growth on a constant currency basis, non-GAAP organic recurring revenue growth, and non-GAAP organic recurring revenue growth on a constant currency basis, which Blackbaud believes provide useful information for evaluating the periodic growth of its business as well as growth on a consistent basis. Each measure of non-GAAP organic revenue growth excludes incremental acquisition-related revenue attributable to companies acquired in the current fiscal year. For companies acquired in the immediately preceding fiscal year, if any, each measure of non-GAAP organic revenue growth reflects presentation of full year incremental non-GAAP revenue derived from such companies as if they were combined throughout the prior period, and it includes the current period non-GAAP revenue attributable to those companies. In addition, each measure of non-GAAP organic revenue growth excludes prior period revenue associated with divested businesses. The exclusion of the prior period revenue is intended to present the results of the divested businesses within the results of the combined company for the same period of time in both the prior and current periods. Blackbaud believes this presentation provides a more comparable representation of our current business' organic revenue growth and revenue run-rate. In these materials, Blackbaud is presenting the following unaudited information: historical recurring and total revenue for the fiscal years ended December 31, 2025 and 2024 and the interim periods therein; calculations for recurring revenue growth and total revenue growth for the twelve month period ended December 31, 2025 and the interim periods therein; and calculations of non-GAAP organic revenue growth, non-GAAP organic recurring revenue growth, non-GAAP organic revenue growth on a constant currency basis and non-GAAP organic recurring revenue growth on a constant currency basis for the same periods.

Rule of 40 is defined as non-GAAP organic revenue growth plus non-GAAP adjusted EBITDA margin. Non-GAAP adjusted EBITDA is defined as GAAP net income plus interest, net; income tax provision (benefit); depreciation; amortization of intangible assets from business combinations; amortization of software development costs; stock-based compensation; acquisition and disposition-related costs; employee severance; restructuring and other real estate activities; costs, net of insurance, related to the previously disclosed security incident discovered in May 2020 (the "Security Incident"); and impairment charges.

Non-GAAP free cash flow is defined as operating cash flow less capital expenditures, including costs required to be capitalized for software development, and capital expenditures for property and equipment. In addition, and in order to provide a meaningful basis for comparison, Blackbaud also uses non-GAAP adjusted free cash flow in analyzing its operating performance. Non-GAAP adjusted free cash flow is defined as operating cash flow less capital expenditures, including costs required to be capitalized for software development, capital expenditures for property and equipment, plus cash outflows, net of insurance, related to the Security Incident. Blackbaud believes non-GAAP free cash flow and non-GAAP adjusted free cash flow provide useful measures of the company's operating performance. Non-GAAP adjusted free cash flow is not intended to represent and should not be viewed as the amount of residual cash flow available for discretionary expenditures.

Historical Financial Statements Being Presented: In these materials, Blackbaud is presenting the following unaudited historical financial information: historical consolidated balance sheets as of the fiscal years ended December 31, 2025 and 2024 and interim consolidated balance sheets for each of the quarters within fiscal 2025 and 2024; historical consolidated statements of comprehensive income for the fiscal years ended December 31, 2025 and 2024 and interim consolidated statements of comprehensive income for each of the quarters within fiscal 2025 and 2024; historical consolidated statements of cash flows for the fiscal years ended December 31, 2025 and 2024 and interim consolidated statements of cash flows for each of the interim year-to-date periods within fiscal 2025 and 2024; and historical non-GAAP financial information for the fiscal years ended December 31, 2025 and 2024 and for each of the quarters within fiscal 2025 and 2024 as well as reconciliations of the non-GAAP measures to their most directly comparable GAAP measures and related non-GAAP adjustments. Blackbaud is providing this unaudited financial information to allow investors and analysts to more easily access and review the Company's historical consolidated financial data by including such information in one document.

Reconciliation of GAAP to Non-GAAP Financial Measures: Reconciliations of the most directly comparable GAAP measures to non-GAAP financial measures and related adjustments, as well as details of Blackbaud's methodology for calculating non-GAAP organic revenue growth, non-GAAP organic revenue growth on a constant currency basis, non-GAAP organic recurring revenue growth, non-GAAP organic recurring revenue growth on a constant currency basis and Rule of 40 can be found in the Appendix to these materials and on the "Investor Relations" page of the Company's website.

Blackbaud has not reconciled forward-looking non-GAAP financial measures contained in this investor material to their most directly comparable GAAP measures. Such reconciliations would require unreasonable efforts at this time to estimate and quantify with a reasonable degree of certainty various necessary GAAP components, including for example those related to compensation, acquisition transactions and integration, tax items or others that may arise. These components and other factors could materially impact the amount of the future directly comparable GAAP measures, which may differ significantly from their non-GAAP counterparts.



Blackbaud Investment Pillars

Rich Market Opportunity

- Global market leadership
- Significant available TAM
- Stable end markets
- Fragmented competitive landscape

Innovation Driving Product Value

- AI empowering customers
- Embedded cyber security protects customer data
- Product first approach driving 90%+ retention rates
- Market leading portfolio depth and breadth
- Continued migration to 3rd party cloud enables leverage & efficiencies

Attractive Financial Model

- Envable recurring revenue stream
- Large and diverse customer base
- Sustained double digit earnings growth
- Strong cash flows

Purposeful Capital Allocation

- Multi-year, programmatic share repurchase
- Focus on debt level to maintain optimal capital structure
- Targeted M&A to bolster innovation

Business Overview

Blackbaud is the world's leading provider of AI-powered solutions for social impact

Cloud Software

We build, integrate and implement vertical-specific solutions purpose-built for the unique needs of our customers.

Data Intelligence

Using exclusive data, analytics and expertise, we deliver unparalleled insight and intelligence to the customers we serve.

Services

We drive impact through dedicated customer support and training, along with strategic and managed services tailored to our customers.

Expertise

With over four decades of experience, we are undisputed industry experts on technology for social good.

Blackbaud propels impact at scale with the sector's most intelligent solutions

AI-powered solutions serving the specific needs of the diverse social impact market



Arts & Cultural
Organizations



Companies



Faith Communities



Foundations



Healthcare
Organizations



Higher Education
Institutions



Individual Change
Agents



K-12 Schools



Nonprofits

Our core competencies expand what is possible for purpose-driven organizations



Fundraising & Engagement

- Fundraising
- Peer-to-Peer Fundraising
- Marketing



AI & Data Intelligence

- Agents for Good
- Insights
- Data Health



Financial Management

- Fund Accounting
- Financial Aid Management
- Tuition Management



Organizational & Program Management

- Education Management
- Ticketing



Grant & Award Management

- Grantmaking
- Award Management



Payment Services

- Merchant Services
- Payables



Social Responsibility

- Employee Giving and Volunteering
- Grantmaking

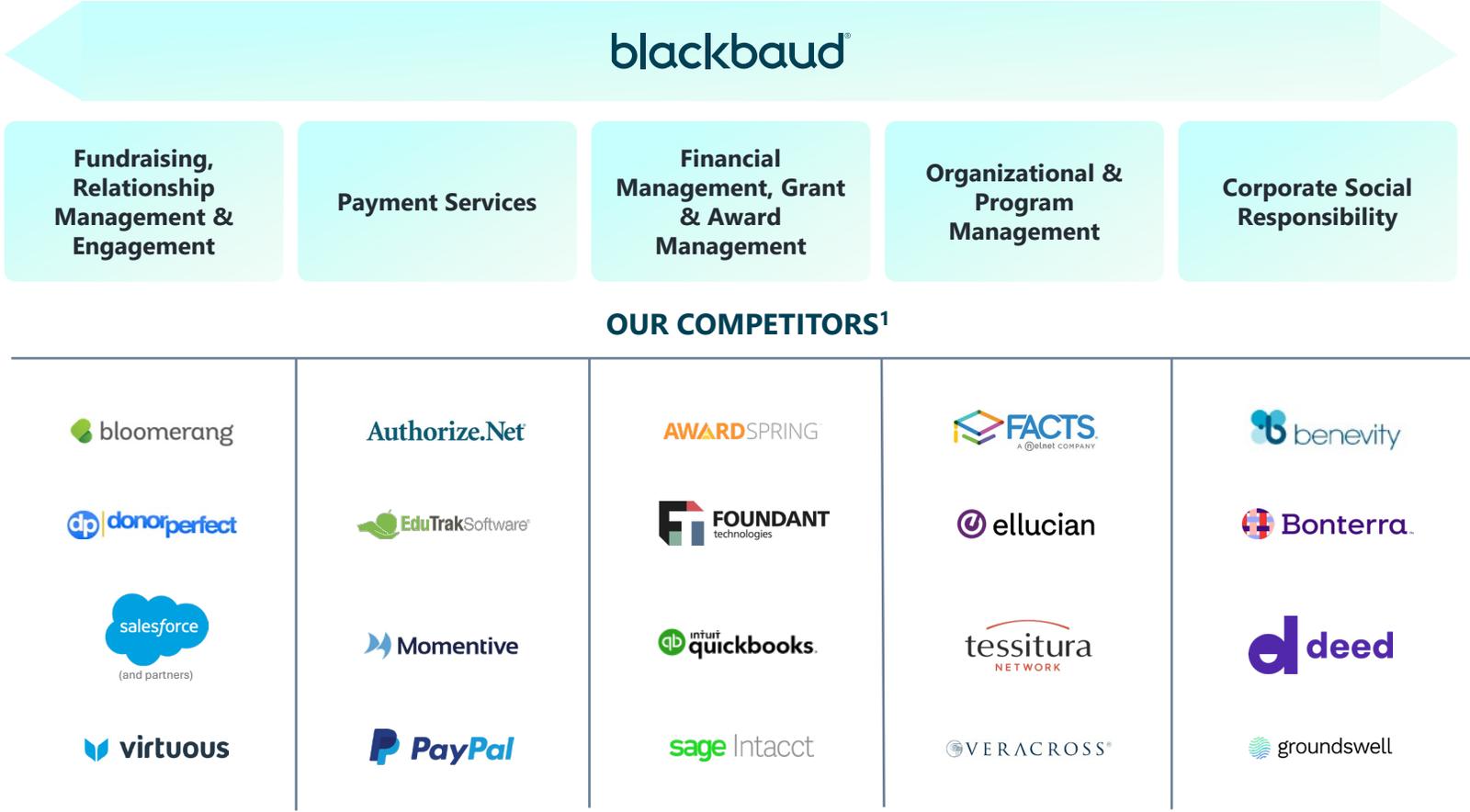


Services

- Consulting Services
- Implementation and Optimization Services

Most comprehensive solution set that accelerates impact

- Blackbaud is the **leading provider of AI-powered solutions** wholly dedicated to powering social impact
- Only Blackbaud offers a full portfolio of **purpose-built, integrated solutions**
- Highly **fragmented competition** offers single-point solutions
- Large customer base with **strong retention**



¹Informed by internal competitive intelligence and analysis.



Fueling accelerated impact for our customers

\$250M



rolling fundraising average achieved by leveraging Blackbaud Enterprise Fundraising CRM™

225%



year-over-year increase in giving and volunteering by using YourCause® CSRconnect® and Impact Edge™

90%



of lapsed donors recaptured by using Prospect Insights in Blackbaud Raiser's Edge NXT®

blackbaud®

941%



increase in annual fundraising since the inception of its Challenge Against Cancer program by using Blackbaud TeamRaiser®

50%



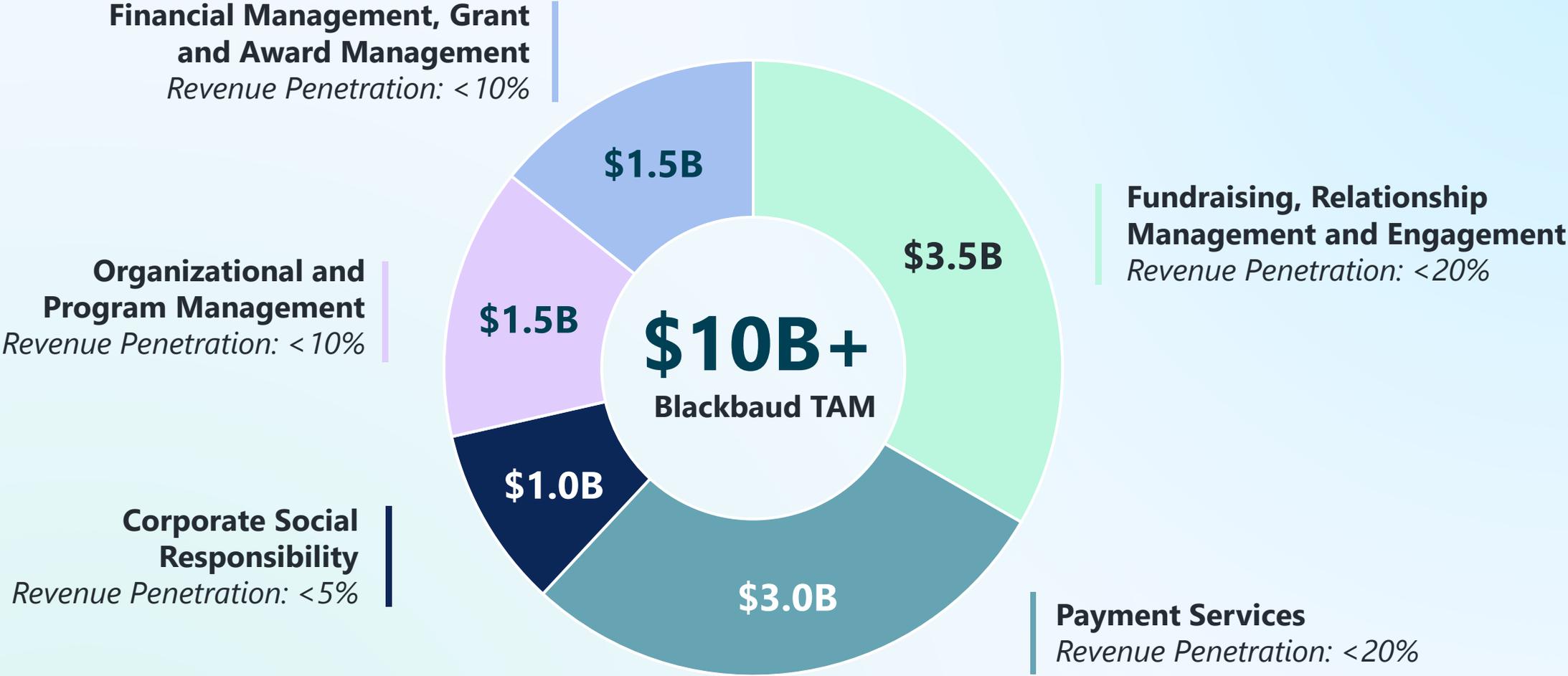
reduction in workload by leveraging Payment Assistant in Blackbaud Financial Edge NXT®

84%



year-over-year increase in fundraising with their use of Blackbaud Raiser's Edge NXT® and Blackbaud Donation Forms

Large and underpenetrated total addressable market



Sources: FY 2025 Blackbaud Revenue. Global Blackbaud TAM based on IRS data, Canadian Revenue Agency, Private School Universe, IPEDS, Dun & Bradstreet, HIMSS, Guidestar, S&P Global database, Small Business & Entrepreneurship Council, Blackbaud internal data



Q4 2025 Performance & FY26 Financial Guidance

Q4 2025 Performance

Non-GAAP Organic Revenue Year over Year



Revenue Highlights:

- Contractual recurring growth supported by sales bookings and modernized approach to renewal pricing launched in March '23.
- Strong transactional recurring growth in the quarter primarily driven by volume growth and improved rates.
- Note: Blackbaud divested EverFi business as of 12/31/24.

Profitability Year over Year



EBITDA and EPS Highlights:

- Keen focus on margin expansion opportunities, while at the same time making investments in the business in key areas like innovation, AI, and cybersecurity.
- 160bps improvement to non-GAAP adjusted EBITDA margin in Q4.
- Non-GAAP Diluted EPS growth of 11% YoY in Q4.

2026 total company guidance

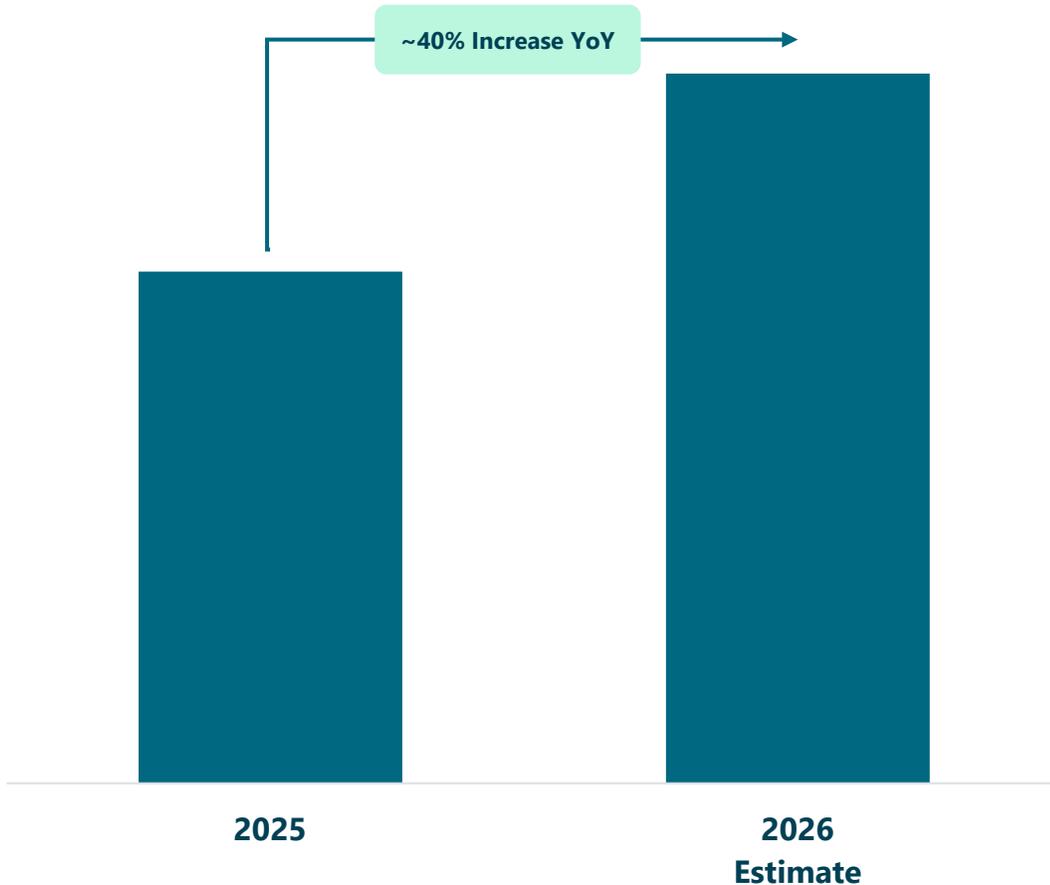
| (\$ in millions, except per share amounts) | Low | Midpoint | High | Implied Growth at Midpoint |
|--|---------|----------|---------|----------------------------|
| Total Revenue | \$1,173 | \$1,176 | \$1,179 | 4.25% |
| Non-GAAP Adjusted EBITDA | \$430 | \$434 | \$438 | 7% |
| Non-GAAP EPS | \$5.15 | \$5.20 | \$5.25 | 17% |
| Non-GAAP Free Cash Flow | \$280 | \$285 | \$290 | 37% |

Assumptions included in full year 2026 financial guidance: Non-GAAP annualized effective tax rate of 24.5%; Interest expense for the year of \$62M - \$66M; Fully diluted shares for the year in the range of 45M - 46M; Capital expenditures for the year in the range of \$60M to \$70M, including approximately \$52M to \$62M of capitalized software development costs.



Anticipated impact of larger up for renewal cohort on FY26 revenue growth outlook

Renewal Cohort Sizes



- Dollar value of renewal cohorts fluctuate from year to year based on mix of contracts up for renewal.
- Blackbaud's 2026 contractual recurring renewal cohort is approximately 40% larger than last year.
- We anticipate renewal rates on these up for renewal contracts to remain in line with prior years, however the larger volume of contracts up for renewal may result in higher churn dollars.
- This is forecasted to have a negative impact of 0.5 to 0.75 percentage points on total revenue growth for 2026, which is reflected in our financial guidance ranges.

Long-term Aspirational Goals

Blackbaud is an ideal platform for compounding profitable growth



Clear market leader with the most comprehensive set of purpose-built and mission critical solutions powering social impact



Durable and proven operating model with resilient end markets and strong recurring revenue

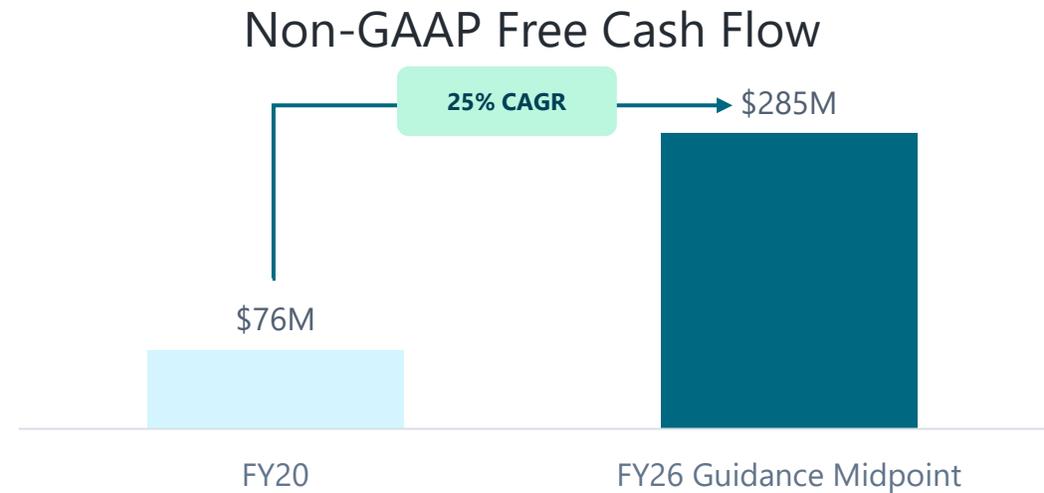
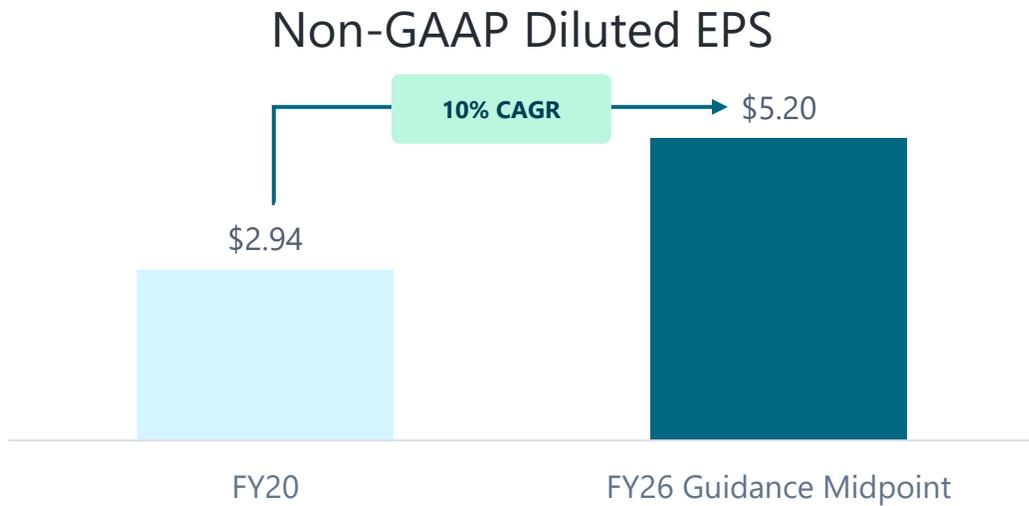
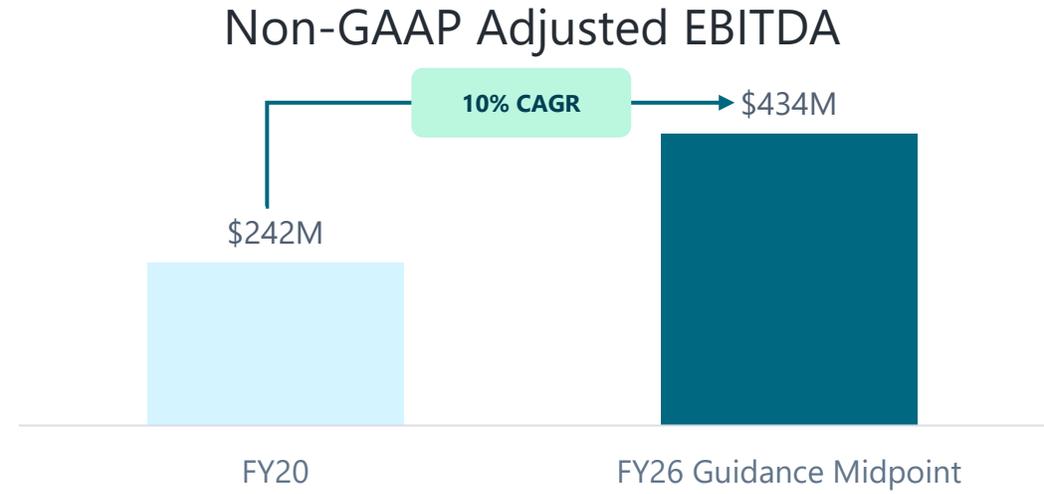
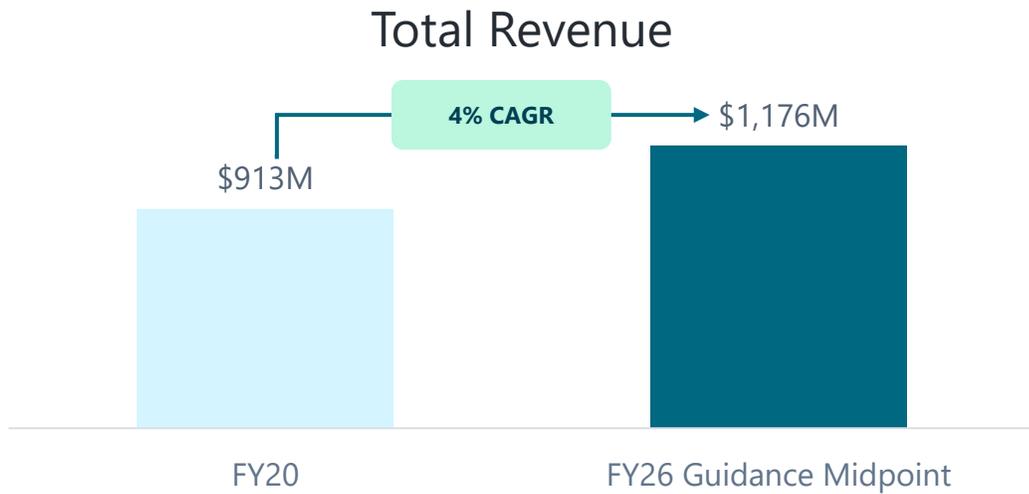


Sustained competitive advantage via commitment to AI and product innovation with a platform to deliver these solutions at scale



Track record of delivering improved financial performance with a pathway to consistent revenue growth, expanding margins and double-digit EPS growth over the long-term

Significant financial progress since 2020



Executing on defined initiatives to drive strong financial results

| (\$ in millions, except per share amounts) | FY25 Actuals | FY26 Guidance Midpoint | CAGR Targets: '26 – '30 |
|--|--|-------------------------------|--------------------------------|
| Total Revenue | \$1,128 (5.5% growth ¹) | \$1,176 (4.3% growth) | 4% to 6% |
| Non-GAAP Adjusted EBITDA | \$405 (~8% growth ¹) | \$434 (7% growth) | 6% to 8% |
| Non-GAAP EPS | \$4.45 (~12% growth ¹) | \$5.20 (17% growth) | 13%+ |

FCF Margin

18%

24%

Expand FCF margin to
28%+

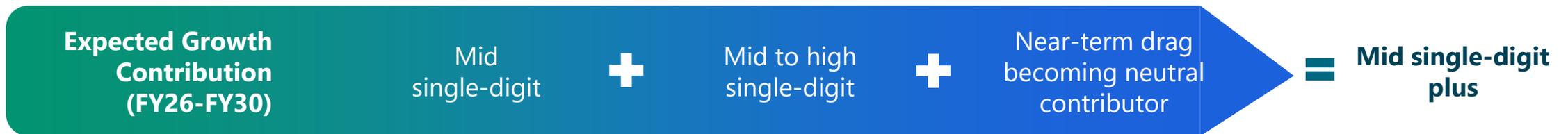
- Goal of achieving Rule of 45 by 2030.
- New product offerings such as Agents for Good represent potential upside to current long-term revenue growth targets.
- Expect EBITDA growth to outpace revenue growth via operating leverage and ongoing cost and efficiency initiatives, with focus on improving EBITDA to FCF conversion.
- Targeting consistent double digit non-GAAP EPS growth supported by continued stock repurchase and debt reduction.

1) FY25 growth rates after normalizing for estimated impact of 12/31/24 divestiture of EverFi.



Blackbaud's revenue growth model

| | Contractual Recurring (Software) | Transactional Recurring (Payments) | One-time Services and Other | Total Revenue |
|---|--|---|---|------------------|
| Revenue Mix (% of FY25 Total) | 64% | 34% | 2% | 100% |
| Historical Growth CAGR (FY20-FY25) | 4% | 8% | (19%) | 4% |
| Growth Drivers | <ul style="list-style-type: none"> Bookings (new logo) Bookings (cross-sell & upsell) Sales productivity Customer retention (3+ year contracts) Price uplift at renewal & annual escalators | <ul style="list-style-type: none"> New unit (new logo) New unit (cross-sell & upsell) Same store volume growth Digital giving mix shift Pricing models | <ul style="list-style-type: none"> Small component of overall revenue Actively shrunk this portion of portfolio (transition to third party partners) to focus on high value software and payments | |



Revenue driver: proven “land and expand” model underpinned by product development and innovation

New Logo

Approximately half of direct sales force focused on new customer acquisition to refill top of funnel in “land and expand” sales model

New Product

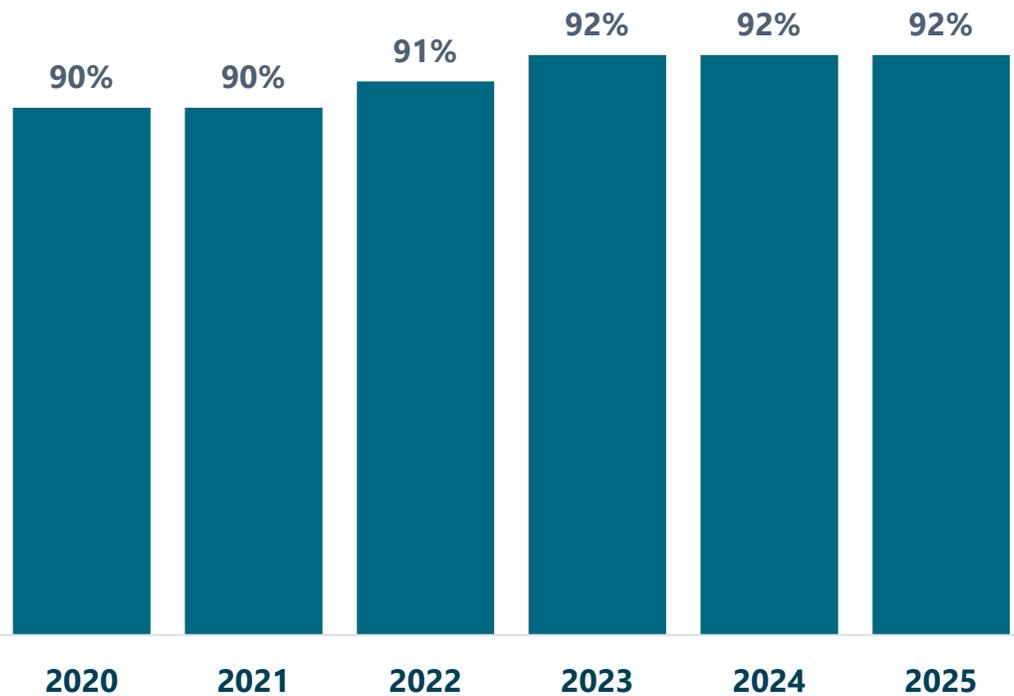
Blackbaud’s Agents for Good strategy brings net new products into sales team’s bag for 2026+

Cross-sell / Upsell

Approximately half of direct sales force focused on selling to existing customers. Meaningful opportunity for continued product expansion

Revenue driver: mission critical products drive strong retention rates

Gross Dollar Retention Rate



3+ years
(~20% on 4+ years)

Typical contract term length

Mid to high single-digit

Contract price increase at renewal

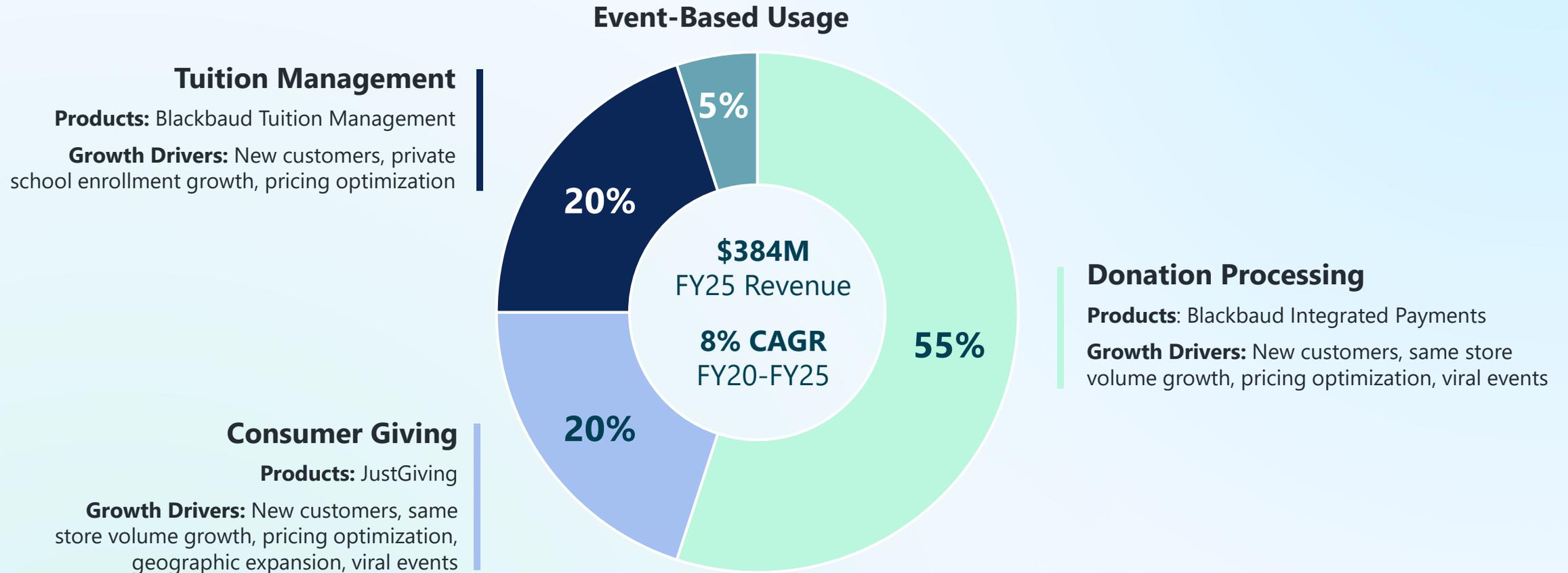
Mid to high single-digit

Embedded annual price escalators

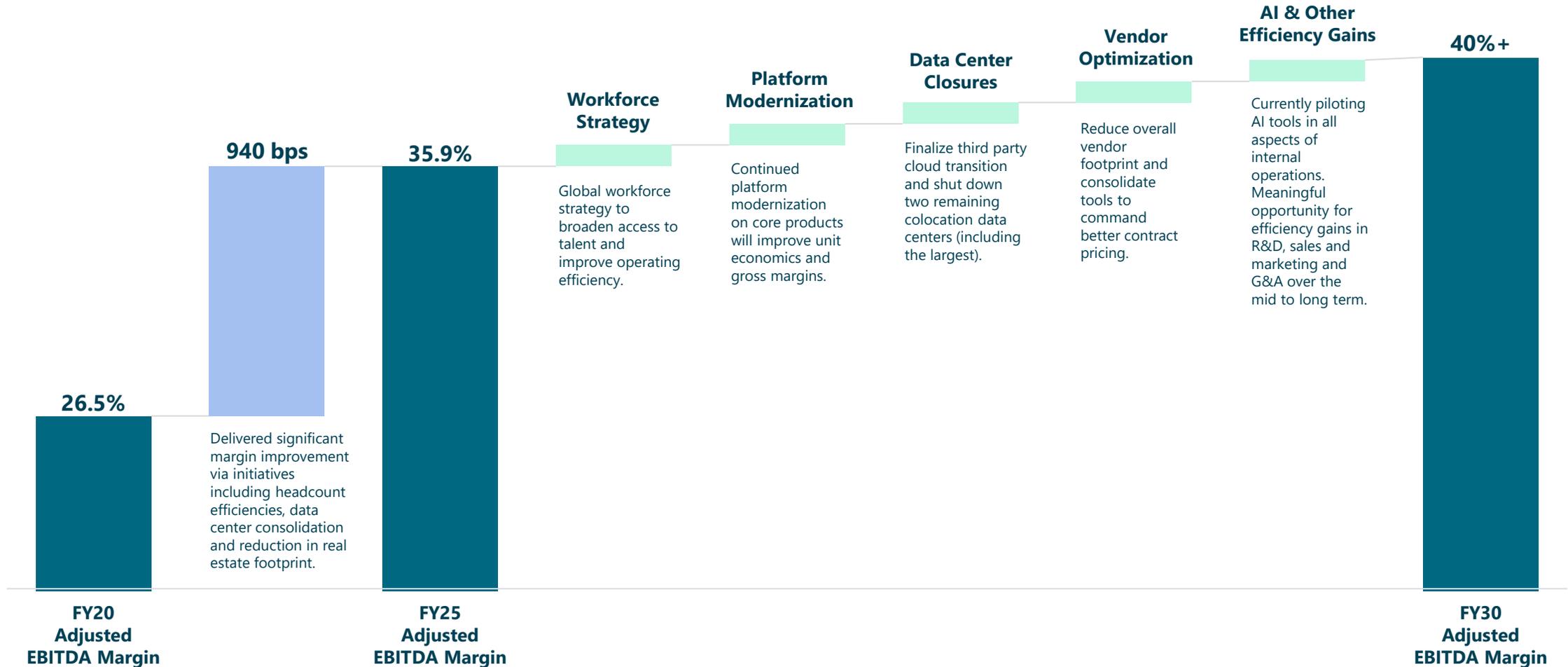
Historical gross dollar retention metrics exclude EverFi that was divested as of 12/31/2024.



Revenue driver: diverse transactional revenue streams deliver high single-digit growth

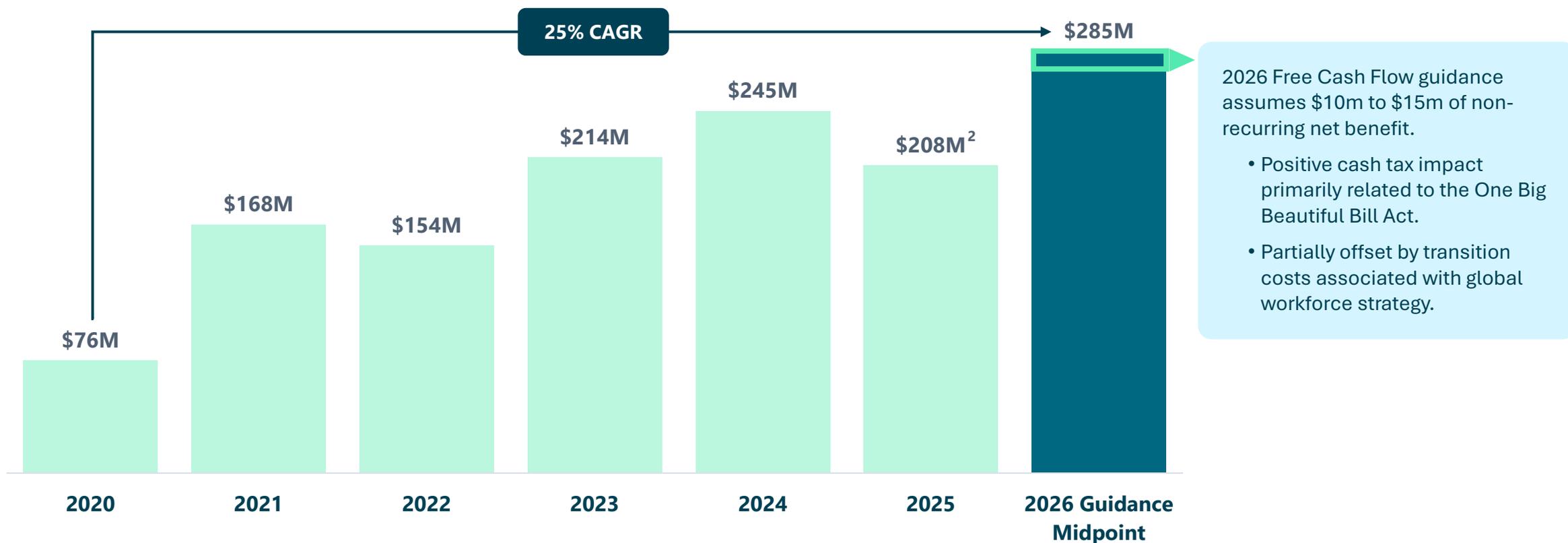


Profit driver: multiple initiatives underway to deliver high-single digit EBITDA growth and margin expansion



Capital allocation: strong free cash flow generation to fund investments and fuel disciplined capital allocation strategy

Non-GAAP free cash flow¹

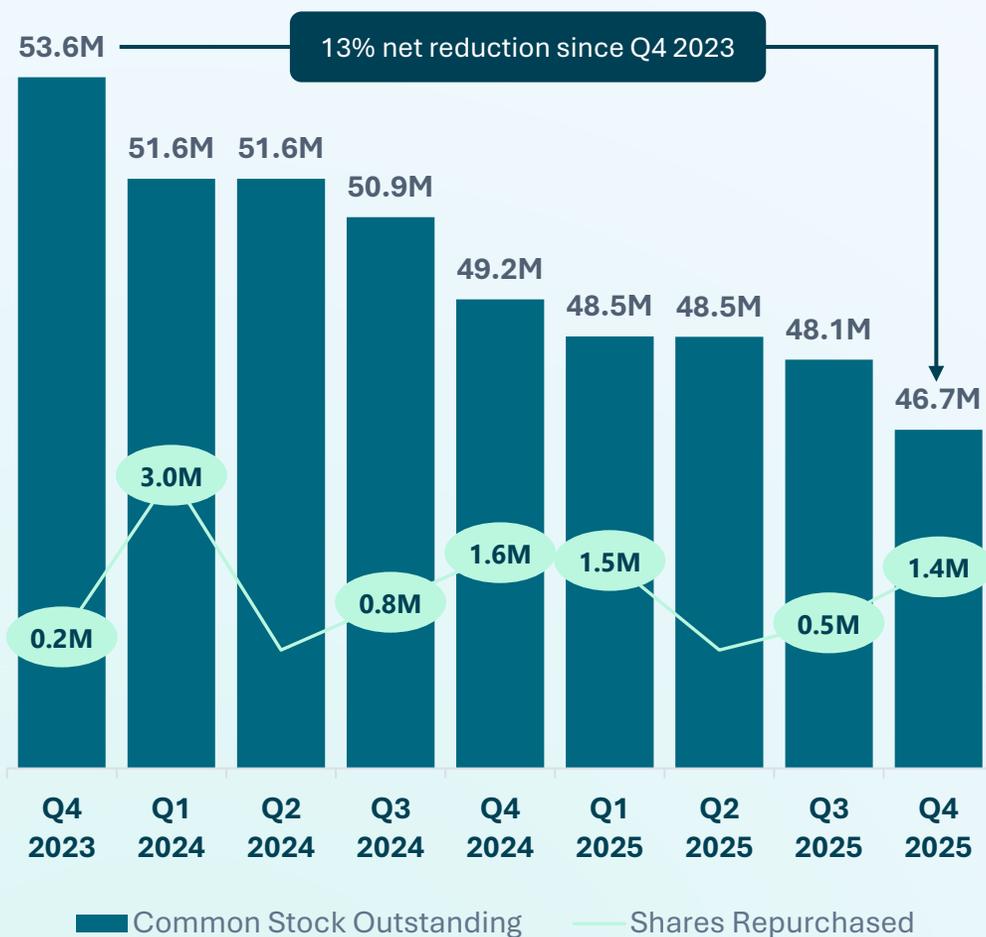


1. Non-GAAP adjusted free cash flow is defined as operating cash flow less capital expenditures, including costs required to be capitalized for software development, and capital expenditures for property and equipment. FY21-FY25 represent adjusted FCF which adds back cash outflows, net of insurance, related to the previously disclosed Security Incident discovered in May 2020.

2. FY 2025 figure includes approximately \$12 million of cash tax benefit related to the One Big Beautiful Bill Act and approximately \$60 million of one-time items and working capital fluctuations that negatively impacted our 2025 free cash flow.



Capital allocation: executing on stock repurchase program to meaningfully reduce common stock outstanding



98%

Percentage of cumulative FCF allocated to stock repurchase between 2023 and 2025

50%+

Expected percentage of cumulative FCF between 2026 and 2030 that will be allocated to future stock repurchases to continue reducing common stock outstanding over time

\$1 Billion

Board authorization for stock repurchases. \$961 million remaining as of 12/31/2025

Capital allocation: long-term capital allocation strategy focused on maximizing shareholder value

Stock Repurchases

- Blackbaud has reduced common stock outstanding by 13% since Q4 2023
- Expect to allocate 50%+ of FY26-FY30 free cash flow to stock repurchases and continue to reduce common stock outstanding over time

Debt Repayment

- Manage debt balance and related interest expense to optimize for non-GAAP EPS and FCF growth over the long-term
- Targeting Debt to EBITDA ratio below 2.0x over the mid and long-term

Accretive M&A

Target acquisition opportunities with high synergy value and a focus on vertical end markets already served by other Blackbaud products

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Purposeful Capital Allocation

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- Focus on debt level to maintain optimal capital structure
- Targeted M&A to bolster innovation

Thank you.



Appendix

Unaudited Historical Financial Information and Non-GAAP Financial Measures Being Presented

Reclassifications to the unaudited historical financial information

In order to provide comparability between periods presented, our “recurring” and “one-time services and other” revenue lines have been combined within “revenue” in the previously reported consolidated statements of comprehensive income to conform to the presentation of the current period. Similarly, “cost of recurring” and “cost of one-time services and other” have been combined within “cost of revenue” in the previously reported consolidated statements of comprehensive income to conform to the presentation of the current period.

Revision of Prior Period Financial Statements

During the three months ended September 30, 2025, we identified a prior period error related to the previously recorded valuation allowance in accounting for income taxes, which resulted in an understatement of the deferred tax liability by \$15.5 million as of December 31, 2024, March 31, 2025 and June 30, 2025, and a corresponding overstatement of the income tax benefit and an understatement of the GAAP net loss for the year ended December 31, 2024. There was no impact to our income tax provision for the first and second quarters of 2025. We evaluated the materiality of the error and determined that the impact was not material to our previously issued consolidated financial statements for the prior periods impacted but that correcting the error in the current period would have been material to our consolidated results of operations for the three and nine months ended September 30, 2025, and would be material to our forecasted consolidated results of operations for the year ended December 31, 2025. Accordingly, the correction of the valuation allowance error, along with other immaterial prior period errors, has been reflected as a revision to the applicable prior periods in the financial information presented herein and will be reflected in future filings that include such periods. As part of our Quarterly Report on Form 10-Q for the third quarter of 2025, we included comparative financial statement tables showing “as reported” versus “as revised” amounts.



Historical Consolidated Balance Sheets (Unaudited)

| (in thousands) | Q1 2024 | Q2 2024 | Q3 2024 | Q4 2024 | Q1 2025 | Q2 2025 | Q3 2025 | Q4 2025 |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Assets | | | | | | | | |
| Current assets: | | | | | | | | |
| Cash and cash equivalents | \$ 26,376 | \$ 30,438 | \$ 34,633 | \$ 67,628 | \$ 37,243 | \$ 41,566 | \$ 38,255 | \$ 38,914 |
| Restricted cash | 356,493 | 800,670 | 428,095 | 741,884 | 419,400 | 870,248 | 419,185 | 720,061 |
| Accounts receivable, net of allowance | 96,097 | 152,832 | 97,988 | 83,539 | 78,105 | 146,044 | 82,561 | 80,517 |
| Customer funds receivable | 3,529 | 2,943 | 7,343 | 1,970 | 4,522 | 5,696 | 3,996 | 1,308 |
| Prepaid expenses and other current assets | 94,711 | 92,410 | 87,699 | 81,572 | 88,329 | 91,551 | 94,838 | 89,290 |
| Total current assets | 577,206 | 1,079,293 | 655,758 | 976,593 | 627,599 | 1,155,105 | 638,835 | 930,090 |
| Property and equipment, net | 96,074 | 98,066 | 95,053 | 91,926 | 85,031 | 83,052 | 85,332 | 85,076 |
| Operating lease right-of-use assets | 35,464 | 28,489 | 27,522 | 26,554 | 1,725 | 5,266 | 4,931 | 4,630 |
| Software development costs, net | 162,491 | 165,465 | 169,507 | 148,319 | 150,113 | 153,604 | 154,074 | 155,842 |
| Goodwill | 1,053,130 | 1,053,249 | 1,056,882 | 1,052,506 | 1,054,290 | 1,057,927 | 1,056,656 | 1,056,815 |
| Intangible assets, net | 565,008 | 549,521 | 536,008 | 132,881 | 126,338 | 120,791 | 112,697 | 106,654 |
| Other assets | 59,883 | 68,785 | 60,444 | 67,221 | 57,270 | 54,784 | 51,916 | 51,575 |
| Total assets | \$ 2,549,256 | \$ 3,042,868 | \$ 2,601,174 | \$ 2,496,000 | \$ 2,102,366 | \$ 2,630,529 | \$ 2,104,441 | \$ 2,390,682 |
| Liabilities and stockholders' equity | | | | | | | | |
| Current liabilities: | | | | | | | | |
| Trade accounts payable | \$ 48,863 | \$ 44,038 | \$ 43,983 | \$ 50,810 | \$ 46,435 | \$ 42,664 | \$ 48,761 | \$ 27,344 |
| Accrued expenses and other current liabilities | 76,050 | 52,513 | 49,631 | 76,484 | 46,138 | 42,101 | 53,050 | 43,272 |
| Due to customers | 358,836 | 802,372 | 434,093 | 742,340 | 422,780 | 874,757 | 421,820 | 719,833 |
| Debt, current portion | 19,302 | 23,786 | 23,830 | 23,875 | 23,350 | 22,566 | 22,613 | 22,660 |
| Deferred revenue, current portion | 359,174 | 425,813 | 410,422 | 358,546 | 325,559 | 398,836 | 383,138 | 368,986 |
| Total current liabilities | 862,225 | 1,348,522 | 961,959 | 1,252,055 | 864,262 | 1,380,924 | 929,382 | 1,182,095 |
| Debt, net of current portion | 1,020,520 | 998,071 | 977,019 | 1,051,110 | 1,182,343 | 1,136,112 | 1,042,005 | 1,087,037 |
| Deferred tax liability | 82,996 | 75,824 | 68,196 | 24,999 | 25,085 | 25,254 | 9,246 | 21,981 |
| Deferred revenue, net of current portion | 6,832 | 2,315 | 1,705 | 2,015 | 6,033 | 2,179 | 1,773 | 2,778 |
| Operating lease liabilities, net of current portion | 38,492 | 36,290 | 35,218 | 34,186 | 2,395 | 5,526 | 5,030 | 4,605 |
| Other liabilities | 4,163 | 4,362 | 12,304 | 4,796 | 4,771 | 7,796 | 8,816 | 7,132 |
| Total liabilities | 2,015,228 | 2,465,384 | 2,056,401 | 2,369,161 | 2,084,889 | 2,557,791 | 1,996,252 | 2,305,628 |
| Commitments and contingencies | | | | | | | | |
| Stockholders' equity: | | | | | | | | |
| Preferred stock | — | — | — | — | — | — | — | — |
| Common stock, \$0.001 par value | 71 | 71 | 71 | 71 | 72 | 72 | 72 | 72 |
| Additional paid-in capital | 1,181,054 | 1,206,073 | 1,227,198 | 1,291,442 | 1,319,562 | 1,347,234 | 1,369,807 | 1,391,641 |
| Treasury stock, at cost | (855,692) | (857,452) | (922,516) | (1,060,348) | (1,198,721) | (1,199,608) | (1,231,316) | (1,316,224) |
| Accumulated other comprehensive loss | 1,222 | 175 | (6,887) | (4,869) | (8,302) | (6,292) | (9,198) | (5,948) |
| Retained earnings (accumulated deficit) | 207,373 | 228,617 | 246,907 | (99,457) | (95,134) | (68,668) | (21,176) | 15,513 |
| Total stockholders' equity | 534,028 | 577,484 | 544,773 | 126,839 | 17,477 | 72,738 | 108,189 | 85,054 |
| Total liabilities and stockholders' equity | \$ 2,549,256 | \$ 3,042,868 | \$ 2,601,174 | \$ 2,496,000 | \$ 2,102,366 | \$ 2,630,529 | \$ 2,104,441 | \$ 2,390,682 |



Historical Consolidated Statements of Comprehensive Income (Unaudited)

| (in thousands, except share and per share amounts) | Q1 2024 | Q2 2024 | Q3 2024 | Q4 2024 | FY 2024 | Q1 2025 | Q2 2025 | Q3 2025 | Q4 2025 | FY 2025 |
|--|------------------|------------------|------------------|---------------------|---------------------|-----------------|------------------|------------------|------------------|-------------------|
| Revenue | \$ 278,576 | \$ 287,337 | \$ 286,598 | \$ 302,113 | \$ 1,154,624 | \$ 269,936 | \$ 282,030 | \$ 281,143 | \$ 295,256 | \$ 1,128,365 |
| Cost of revenue | 127,876 | 126,449 | 129,290 | 139,583 | 523,198 | 114,815 | 113,633 | 113,653 | 122,972 | 465,073 |
| Gross profit | 150,700 | 160,888 | 157,308 | 162,530 | 631,426 | 155,121 | 168,397 | 167,490 | 172,284 | 663,292 |
| Operating expenses | | | | | | | | | | |
| Sales, marketing and customer success | 50,392 | 47,200 | 49,808 | 50,099 | 197,499 | 44,644 | 44,046 | 44,105 | 44,769 | 177,564 |
| Research and development | 40,714 | 37,415 | 37,916 | 37,635 | 153,680 | 33,559 | 33,595 | 37,198 | 33,778 | 138,130 |
| General and administrative | 45,361 | 33,962 | 27,519 | 35,881 | 142,723 | 56,679 | 32,856 | 31,044 | 34,031 | 154,610 |
| Amortization of intangible assets | 904 | 902 | 918 | 817 | 3,541 | 534 | 566 | 570 | 564 | 2,234 |
| EVERFI disposition | — | — | — | 405,360 | 405,360 | — | — | — | — | — |
| Total operating expenses | 137,371 | 119,479 | 116,161 | 529,792 | 902,803 | 135,416 | 111,063 | 112,917 | 113,142 | 472,538 |
| Income (loss) from operations | 13,329 | 41,409 | 41,147 | (367,262) | (271,377) | 19,705 | 57,334 | 54,573 | 59,142 | 190,754 |
| Interest expense | (10,276) | (15,715) | (14,140) | (15,503) | (55,634) | (16,945) | (18,411) | (16,774) | (15,840) | (67,970) |
| Other income, net | 3,347 | 3,310 | 2,997 | 4,895 | 14,549 | 2,105 | 1,118 | 3,245 | 2,531 | 8,999 |
| Income (loss) before (benefit) provision for income taxes | 6,400 | 29,004 | 30,004 | (377,870) | (312,462) | 4,865 | 40,041 | 41,044 | 45,833 | 131,783 |
| Income tax (benefit) provision | (906) | 7,760 | 11,714 | (31,506) | (12,938) | 542 | 13,575 | (6,448) | 9,144 | 16,813 |
| Net income (loss) | \$ 7,306 | \$ 21,244 | \$ 18,290 | \$ (346,364) | \$ (299,524) | \$ 4,323 | \$ 26,466 | \$ 47,492 | \$ 36,689 | \$ 114,970 |
| Earnings (loss) per share | | | | | | | | | | |
| Basic | \$ 0.14 | \$ 0.42 | \$ 0.36 | \$ (7.06) | \$ (5.92) | \$ 0.09 | \$ 0.55 | \$ 1.00 | \$ 0.78 | \$ 2.41 |
| Diluted | \$ 0.14 | \$ 0.41 | \$ 0.35 | \$ (7.06) | \$ (5.92) | \$ 0.09 | \$ 0.55 | \$ 0.98 | \$ 0.76 | \$ 2.37 |
| Common shares and equivalents outstanding | | | | | | | | | | |
| Basic weighted average shares | 52,052,370 | 50,747,337 | 50,409,292 | 49,051,396 | 50,560,538 | 48,429,061 | 47,784,062 | 47,680,002 | 46,845,015 | 47,680,184 |
| Diluted weighted average shares | 53,414,495 | 51,677,418 | 51,632,569 | 49,051,396 | 50,560,538 | 49,445,079 | 48,248,057 | 48,498,285 | 47,960,158 | 48,469,961 |
| Other comprehensive income (loss) | | | | | | | | | | |
| Foreign currency translation adjustment | (1,185) | 339 | 6,463 | (8,439) | (2,822) | 3,259 | 7,324 | (2,284) | 568 | 8,867 |
| Unrealized gain (loss) on derivative instruments, net of tax | 4,095 | (1,386) | (13,525) | 10,457 | (359) | (6,692) | (5,314) | (622) | 2,682 | (9,946) |
| Total other comprehensive income (loss) | 2,910 | (1,047) | (7,062) | 2,018 | (3,181) | (3,433) | 2,010 | (2,906) | 3,250 | (1,079) |
| Comprehensive income (loss) | \$ 10,216 | \$ 20,197 | \$ 11,228 | \$ (344,346) | \$ (302,705) | \$ 890 | \$ 28,476 | \$ 44,586 | \$ 39,939 | \$ 113,891 |

Historical Consolidated Statements of Cash Flows (Unaudited)

| (in thousands) | 3 months ended 3/31/2024 | 6 months ended 6/30/2024 | 9 months ended 9/30/2024 | 12 months ended 12/31/2024 | 3 months ended 3/31/2025 | 6 months ended 6/30/2025 | 9 months ended 9/30/2025 | 12 months ended 12/31/2025 |
|---|-----------------------------|-----------------------------|-----------------------------|-------------------------------|-----------------------------|-----------------------------|-----------------------------|-------------------------------|
| Cash flows from operating activities | | | | | | | | |
| Net income (loss) | \$ 7,306 | \$ 28,550 | \$ 46,840 | \$ (299,524) | \$ 4,323 | \$ 30,789 | \$ 78,281 | \$ 114,970 |
| Adjustments to reconcile net income (loss) to net cash provided by operating activities: | | | | | | | | |
| Depreciation and amortization | 30,095 | 60,553 | 91,618 | 121,665 | 21,647 | 43,346 | 64,652 | 86,215 |
| Provision for credit losses and sales returns | 305 | 519 | 1,721 | 4,932 | 788 | 2,973 | 3,788 | 4,382 |
| Stock-based compensation expense | 30,286 | 55,305 | 76,430 | 104,968 | 22,170 | 49,422 | 71,079 | 92,910 |
| Deferred taxes | (11,688) | (18,383) | (21,776) | (69,530) | (221) | (653) | (16,682) | (181) |
| Amortization of deferred financing costs and discount | 349 | 984 | 1,786 | 2,538 | 699 | 1,346 | 1,940 | 2,480 |
| Loss on disposition of businesses | 1,561 | 1,561 | 1,561 | 16,847 | — | — | — | — |
| EVERFI impairment charges | — | — | — | 390,204 | — | — | — | — |
| Other non-cash adjustments | — | 2,462 | 2,462 | 2,462 | (5,384) | (5,407) | (5,180) | (5,177) |
| Changes in operating assets and liabilities, net of acquisition and disposal of businesses: | | | | | | | | |
| Accounts receivable | 3,844 | (53,062) | 918 | 4,729 | 4,770 | (64,984) | (2,422) | (938) |
| Prepaid expenses and other assets | (3,249) | (2,455) | (934) | 3,193 | (5,192) | (8,955) | (9,707) | (4,487) |
| Trade accounts payable | 23,778 | 19,146 | 18,322 | 28,336 | (4,651) | (8,408) | (3,233) | (23,535) |
| Accrued expenses and other liabilities | 8,087 | (13,351) | (16,089) | (12,990) | (8,134) | (9,910) | 2,033 | (10,826) |
| Deferred revenue | (25,363) | 36,606 | 19,527 | (1,861) | (29,427) | 38,770 | 22,991 | 9,737 |
| Net cash provided by operating activities | 65,311 | 118,435 | 222,386 | 295,969 | 1,388 | 68,329 | 207,540 | 265,550 |
| Cash flows from investing activities | | | | | | | | |
| Purchase of property and equipment | (953) | (6,118) | (7,235) | (7,443) | (688) | (1,311) | (4,805) | (7,767) |
| Capitalized software development costs | (13,070) | (28,392) | (42,882) | (59,757) | (12,970) | (27,787) | (40,268) | (54,236) |
| Cash used in disposition of business | (1,179) | (1,179) | (1,179) | (1,179) | (12,235) | (12,235) | (12,235) | (12,235) |
| Other investing activities | — | (5,029) | (5,029) | (5,029) | — | — | — | — |
| Net cash used in investing activities | (15,202) | (40,718) | (56,325) | (73,408) | (25,893) | (41,333) | (57,308) | (74,938) |
| Cash flows from financing activities | | | | | | | | |
| Proceeds from issuance of debt | 339,800 | 1,211,600 | 1,303,400 | 1,441,400 | 216,200 | 272,300 | 307,000 | 404,500 |
| Payments on debt | (79,343) | (966,680) | (1,080,192) | (1,144,709) | (85,523) | (187,666) | (316,922) | (369,784) |
| Debt issuance costs | — | (6,458) | (6,458) | (6,458) | — | — | — | — |
| Employee taxes paid for withheld shares upon equity award settlement | (52,723) | (54,483) | (55,950) | (56,828) | (37,948) | (38,655) | (39,669) | (40,403) |
| Change in due to customers | (336,578) | 106,851 | (263,732) | 46,957 | (320,248) | 128,582 | (323,467) | (25,557) |
| Change in customer funds receivable | (3,197) | (2,577) | (6,777) | (1,679) | (2,483) | (3,262) | (1,676) | 997 |
| Purchase of treasury stock, including excise tax payments | (262,596) | (262,596) | (325,408) | (418,034) | (100,030) | (103,205) | (133,338) | (217,152) |
| Net cash (used in) provided by financing activities | (394,637) | 25,657 | (435,117) | (139,351) | (330,032) | 68,094 | (508,072) | (247,399) |
| Effect of exchange rate on cash, cash equivalents, and restricted cash | (860) | (523) | 3,527 | (1,955) | 1,668 | 7,212 | 5,768 | 6,250 |
| Net (decrease) increase in cash, cash equivalents, and restricted cash | (345,388) | 102,851 | (265,529) | 81,255 | (352,869) | 102,302 | (352,072) | (50,537) |
| Cash, cash equivalents, and restricted cash, beginning of period | 728,257 | 728,257 | 728,257 | 728,257 | 809,512 | 809,512 | 809,512 | 809,512 |
| Cash, cash equivalents, and restricted cash, end of period | \$ 382,869 | \$ 831,108 | \$ 462,728 | \$ 809,512 | \$ 456,643 | \$ 911,814 | \$ 457,440 | \$ 758,975 |

Historical Reconciliations of GAAP to Non-GAAP Financial Measures (Unaudited)

| (in thousands, except share and per share amounts) | Q1 2024 | Q2 2024 | Q3 2024 | Q4 2024 | FY 2024 ⁽¹⁾ | Q1 2025 | Q2 2025 | Q3 2025 | Q4 2025 | FY 2025 ⁽¹⁾ |
|---|------------|------------|------------|--------------|------------------------|------------|------------|------------|------------|------------------------|
| GAAP Revenue | \$ 278,576 | \$ 287,337 | \$ 286,598 | \$ 302,113 | \$ 1,154,624 | \$ 269,936 | \$ 282,030 | \$ 281,143 | \$ 295,256 | \$ 1,128,365 |
| GAAP gross profit | \$ 150,700 | \$ 160,888 | \$ 157,308 | \$ 162,530 | \$ 631,426 | \$ 155,121 | \$ 168,397 | \$ 167,490 | \$ 172,284 | \$ 663,292 |
| GAAP gross margin | 54.1 % | 56.0 % | 54.9 % | 53.8 % | 54.7 % | 57.5 % | 59.7 % | 59.6 % | 58.4 % | 58.8 % |
| Non-GAAP adjustments: | | | | | | | | | | |
| Add: Stock-based compensation expense | 3,728 | 3,390 | 2,948 | 4,026 | 14,092 | 2,698 | 3,250 | 2,850 | 2,719 | 11,517 |
| Add: Amortization of intangibles from business combinations | 14,663 | 14,639 | 14,667 | 12,988 | 56,957 | 7,052 | 7,020 | 6,811 | 6,761 | 27,644 |
| Add: Employee severance | — | — | — | — | — | — | 302 | (18) | — | 284 |
| Subtotal | 18,391 | 18,029 | 17,615 | 17,014 | 71,049 | 9,750 | 10,572 | 9,643 | 9,480 | 39,445 |
| Non-GAAP gross profit | \$ 169,091 | \$ 178,917 | \$ 174,923 | \$ 179,544 | \$ 702,475 | \$ 164,871 | \$ 178,969 | \$ 177,133 | \$ 181,764 | \$ 702,737 |
| Non-GAAP gross margin | 60.7 % | 62.3 % | 61.0 % | 59.4 % | 60.8 % | 61.1 % | 63.5 % | 63.0 % | 61.6 % | 62.3 % |
| GAAP income (loss) from operations | \$ 13,329 | \$ 41,409 | \$ 41,147 | \$ (367,262) | \$ (271,377) | \$ 19,705 | \$ 57,334 | \$ 54,573 | \$ 59,142 | \$ 190,754 |
| GAAP operating margin | 4.8 % | 14.4 % | 14.4 % | (121.6)% | (23.5)% | 7.3 % | 20.3 % | 19.4 % | 20.0 % | 16.9 % |
| Non-GAAP adjustments: | | | | | | | | | | |
| Add: Stock-based compensation expense | 30,286 | 25,019 | 21,125 | 28,538 | 104,968 | 22,170 | 27,252 | 21,657 | 21,831 | 92,910 |
| Add: Amortization of intangibles from business combinations | 15,567 | 15,541 | 15,585 | 13,805 | 60,498 | 7,586 | 7,586 | 7,381 | 7,325 | 29,878 |
| Add: Employee severance | — | — | — | — | — | — | 2,147 | (242) | — | 1,905 |
| Add: Acquisition and disposition-related costs | 2,255 | 2,398 | 246 | 1,201 | 6,100 | 25,132 | 264 | 383 | 112 | 25,891 |
| Add: Security Incident-related costs ⁽²⁾ | 10,323 | 1,822 | 637 | 918 | 13,700 | 2,180 | 395 | 247 | 282 | 3,104 |
| Add: EVERFI impairment and disposition charges | — | — | — | 405,360 | 405,360 | — | — | — | — | — |
| Subtotal | 58,431 | 44,780 | 37,593 | 449,822 | 590,626 | 57,068 | 37,644 | 29,426 | 29,550 | 153,688 |
| Non-GAAP income from operations | \$ 71,760 | \$ 86,189 | \$ 78,740 | \$ 82,560 | \$ 319,249 | \$ 76,773 | \$ 94,978 | \$ 83,999 | \$ 88,692 | \$ 344,442 |
| Non-GAAP operating margin | 25.8 % | 30.0 % | 27.5 % | 27.3 % | 27.6 % | 28.4 % | 33.7 % | 29.9 % | 30.0 % | 30.5 % |
| GAAP income (loss) before (benefit) provision for income taxes | \$ 6,400 | \$ 29,004 | \$ 30,004 | \$ (377,870) | \$ (312,462) | \$ 4,865 | \$ 40,041 | \$ 41,044 | \$ 45,833 | \$ 131,783 |
| GAAP net income (loss) | \$ 7,306 | \$ 21,244 | \$ 18,290 | \$ (346,364) | \$ (299,524) | \$ 4,323 | \$ 26,466 | \$ 47,492 | \$ 36,689 | \$ 114,970 |
| Shares used in computing GAAP diluted earnings (loss) per share | 53,414,495 | 51,677,418 | 51,632,569 | 49,051,396 | 50,560,538 | 49,445,079 | 48,248,057 | 48,498,285 | 47,960,158 | 48,469,961 |
| GAAP diluted earnings (loss) per share | \$ 0.14 | \$ 0.41 | \$ 0.35 | \$ (7.06) | \$ (5.92) | \$ 0.09 | \$ 0.55 | \$ 0.98 | \$ 0.76 | \$ 2.37 |
| Non-GAAP adjustments: | | | | | | | | | | |
| Add: GAAP income tax (benefit) provision | (906) | 7,760 | 11,714 | (31,506) | (12,938) | 542 | 13,575 | (6,448) | 9,144 | 16,813 |
| Add: Total Non-GAAP adjustments affecting income from operations | 58,431 | 44,780 | 37,593 | 449,822 | 590,626 | 57,068 | 37,644 | 29,426 | 29,550 | 153,688 |
| Non-GAAP income before provision for income taxes | 64,831 | 73,784 | 67,597 | 71,952 | 278,164 | 61,933 | 77,685 | 70,470 | 75,383 | 285,471 |
| Assumed non-GAAP income tax provision ⁽³⁾ | 15,884 | 18,077 | 16,561 | 17,628 | 68,150 | 15,174 | 19,033 | 17,265 | 18,469 | 69,941 |
| Non-GAAP net income | \$ 48,947 | \$ 55,707 | \$ 51,036 | \$ 54,324 | \$ 210,014 | \$ 46,759 | \$ 58,652 | \$ 53,205 | \$ 56,914 | \$ 215,530 |
| Shares used in computing Non-GAAP diluted earnings per share | 53,414,495 | 51,677,418 | 51,632,569 | 50,591,254 | 51,750,308 | 49,445,079 | 48,248,057 | 48,498,285 | 47,960,158 | 48,469,961 |
| Non-GAAP diluted earnings per share | \$ 0.92 | \$ 1.08 | \$ 0.99 | \$ 1.07 | \$ 4.06 | \$ 0.95 | \$ 1.22 | \$ 1.10 | \$ 1.19 | \$ 4.45 |

(1) The individual amounts for each quarter may not sum to full year totals due to rounding.

(2) Includes Security Incident-related costs incurred. Recorded expenses consisted primarily of payments to third-party service providers and consultants, including legal fees, as well as settlements of customer claims, negotiated settlements and accruals for certain loss contingencies. Not included in this adjustment were costs associated with enhancements to our cybersecurity program.

(3) We use a non-GAAP effective tax rate of 24.5% when calculating non-GAAP net income and non-GAAP diluted earnings per share. We base this rate on our estimated annual GAAP income tax rate, adjusted for items excluded from GAAP income when calculating non-GAAP income and for significant nonrecurring tax adjustments. We review this non-GAAP tax rate annually to determine whether it remains appropriate for evaluating our financial performance. In conducting this review, we consider our GAAP annual effective tax rate, changes in tax legislation, non-GAAP adjustments, and shifts in the geographic mix of revenues and expenses. We also evaluate other factors that we deem significant. Because the tax treatment of non-GAAP adjustments differs from GAAP and because of our methodology for estimating the annual tax rate, the non-GAAP tax rate may differ from the GAAP tax rate and from our actual tax liabilities.



Historical Reconciliations of GAAP to Non-GAAP Financial Measures (Unaudited)

| (in thousands) | 3 months ended | 6 months ended | 9 months ended | 12 months ended | 3 months ended | 6 months ended | 9 months ended | 12 months ended |
|---|----------------|----------------|----------------|-----------------|----------------|----------------|----------------|-----------------|
| | 3/31/2024 | 6/30/2024 | 9/30/2024 | 12/31/2024 | 3/31/2025 | 06/30/2025 | 09/30/2025 | 12/31/2025 |
| GAAP net cash provided by operating activities | 65,311 | 118,435 | 222,386 | 295,969 | 1,388 | 68,329 | 207,540 | 265,550 |
| GAAP operating cash flow margin | 23.4 % | 20.9 % | 26.1 % | 25.6 % | 0.5 % | 12.4 % | 24.9 % | 23.5 % |
| Non-GAAP adjustments: | | | | | | | | |
| Less: purchase of property and equipment | (953) | (6,118) | (7,235) | (7,443) | (688) | (1,311) | (4,805) | (7,767) |
| Less: capitalized software development costs | (13,070) | (28,392) | (42,882) | (59,757) | (12,970) | (27,787) | (40,268) | (54,236) |
| Non-GAAP free cash flow | \$ 51,288 | \$ 83,925 | \$ 172,269 | \$ 228,769 | \$ (12,270) | \$ 39,231 | \$ 162,467 | \$ 203,547 |
| Non-GAAP free cash flow margin | 18.4 % | 14.8 % | 20.2 % | 19.8 % | (4.5)% | 7.1 % | 19.5 % | 18.0 % |
| Non-GAAP adjustments: | | | | | | | | |
| Add: Security Incident-related cash flows | 2,028 | 5,822 | 15,081 | 15,925 | 852 | 2,473 | 4,300 | 4,640 |
| Non-GAAP adjusted free cash flow | \$ 53,316 | \$ 89,747 | \$ 187,350 | \$ 244,694 | \$ (11,418) | \$ 41,704 | \$ 166,767 | \$ 208,187 |
| Non-GAAP adjusted free cash flow margin | 19.1 % | 15.9 % | 22.0 % | 21.2 % | (4.2)% | 7.6 % | 20.0 % | 18.5 % |

Historical Revenue by Type (Unaudited)

| (in thousands, except share and per share amounts) | Q1 2024 | Q2 2024 | Q3 2024 | Q4 2024 | FY 2024 | Q1 2025 | Q2 2025 | Q3 2025 | Q4 2025 | FY 2025 |
|--|------------|------------|------------|------------|--------------|------------|------------|------------|------------|--------------|
| Revenue | | | | | | | | | | |
| Contractual recurring | \$ 190,357 | \$ 193,645 | \$ 194,724 | \$ 195,814 | \$ 774,540 | \$ 175,465 | \$ 180,128 | \$ 182,984 | \$ 183,243 | \$ 721,820 |
| Transactional recurring | 80,488 | 87,781 | 85,165 | 100,269 | 353,703 | 87,860 | 96,151 | 92,818 | 107,512 | 384,341 |
| Total recurring revenue | \$ 270,845 | \$ 281,426 | \$ 279,889 | \$ 296,083 | \$ 1,128,243 | \$ 263,325 | \$ 276,279 | \$ 275,802 | \$ 290,755 | \$ 1,106,161 |
| One-time services and other | 7,732 | 5,910 | 6,709 | 6,030 | 26,381 | 6,611 | 5,751 | 5,341 | 4,501 | 22,204 |
| Total revenue | \$ 278,576 | \$ 287,337 | \$ 286,598 | \$ 302,113 | \$ 1,154,624 | \$ 269,936 | \$ 282,030 | \$ 281,143 | \$ 295,256 | \$ 1,128,365 |

Historical Reconciliations of GAAP and Non-GAAP Organic Revenue Growth (Unaudited)

| (dollars in thousands) | Years ended | | Three months ended | | | | Year ended | Three months ended | | | |
|--|---------------|--------------|--------------------|---------------|---------------|---------------|--------------|--------------------|------------|------------|------------|
| | 12/31/2025 | 12/31/2024 | 12/31/2025 | 09/30/2025 | 06/30/2025 | 03/31/2025 | 12/31/2024 | 12/31/2024 | 09/30/2024 | 06/30/2024 | 03/31/2024 |
| GAAP revenue | \$ 1,128,365 | \$ 1,154,624 | \$ 295,256 | \$ 281,143 | \$ 282,030 | \$ 269,936 | \$ 1,154,624 | \$ 302,113 | \$ 286,598 | \$ 287,337 | \$ 278,576 |
| GAAP revenue growth | (2.3)% | | (2.3)% | (1.9)% | (1.8)% | (3.1)% | | | | | |
| Less: Non-GAAP revenue from divested businesses ⁽¹⁾ | — | (85,565) | — | — | — | — | (85,565) | (19,096) | (19,304) | (23,756) | (23,409) |
| Non-GAAP organic revenue ⁽²⁾ | \$ 1,128,365 | \$ 1,069,059 | \$ 295,256 | \$ 281,143 | \$ 282,030 | \$ 269,936 | \$ 1,069,059 | \$ 283,017 | \$ 267,294 | \$ 263,581 | \$ 255,167 |
| Non-GAAP organic revenue growth | 5.5 % | | 4.3 % | 5.2 % | 7.0 % | 5.8 % | | | | | |
| Non-GAAP organic revenue ⁽²⁾ | \$ 1,128,365 | \$ 1,069,059 | \$ 295,256 | \$ 281,143 | \$ 282,030 | \$ 269,936 | 1,069,059 | \$ 283,017 | \$ 267,294 | \$ 263,581 | \$ 255,167 |
| Foreign currency impact on Non-GAAP organic revenue ⁽³⁾ | (3,516) | — | (940) | (964) | (1,910) | 298 | — | — | — | — | — |
| Non-GAAP organic revenue on constant currency basis ⁽³⁾ | \$ 1,124,849 | \$ 1,069,059 | \$ 294,316 | \$ 280,179 | \$ 280,120 | \$ 270,234 | \$ 1,069,059 | \$ 283,017 | \$ 267,294 | \$ 263,581 | \$ 255,167 |
| Non-GAAP organic revenue growth on constant currency basis | 5.2 % | | 4.0 % | 4.8 % | 6.3 % | 5.9 % | | | | | |
| GAAP recurring revenue | 1,106,161 | 1,128,243 | 290,755 | 275,802 | 276,279 | 263,325 | 1,128,243 | 296,083 | 279,889 | 281,426 | 270,845 |
| GAAP recurring revenue growth | (2.0)% | | (1.8)% | (1.5)% | (1.8)% | (2.8)% | | | | | |
| Less: Non-GAAP recurring revenue from divested businesses ⁽¹⁾ | — | (82,550) | — | — | — | — | (82,550) | (18,643) | (18,435) | (23,418) | (22,054) |
| Non-GAAP organic recurring revenue ⁽²⁾ | \$ 1,106,161 | \$ 1,045,693 | \$ 290,755 | \$ 275,802 | \$ 276,279 | \$ 263,325 | \$ 1,045,693 | \$ 277,440 | \$ 261,454 | \$ 258,008 | \$ 248,791 |
| Non-GAAP organic recurring revenue growth | 5.8 % | | 4.8 % | 5.5 % | 7.1 % | 5.8 % | | | | | |
| Non-GAAP organic recurring revenue ⁽²⁾ | \$ 1,106,161 | \$ 1,045,693 | \$ 290,755 | \$ 275,802 | \$ 276,279 | \$ 263,325 | 1,045,693 | \$ 277,440 | \$ 261,454 | \$ 258,008 | \$ 248,791 |
| Foreign currency impact on non-GAAP organic recurring revenue ⁽³⁾ | (3,501) | — | (929) | (955) | (1,894) | 277 | — | — | — | — | — |
| Non-GAAP organic recurring revenue on constant currency basis ⁽³⁾ | \$ 1,102,660 | \$ 1,045,693 | \$ 289,826 | \$ 274,847 | \$ 274,385 | \$ 263,602 | \$ 1,045,693 | \$ 277,440 | \$ 261,454 | \$ 258,008 | \$ 248,791 |
| Non-GAAP organic recurring revenue growth on constant currency basis | 5.4 % | | 4.5 % | 5.1 % | 6.3 % | 6.0 % | | | | | |

(1) Non-GAAP revenue from divested businesses excludes revenue associated with divested businesses in the prior period. The exclusion of the prior period revenue is to present the results of the divested business with the results of the combined company for the same period of time in both the prior and current periods.

(2) Non-GAAP organic revenue and non-GAAP organic recurring revenue for the prior year periods presented herein may not agree to non-GAAP organic revenue presented in the respective prior period quarterly financial information solely due to the manner in which non-GAAP organic revenue growth is calculated.

(3) To determine non-GAAP organic revenue growth and non-GAAP organic recurring revenue growth on a constant currency basis, revenues from entities reporting in foreign currencies were translated to U.S. Dollars using the comparable period's quarterly weighted average foreign currency exchange rates. The primary foreign currencies creating the impact are the Australian Dollar, British Pound, Canadian Dollar and Euro.



Reconciliations of Non-GAAP Organic Revenue Growth and Rule of 40 (Unaudited)

| (dollars in thousands) | Three months ended | | Years ended | |
|--|--------------------|--------------|-------------|--------------|
| | 12/31/2025 | 12/31/2024 | 12/31/2025 | 12/31/2024 |
| GAAP net income | \$ 36,689 | \$ (346,364) | \$ 114,970 | \$ (299,524) |
| Non-GAAP adjustments: | | | | |
| Add: Interest, net | 13,942 | 13,638 | 60,078 | 45,788 |
| Add: GAAP income tax provision (benefit) | 9,144 | (31,506) | 16,813 | (12,938) |
| Add: Depreciation | 2,230 | 3,207 | 10,053 | 12,828 |
| Add: Amortization of intangibles from business combinations | 7,325 | 13,805 | 29,878 | 60,498 |
| Add: Amortization of software development costs ⁽¹⁾ | 12,911 | 13,325 | 49,692 | 51,240 |
| Subtotal | 45,552 | 12,469 | 166,514 | 157,416 |
| Non-GAAP EBITDA | \$ 82,241 | \$ (333,895) | \$ 281,484 | \$ (142,108) |
| Non-GAAP EBITDA margin⁽²⁾ | 27.9 % | | 24.9 % | |
| Non-GAAP adjustments: | | | | |
| Add: Stock-based compensation expense | 21,831 | 28,538 | 92,910 | 104,968 |
| Add: Employee severance | — | — | 1,905 | — |
| Add: Acquisition and disposition-related costs | 112 | 1,201 | 25,891 | 6,100 |
| Add: Security Incident-related costs ⁽³⁾ | 282 | 918 | 3,104 | 13,700 |
| Add: EVERFI impairment and disposition charges | — | 405,360 | — | 405,360 |
| Subtotal | 22,225 | 436,017 | 123,810 | 530,128 |
| Non-GAAP adjusted EBITDA | \$ 104,466 | \$ 102,122 | \$ 405,294 | \$ 388,020 |
| Non-GAAP adjusted EBITDA margin⁽⁴⁾ | 35.4 % | | 35.9 % | |
| Rule of 40⁽⁵⁾ | 39.7 % | | 41.4 % | |
| Non-GAAP adjusted EBITDA | 104,466 | 102,122 | 405,294 | 388,020 |
| Foreign currency impact on Non-GAAP adjusted EBITDA ⁽⁶⁾ | (382) | (559) | (1,785) | (1,618) |
| Non-GAAP adjusted EBITDA on constant currency basis⁽⁶⁾ | \$ 104,084 | \$ 101,563 | \$ 403,509 | \$ 386,402 |
| Non-GAAP adjusted EBITDA margin on constant currency basis | 35.4 % | | 35.9 % | |
| Rule of 40 on constant currency basis⁽⁷⁾ | 39.4 % | | 41.1 % | |

(1) Includes amortization expense related to software development costs and amortization expense from capitalized cloud computing implementation costs.

(2) Measured by GAAP revenue divided by non-GAAP EBITDA.

(3) Includes Security Incident-related costs incurred, net of probable insurance recoveries. Recorded expenses consisted primarily of payments to third-party service providers and consultants, including legal fees, as well as settlements of customer claims, negotiated settlements and accruals for certain loss contingencies. Not included in this adjustment were costs associated with enhancements to our cybersecurity program.

(4) Measured by non-GAAP organic revenue divided by non-GAAP adjusted EBITDA.

(5) Measured by non-GAAP organic revenue growth plus non-GAAP adjusted EBITDA margin. See Non-GAAP organic revenue growth table on prior slide.

(6) To determine non-GAAP adjusted EBITDA on a constant currency basis, non-GAAP adjusted EBITDA from entities reporting in foreign currencies were translated to U.S. Dollars using the comparable prior period's quarterly weighted average foreign currency exchange rates. The primary foreign currencies creating the impact are the Australian Dollar, British Pound, Canadian Dollar and Euro.

(7) Measured by non-GAAP organic revenue growth on constant currency basis plus non-GAAP adjusted EBITDA margin on constant currency basis. See Non-GAAP organic revenue growth table on prior slide.



Reconciliation of GAAP to Non-GAAP Consolidated Statements of Operations (Unaudited)

| Three Months Ended December 31, 2025 | | | | | | | |
|---|------------------|----------------------------------|--|---|--|-------------------------------|------------------|
| (in thousands, except per share amounts) | GAAP | Stock-based compensation expense | Amortization of intangibles from business combinations | Acquisition and disposition-related costs | Security Incident-related costs ⁽¹⁾ | Non-GAAP adjustments subtotal | Non-GAAP |
| Revenue | 295,256 | — | — | — | — | — | 295,256 |
| Cost of revenue | 122,972 | (2,719) | (6,761) | — | — | (9,480) | 113,492 |
| Gross profit | 172,284 | 2,719 | 6,761 | — | — | 9,480 | 181,764 |
| Total gross margin | 58.4 % | | | | | 3.2 % | 61.6 % |
| Operating expenses | | | | | | | |
| Sales, marketing and customer success | 44,769 | (3,823) | — | — | — | (3,823) | 40,946 |
| Research and development | 33,778 | (6,082) | — | — | — | (6,082) | 27,696 |
| General and administrative | 34,031 | (9,207) | — | (112) | (282) | (9,601) | 24,430 |
| Amortization | 564 | — | (564) | — | — | (564) | — |
| Total operating expenses | 113,142 | (19,112) | (564) | (112) | (282) | (20,070) | 93,072 |
| Income from operations | 59,142 | 21,831 | 7,325 | 112 | 282 | 29,550 | 88,692 |
| Total operating margin | 20.0 % | | | | | 10.0 % | 30.0 % |
| Net Income | \$ 36,689 | | | | | | \$ 56,914 |
| Shares used in computing diluted earnings per share | 47,960 | | | | | | 47,960 |
| Diluted earnings per share | \$ 0.76 | | | | | | \$ 1.19 |

(1) Includes Security Incident-related costs incurred, net of insurance recoveries. Recorded expenses consisted primarily of payments to third-party service providers and consultants, including legal fees, as well as settlements of customer claims, negotiated settlements and accruals for certain loss contingencies. Not included in this adjustment were costs associated with enhancements to our cybersecurity program.

Reconciliation of GAAP to Non-GAAP Consolidated Statements of Operations (Unaudited)

| Year Ended December 31, 2025 | | | | | | | | |
|---|-------------------|----------------------------------|--|--------------------|---|--|-------------------------------|-------------------|
| (in thousands, except per share amounts) | GAAP | Stock-based compensation expense | Amortization of intangibles from business combinations | Employee severance | Acquisition and disposition-related costs | Security Incident-related costs ⁽¹⁾ | Non-GAAP adjustments subtotal | Non-GAAP |
| Revenue | 1,128,365 | — | — | — | — | — | — | 1,128,365 |
| Cost of revenue | 465,073 | (11,517) | (27,644) | (284) | — | — | (39,445) | 425,628 |
| Gross profit | 663,292 | 11,517 | 27,644 | 284 | — | — | 39,445 | 702,737 |
| Total Gross Margin | 58.8 % | | | | | | 3.5 % | 62.3 % |
| Operating expenses | | | | | | | | |
| Sales, marketing and customer success | 177,564 | (16,072) | — | (271) | — | — | (16,343) | 161,221 |
| Research and development | 138,130 | (24,252) | — | (827) | — | — | (25,079) | 113,051 |
| General and administrative | 154,610 | (41,069) | — | (523) | (25,891) | (3,104) | (70,587) | 84,023 |
| Amortization | 2,234 | — | (2,234) | — | — | — | (2,234) | — |
| Total operating expenses | 472,538 | (81,393) | (2,234) | (1,621) | (25,891) | (3,104) | (114,243) | 358,295 |
| Income from operations | 190,754 | 92,910 | 29,878 | 1,905 | 25,891 | 3,104 | 153,688 | 344,442 |
| Total Operating Margin | 16.9 % | | | | | | 13.6 % | 30.5 % |
| Net Income | \$ 114,970 | | | | | | | \$ 215,530 |
| Shares used in computing diluted earnings per share | 48,470 | | | | | | | 48,470 |
| Diluted earnings per share | \$ 2.37 | | | | | | | \$ 4.45 |

(1) Includes Security Incident-related costs incurred, net of probable insurance recoveries. Recorded expenses consisted primarily of payments to third-party service providers and consultants, including legal fees, as well as settlements of customer claims, negotiated settlements and accruals for certain loss contingencies. Not included in this adjustment were costs associated with enhancements to our cybersecurity program.

Reconciliation of GAAP to Non-GAAP Consolidated Statements of Operations (Unaudited)

| Three Months Ended December 31, 2024 | | | | | | | | | | |
|--|---------------------|----------------------------------|--|--------------------|---|--|---|-------------------------------|------------------|--|
| (in thousands, except per share amounts) | GAAP | Stock-based compensation expense | Amortization of intangibles from business combinations | Employee severance | Acquisition and disposition-related costs | Security Incident-related costs ⁽¹⁾ | EVERFI impairment and disposition charges | Non-GAAP adjustments subtotal | Non-GAAP | |
| Revenue | 302,113 | — | — | — | — | — | — | — | 302,113 | |
| Cost of revenue | 139,583 | (4,026) | (12,988) | — | — | — | — | (17,014) | 122,569 | |
| Gross profit | 162,530 | 4,026 | 12,988 | — | — | — | — | 17,014 | 179,544 | |
| Total gross margin | 53.8 % | | | | | | | 5.6 % | 59.4 % | |
| Operating expenses | | | | | | | | | | |
| Sales, marketing and customer success | 50,099 | (5,158) | — | — | — | — | — | (5,158) | 44,941 | |
| Research and development | 37,635 | (7,099) | — | — | — | — | — | (7,099) | 30,536 | |
| General and administrative | 35,881 | (12,255) | — | — | (1,201) | (918) | — | (14,374) | 21,507 | |
| Amortization | 817 | — | (817) | — | — | — | — | (817) | — | |
| EVERFI disposition | 405,360 | — | — | — | — | — | (405,360) | (405,360) | — | |
| Total operating expenses | 529,792 | (24,512) | (817) | — | (1,201) | (918) | (405,360) | (432,808) | 96,984 | |
| Income from operations | (367,262) | 28,538 | 13,805 | — | 1,201 | 918 | 405,360 | 449,822 | 82,560 | |
| Total operating margin | (121.6)% | | | | | | | 148.9 % | 27.3 % | |
| Net (loss) income | \$ (346,364) | | | | | | | | \$ 54,324 | |
| Shares used in computing diluted (loss) earnings per share | 49,051 | | | | | | | | 50,591 | |
| Diluted (loss) earnings per share | \$ (7.06) | | | | | | | | \$ 1.07 | |

(1) Includes Security Incident-related costs incurred, net of probable insurance recoveries. Recorded expenses consisted primarily of payments to third-party service providers and consultants, including legal fees, as well as settlements of customer claims, negotiated settlements and accruals for certain loss contingencies. Not included in this adjustment were costs associated with enhancements to our cybersecurity program.



Reconciliation of GAAP to Non-GAAP Consolidated Statements of Operations (Unaudited)

| Year Ended December 31, 2024 | | | | | | | | | | |
|--|---------------------|----------------------------------|--|--------------------|---|--|---|-------------------------------|----------|-------------------|
| (in thousands, except per share amounts) | GAAP | Stock-based compensation expense | Amortization of intangibles from business combinations | Employee severance | Acquisition and disposition-related costs | Security Incident-related costs ⁽¹⁾ | EVERFI impairment and disposition charges | Non-GAAP adjustments subtotal | Non-GAAP | |
| Revenue | 1,154,624 | — | — | — | — | — | — | — | — | 1,154,624 |
| Cost of revenue | 523,198 | (14,092) | (56,957) | — | — | — | — | (71,049) | — | 452,149 |
| Gross profit | 631,426 | 14,092 | 56,957 | — | — | — | — | 71,049 | — | 702,475 |
| Total Gross Margin | 54.7 % | | | | | | | 6.1 % | | 60.8 % |
| Operating expenses | | | | | | | | | | |
| Sales, marketing and customer success | 197,499 | (17,946) | — | — | — | — | — | (17,946) | — | 179,553 |
| Research and development | 153,680 | (26,488) | — | — | — | — | — | (26,488) | — | 127,192 |
| General and administrative | 142,723 | (46,442) | — | — | (6,100) | (13,700) | — | (66,242) | — | 76,481 |
| Amortization | 3,541 | — | (3,541) | — | — | — | — | (3,541) | — | — |
| EVERFI disposition | 405,360 | — | — | — | — | — | (405,360) | (405,360) | — | — |
| Total operating expenses | 902,803 | (90,876) | (3,541) | — | (6,100) | (13,700) | (405,360) | (519,577) | — | 383,226 |
| Income from operations | (271,377) | 104,968 | 60,498 | — | 6,100 | 13,700 | 405,360 | 590,626 | — | 319,249 |
| Total Operating Margin | (23.5)% | | | | | | | 51.1 % | | 27.6 % |
| Net (loss) income | \$ (299,524) | | | | | | | | | \$ 210,014 |
| Shares used in computing diluted (loss) earnings per share | 50,561 | | | | | | | | | 51,750 |
| Diluted (loss) earnings per share | \$ (5.92) | | | | | | | | | \$ 4.06 |

(1) Includes Security Incident-related costs incurred, net of probable insurance recoveries. Recorded expenses consisted primarily of payments to third-party service providers and consultants, including legal fees, as well as settlements of customer claims, negotiated settlements and accruals for certain loss contingencies. Not included in this adjustment were costs associated with enhancements to our cybersecurity program.