Third Quarter 2026 Earnings

November 9, 2026

Telos

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DELIVERED $55.2M OF REVENUE, 37.9% GAAP GROSS MARGIN, 43.1% CASH GM[1], AND $9.4M OF CASH FLOW FROM OPERATIONS

3Q 2026 Summary

- Delivered $55.2M of Revenue vs. guidance of $49.2M to $50.6M; YoY Revenue growth of 7.3%
  - Security Solutions ("SS") up 16.6% YoY; Results exceeded guidance assumptions primarily due to better than forecasted performance within Telos ID
  - Secure Networks ("SN") results in line with guidance assumptions
- Delivered 37.9% GAAP Gross Margin ("GM") vs. ~32.0% - 33.0% assumed in guidance
  - Cash Gross Margin[1] was 43.1% and exceeded guidance assumption primarily due to better than forecasted performance in Telos ID
- Adjusted Operating Expenses[1] approximately $0.6M higher than guidance assumptions
- Adjusted EBITDA[1] above top end of guidance range due to higher than forecasted Cash Gross Profit[1]
- Cash Flow from Operations was $9.4M or a 17.1% margin and Free Cash Flow[1] was $7.4M or a 13.4% margin[1]
- Deployed $5.7M to repurchase over 1.2M shares at an average price of $4.59 per share

	3Q 2026 Actual	3Q 2026 Guidance / Assumptions
Revenue	$55.2M	$49.2M to $50.6M
Revenue Growth	+7.3% YoY	-4% to -2% YoY
GAAP Gross Profit	$20.9M *37.9% GAAP GM* *43.1% Cash GM[1]*	*~32.0% to 33.0% GAAP GM* *~37.5% to 38.5% Cash GM[1]*
Adjusted EBITDA[1]	$10.6M *19.2% Margin[1]*	$6.0M to $6.8M *~12.2% to 13.4% Margin[1]*
Adjusted EPS[1]	$0.09	
Cash Flow	$9.4M Cash Flow From Ops *17.1% Margin* $7.4M Free Cash Flow[1] *13.4% Margin[1]*	

7.3% Revenue Growth, 19.2% Adjusted EBITDA Margin[1], and 13.4% FCF Margin [1] in 3Q 2026

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Notes:

1. Cash Gross Profit, Cash Gross Margin, Adjusted Operating Expenses, Adjusted EPS, Adjusted EBITDA, Adjusted EBITDA Margin, Free Cash Flow, and Free Cash Flow Margin are non-GAAP financial measures. Reconciliations to GAAP financial measures are provided in the appendix.

2026 OUTLOOK

4Q GUIDANCE

	Guidance	
	4Q 2026 Low End	4Q 2026 High End
Revenue	$47.5M *+2% YoY*	$50.0M *+7% YoY*
Adjusted EBITDA[1]	$7.0M *14.7% Margin[1]*	$8.8M *17.6% Margin[1]*

Guidance Assumptions

4Q Assumptions

- Revenue forecasted to be up 2% to 7% YoY primarily due to new business wins in Information Assurance
- Cash Gross Margin[1] approximately 43.0% to 44.5%, expanding YoY due to improved revenue mix
- Adjusted Operating Expenses[1] up ~$1.2M YoY primarily due to labor and marketing costs; partially offset by results of cost management efforts and increased capitalization of software development

Revenue, Cash Gross Margin, Adjusted EBITDA and Adjusted EBITDA Margin Increasing YoY at Midpoint of Guidance

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Notes:

1. Cash Gross Margin, Adjusted Operating Expenses, Adjusted EBITDA, and Adjusted EBITDA Margin are non-GAAP financial measures. The Company has not provided a reconciliation to the most directly comparable GAAP measure to these forward-looking non-GAAP financial measures because certain items are out of the Company's control or cannot be reasonably predicted. Accordingly, reconciliations of forward-looking Cash Gross Margin, Adjusted Operating Expenses, Adjusted EBITDA, and Adjusted EBITDA Margin are not available without unreasonable effort.

2026 OUTLOOK

FY GUIDANCE PROGRESSION

	Original Guidance *(as of 4Q25 Earnings Call)*	Prior Guidance *(as of 2Q26 Earnings Call)*	Final Guidance *(as of 3Q26 Earnings Call)*
Revenue *YoY*	**$187.0M - $200.0M** *+14% to +21%*	**$187.0M - $195.0M** *+14% to +18%*	↑ **$198.2M - $200.7M** *+20% to +22%*
Adj. EBITDA[1] *Margin[1]*	**$20.6M - $28.0M** *11.0% to 14.0%*	**$23.6M - $28.6M** *12.6% to 14.7%*	↑ **$32.3M - $34.1M** *16.3% to 17.0%*

Changes Driving Improvement vs. Original Guidance

- Revenue Assumptions
  - ~$5.9M increase at midpoint
  - Over $58M in new business wins in Information Assurance and strength in TSA PreCheck® volumes
- Cash Gross Margin[1] Assumptions
  - ~425 bps increase at midpoint
  - Better than expected margin performance on large programs within Telos ID and revenue mix
- Adjusted Operating Expenses[1] Assumptions (net of D&A)
  - ~$1.8M higher at midpoint
  - Primarily due to higher labor and marketing costs; partially offset by results of cost management efforts
- Adjusted EBITDA[1] and Adjusted EBITDA Margin[1] Assumptions
  - Adjusted EBITDA[1] higher by ~$8.9M at midpoint
  - Adjusted EBITDA Margin[1] higher by ~410 bps at midpoint
  - Higher Cash Gross Profit[1] from higher Revenue and higher Cash Gross Margin[1]

Raising FY Guidance; Adjusted EBITDA Significantly Exceeding Original Expectations

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Notes:

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SUMMARY

3Q Results Exceeded Guidance for Revenue, Cash Gross Margin, Adjusted EBITDA and Adjusted EBITDA Margin

Generated FCF Margin[1] of 13.4% in 3Q

Deployed $12.6M of cash to repurchase 2.8M shares YTD in 2026

Over $58M of new business wins in Information Assurance

Raising FY Guidance; Adjusted EBITDA Significantly Exceeding Original Expectations

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Notes:

1. Free Cash Flow Margin is a non-GAAP financial measure. Reconciliations to GAAP financial measures are provided in the appendix.

Appendix

NON-GAAP FINANCIAL MEASURES

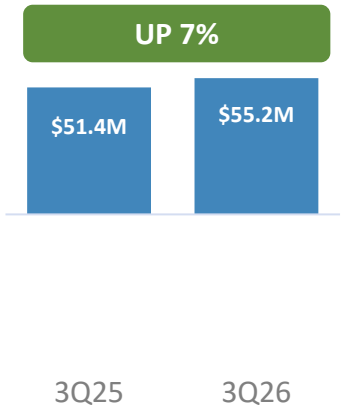
In addition to Telos' results determined in accordance with U.S. GAAP, Telos believes the non-GAAP financial measures of EBITDA, Adjusted EBITDA, EBITDA Margin, Adjusted EBITDA Margin, Incremental Adjusted EBITDA, Incremental Adjusted EBITDA Margin, Adjusted Net Income (Loss), Adjusted Earnings Per Share ("EPS"), Adjusted Gross Profit, Adjusted Gross Margin, Cash Gross Profit, Cash Gross Margin, Cash Operating Expenses, Adjusted Operating Expenses, Free Cash Flow and Free Cash Flow Margin are useful in evaluating operating and cash flow performance. Telos believes that this non-GAAP financial information, when taken collectively with GAAP results, may be helpful to readers of the financial statements because it provides consistency and comparability with past financial performance and assists in comparisons with other companies, some of which use similar non-GAAP financial information to supplement their GAAP results. The non-GAAP financial information is presented for supplemental informational purposes only, should not be considered a substitute for financial information presented in accordance with GAAP, and may be different from similarly-titled non-GAAP measures used by other companies. A reconciliation is provided below for each of these non-GAAP financial measures to the most directly comparable financial measure stated in accordance with GAAP.

Telos believes that EBITDA, EBITDA Margin, Adjusted EBITDA, Adjusted EBITDA Margin, Incremental Adjusted EBITDA, Incremental Adjusted EBITDA Margin, Adjusted Net Income (Loss), Adjusted EPS, Cash Operating Expenses, and Adjusted Operating Expenses provide the Board, management and investors with a clear representation of the Company’s core operating performance and trends, provide greater visibility into the long-term financial performance of the Company, and eliminate the impact of items that do not relate to the ongoing operating performance of the business. Further, Adjusted EBITDA is used by the Board and management to prepare and approve the Company’s annual budget and to evaluate the performance of certain management personnel when determining incentive compensation. Adjusted Gross Profit, Cash Gross Profit, Adjusted Gross Margin and Cash Gross Margin provide management and investors a clear representation of the core economics of gross profit and gross margin without the impact of non-cash expenses and sunk costs expended. Telos uses Free Cash Flow and Free Cash Flow Margin to understand the cash flows that directly correspond with our operations and the investments the Company must make in those operations, using a methodology that combines operating cash flows and capital expenditures. Further, Free Cash Flow may be useful to management and investors in evaluating the Company's operating performance and liquidity, and to the Board to evaluate the performance of certain management personnel when determining incentive compensation. Telos believes these non-GAAP financial measures facilitate the comparison of the Company’s operating performance on a consistent basis between periods by excluding certain items that may, or could, have a disproportionately positive or negative impact on the Company’s results of operations in any particular period. When viewed in combination with the Company’s results prepared in accordance with GAAP, these non-GAAP financial measures help provide a broader picture of factors and trends affecting the Company’s results of operations.

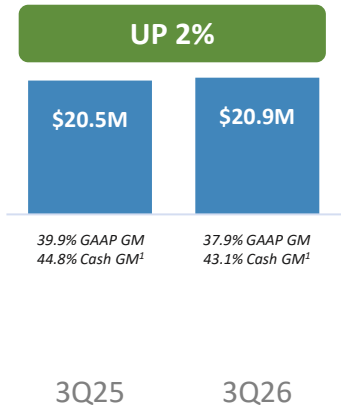
3Q AND 9M YEAR-OVER-YEAR COMPARISON

3Q YoY

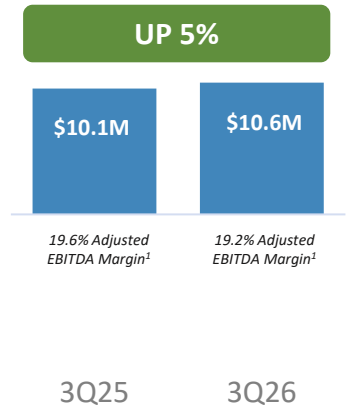
Revenue



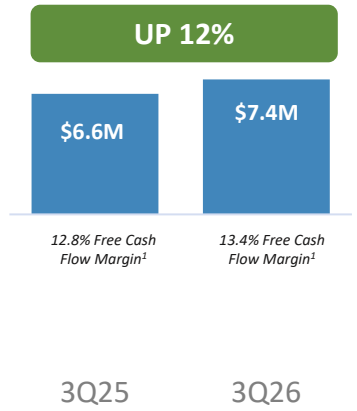
GAAP Gross Profit



Adjusted EBITDA[1]



Free Cash Flow[1]

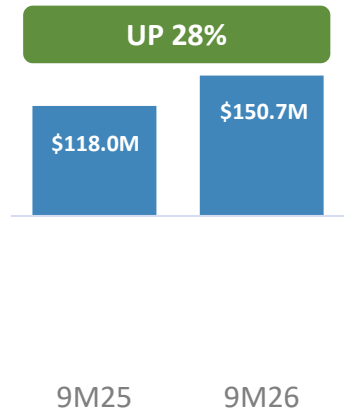


YoY Commentary

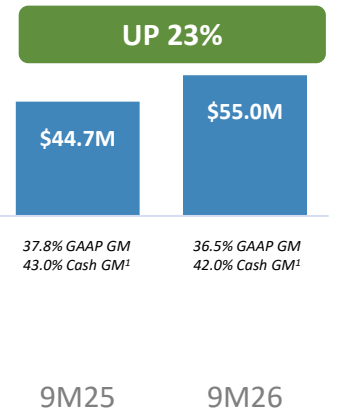
- **Revenue:** Security Solutions up 17% to $54.2M due to expansion within the Telos ID portfolio. Secure Networks down 80% to $1.0M due to completion of programs as expected.
- **Gross Profit:** GAAP Gross Profit up $0.4M due to higher Revenue. GAAP GM down 200 bps and Cash GM[1] down 177 bps, both primarily due to revenue mix. SS revenue increased from 90% of total company revenue in 3Q25 to 98% in 3Q26.
- **Adjusted EBITDA[1]:** Up $0.5M to $10.6M due to higher Cash Gross Profit[1] (due to higher Revenue).
- **Free Cash Flow[1]:** Total company up $0.8M primarily due to higher Adjusted EBITDA[1] and lower capital spending. FCF margin[1] was 13.4%.
- **Capital Deployment:** Deployed $5.7M to repurchase over 1.2M shares at an average price of $4.59 per share.

9M YoY

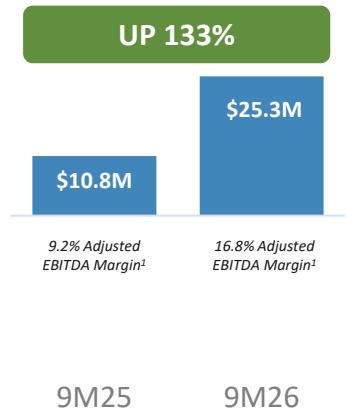
Revenue



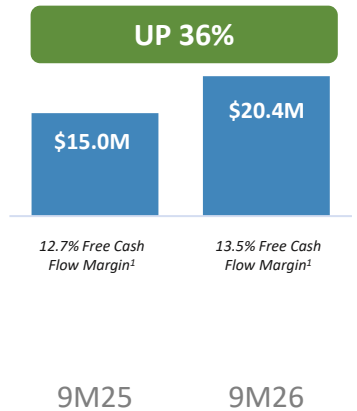
GAAP Gross Profit



Adjusted EBITDA[1]



Free Cash Flow[1]



YoY Commentary

- **Revenue:** Security Solutions up 40% to $146.8M due to expansion within the Telos ID portfolio. Secure Networks down 71% to $3.9M due to completion of programs as expected.
- **Gross Profit:** GAAP Gross Profit up $10.3M due to higher Revenue. GAAP GM down 133 bps and Cash GM[1] down 93 bps primarily due to revenue mix and higher non-cash infrastructure costs. SS revenue increased from 89% of total company revenue in 9M25 to 97% in 9M26.
- **Adjusted EBITDA[1]:** Up $14.5M to $25.3M; Higher Cash Gross Profit[1] (due to higher Revenue) and lower Adjusted Operating Expenses[1], excluding depreciation and amortization, due to ongoing cost discipline and restructuring.
- **Free Cash Flow[1]:** Total company up $5.4M primarily due to higher Adjusted EBITDA[1]. FCF margin[1] was 13.5%.
- **Capital Deployment:** Deployed $12.6M to repurchase ~2.8M shares at an average price of $4.50 per share.

Strong Year-Over-Year Performance in First 9 Months

Notes:

1. Cash Gross Margin, Cash Gross Profit, Adjusted Operating Expenses, Adjusted EBITDA, Adjusted EBITDA Margin, Free Cash Flow, and Free Cash Flow Margin are non-GAAP financial measures. Reconciliations to GAAP financial measures are provided in the appendix.

2026 4Q ADDITIONAL MODELING ASSUMPTIONS

	2025 4Q	2026E 4Q	2026E 4Q Commentary
GAAP Gross Margin	35.0%	~37.0% - 39.0%	• See Cash GM[1] commentary below
Cash Gross Margin[1]	41.9%	~43.0% - 44.5%	• SS up YoY and SN down YoY • More favorable revenue mix between SS and SN (SS 98% vs. 96% in 4Q25)
Stock Based Compensation (SBC)	$6.0M	~$3.4M	• ~$0.2M in COS in 4Q26
Depreciation & Amortization	$3.4M	~$3.4M	• ~23% is included in Adjusted Operating Expenses[1] in 4Q26
Weighted Average Share Count for EPS	73.1M (Basic) / 78.2M (Diluted)	~73.5M (Basic) / ~76.0M (Diluted)	• Basic shares are used when the profitability metric is in a net loss position and diluted shares are used when in a net profit position; 2026 excludes any benefit due to future share repurchases
Tax Rate	4.3%	-	• Not meaningful
CAPEX & Capitalized Software	$1.7M	~$2.1M	• 4Q26 CAPEX ~$0.3M
Cash Operating Expenses[1]	$13.9M	~$15.3M	• Up YoY primarily due to labor and marketing costs; partially offset by results of cost management efforts
Adjusted Operating Expenses[1]	$13.1M	~$14.3M	• Up YoY due to higher spend as indicated above; partially offset by higher capitalization of software development costs

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Notes:

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2026 FY ADDITIONAL MODELING ASSUMPTIONS

	2025 Full Year	2026E Full Year	2026E FY Commentary
GAAP Gross Margin	37.0%	~36.5% - 37.0%	• See Cash GM[1] commentary below
Cash Gross Margin[1]	42.7%	~42.25% - 42.75%	• SS and SN down YoY • More favorable revenue mix between SS and SN (SS 98% vs. 91% for FY25)
Stock Based Compensation (SBC)	$30.2M	~$12.6M	• ~$0.8M in COS in FY26
Depreciation & Amortization	$11.5M	~$13.7M	• ~24% is included in Adjusted Operating Expenses[1] in FY26
Weighted Average Share Count for EPS	72.9M (Basic) / 77.1M (Diluted)	~74.1M (Basic) / ~77.0M (Diluted)	• Basic shares are used when the profitability metric is in a net loss position and diluted shares are used when in a net profit position; 2026 excludes any benefit due to future share repurchases
Tax Rate	1.8%	-	• Not meaningful
CAPEX & Capitalized Software	$8.9M	~$8.6M	• FY26 CAPEX ~$0.8M
Cash Operating Expenses[1]	$60.3M	~$59.3M	• Down YoY due to results of cost management efforts
Adjusted Operating Expenses[1]	$55.5M	~$54.8M	• Primarily down YoY due to lower spend as indicated above; partially offset by lower capitalization of software development costs

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2026 RESULTS

GAAP AND ADJUSTED 9M RESULTS

(Amounts in thousands, unaudited)

	2026																2025									
	Three Months Ended March 31, 2026				Three Months Ended June 30, 2026				Three Months Ended September 30, 2026				Nine Months Ended September 30, 2026				Three Months Ended September 30, 2025					Nine Months Ended September 30, 2025				
	GAAP	SBC	Other Inc	Adjusted	GAAP	SBC	Other Inc	Adjusted	GAAP	SBC	Other Inc	Adjusted	GAAP	SBC	Other Inc	Adjusted	GAAP	SBC	Other Inc	Adj*	Adjusted	GAAP	SBC	Other Inc	Adj*	Adjusted
Revenue																										
Security Solutions	$ 45,970	$ -	$ -	$ 45,970	$ 46,662	$ -	$ -	$ 46,662	$ 54,184	$ -	$ -	$ 54,184	$ 146,816	$ -	$ -	$ 146,816	$ 46,478	$ -	$ -	$ -	$ 46,478	$ 104,770	$ -	$ -	$ -	$ 104,770
Secure Networks	1,772	-	-	1,772	1,083	-	-	1,083	1,014	-	-	1,014	3,869	-	-	3,869	4,966	-	-	-	4,966	$ 13,258	-	-	-	13,258
Total	**47,742**	**-**	**-**	**47,742**	**47,745**	**-**	**-**	**47,745**	**55,198**	**-**	**-**	**55,198**	**150,685**	**-**	**-**	**150,685**	**51,444**	**-**	**-**	**-**	**51,444**	**118,028**	**-**	**-**	**-**	**118,028**
Gross Profit																										
Security Solutions	16,863	194	-	17,057	16,500	184	-	16,684	20,761	171	-	20,932	54,124	549	-	54,673	19,286	142	-	-	19,428	$ 41,644	$ 450	$ -	-	$ 42,094
Secure Networks	512	22	-	534	192	18	-	210	179	16	-	195	883	56	-	939	1,260	12	-	-	1,272	$ 3,016	43	-	-	3,059
Total	**17,375**	**216**	**-**	**17,591**	**16,692**	**202**	**-**	**16,894**	**20,940**	**187**	**-**	**21,127**	**55,007**	**605**	**-**	**55,612**	**20,546**	**154**	**-**	**-**	**20,700**	**44,660**	**493**	**-**	**-**	**45,153**
Gross Margin																										
Security Solutions	36.7%	0.4%	0.0%	37.1%	35.4%	0.4%	0.0%	35.8%	38.3%	0.3%	0.0%	38.6%	36.9%	0.4%	0.0%	37.2%	41.5%	0.3%	0.0%	0.0%	41.8%	39.7%	0.4%	0.0%	0.0%	40.2%
Secure Networks	28.9%	1.3%	0.0%	30.2%	17.7%	1.7%	0.0%	19.4%	17.7%	1.5%	0.0%	19.2%	22.8%	1.4%	0.0%	24.3%	25.4%	0.2%	0.0%	0.0%	25.6%	22.7%	0.3%	0.0%	0.0%	23.1%
Total	**36.4%**	**0.5%**	**0.0%**	**36.8%**	**35.0%**	**0.4%**	**0.0%**	**35.4%**	**37.9%**	**0.3%**	**0.0%**	**38.3%**	**36.5%**	**0.4%**	**0.0%**	**36.9%**	**39.9%**	**0.3%**	**0.0%**	**0.0%**	**40.2%**	**37.8%**	**0.4%**	**0.0%**	**0.0%**	**38.3%**
Operating Expenses																										
Research and Development	1,357	219	-	1,138	1,345	232	-	1,113	1,452	295	-	1,157	4,154	746	-	3,408	1,899	421	-	-	1,478	4,982	705	-	-	4,277
Selling, General and Administrative	14,563	2,536	-	12,027	15,037	2,779	-	12,258	15,398	2,529	-	12,869	44,998	7,844	-	37,154	21,115	8,813	-	-	12,302	61,051	22,995	-	-	38,056
Total	**15,920**	**2,755**	**-**	**13,165**	**16,382**	**3,011**	**-**	**13,371**	**16,850**	**2,824**	**-**	**14,026**	**49,152**	**8,590**	**-**	**40,562**	**23,014**	**9,234**	**-**	**-**	**13,780**	**66,033**	**23,700**	**-**	**-**	**42,333**
EBIT / Operating (Loss)/Income	**1,455**	**2,971**	**-**	**4,426**	**310**	**3,213**	**-**	**3,523**	**4,090**	**3,011**	**-**	**7,101**	**5,855**	**9,195**	**-**	**15,050**	**(2,468)**	**9,388**	**-**	**-**	**6,920**	**(21,373)**	**24,193**	**-**	**-**	**2,820**
Interest Expense	(111)	-	-	(111)	(107)	-	-	(107)	(100)	-	-	(100)	(318)	-	-	(318)	(136)	-	-	-	(136)	(424)	-	-	-	(424)
Other Income	697	-	(697)	-	501	-	(501)	-	464	-	(464)	-	1,662	-	(1,662)	-	511	-	(511)	-	-	1,625	-	(1,625)	-	-
Earnings Before Taxes (EBT)	**2,041**	**2,971**	**(697)**	**4,315**	**704**	**3,213**	**(501)**	**3,416**	**4,454**	**3,011**	**(464)**	**7,001**	**7,199**	**9,195**	**(1,662)**	**14,732**	**(2,093)**	**9,388**	**(511)**	**-**	**6,784**	**(20,172)**	**24,193**	**(1,625)**	**-**	**2,396**
Benefit from (Provision for) Income Taxes	(18)	-	-	(18)	(44)	-	-	(44)	(18)	-	-	(18)	(80)	-	-	(80)	(21)	-	-	-	(21)	(63)	-	-	-	(63)
Net (Loss)/Income	**$ 2,023**	**$ 2,971**	**$ (697)**	**$ 4,297**	**$ 660**	**$ 3,213**	**$ (501)**	**$ 3,372**	**$ 4,436**	**$ 3,011**	**$ (464)**	**$ 6,983**	**$ 7,119**	**$ 9,195**	**$ (1,662)**	**$ 14,652**	**$ (2,114)**	**$ 9,388**	**$ (511)**	**$ -**	**$ 6,763**	**$ (20,235)**	**$ 24,193**	**$ (1,625)**	**$ -**	**$ 2,333**
Share Count - Basic	73,822	73,822	73,822	73,822	74,895	74,895	74,895	74,895	74,244	74,244	74,244	74,244	74,322	74,322	74,322	74,322	72,580	72,580	72,580	-	72,580	72,819	72,819	72,819	-	72,819
Share Count - Diluted	77,615	77,615	77,615	77,615	77,547	77,547	77,547	77,547	76,496	76,496	76,496	76,496	77,260	77,260	77,260	77,260	72,580	72,580	72,580	2,972	75,552	72,819	72,819	72,819	2,073	74,892
EPS - Basic	**$ 0.03**	**$ 0.04**	**$ (0.01)**	**$ 0.06**	**$ 0.01**	**$ 0.04**	**$ (0.01)**	**$ 0.05**	**$ 0.06**	**$ 0.04**	**$ (0.01)**	**$ 0.09**	**$ 0.10**	**$ 0.12**	**$ (0.02)**	**$ 0.20**	**$ (0.03)**	**$ 0.13**	**$ (0.01)**	**$ -**	**$ 0.09**	**$ (0.28)**	**$ 0.33**	**$ (0.02)**	**$ -**	**$ 0.03**
EPS - Diluted	**$ 0.03**	**$ 0.04**	**$ (0.01)**	**$ 0.06**	**$ 0.01**	**$ 0.04**	**$ (0.01)**	**$ 0.04**	**$ 0.06**	**$ 0.04**	**$ (0.01)**	**$ 0.09**	**$ 0.09**	**$ 0.12**	**$ (0.02)**	**$ 0.19**	**$ (0.03)**	**$ 0.13**	**$ (0.01)**	**$ -**	**$ 0.09**	**$ (0.28)**	**$ 0.33**	**$ (0.02)**	**$ -**	**$ 0.03**
Net (Loss)/Income	**$ 2,023**	**$ 2,971**	**$ (697)**	**$ 4,297**	**$ 660**	**$ 3,213**	**$ (501)**	**$ 3,372**	**$ 4,436**	**$ 3,011**	**$ (464)**	**$ 6,983**	**$ 7,119**	**$ 9,195**	**$ (1,662)**	**$ 14,652**	**$ (2,114)**	**$ 9,388**	**$ (511)**	**$ -**	**$ 6,763**	**$ (20,235)**	**$ 24,193**	**$ (1,625)**	**$ -**	**$ 2,333**
Other Income	(697)	-	697	-	(501)	-	501	-	(464)	-	464	-	(1,662)	-	1,662	-	(511)	-	511	-	-	(1,625)	-	1,625	-	-
Interest Expense	111	-	-	111	107	-	-	107	100	-	-	100	318	-	-	318	136	-	-	-	136	424	-	-	-	424
(Benefit from) Provision for Income Taxes	18	-	-	18	44	-	-	44	18	-	-	18	80	-	-	80	21	-	-	-	21	63	-	-	-	63
Depreciation & Amortization	3,429	-	-	3,429	3,347	-	-	3,347	3,472	-	-	3,472	10,248	-	-	10,248	3,177	-	-	-	3,177	8,022	-	-	-	8,022
EBITDA	**$ 4,884**	**$ 2,971**	**$ -**	**$ 7,855**	**$ 3,657**	**$ 3,213**	**$ -**	**$ 6,870**	**$ 7,562**	**$ 3,011**	**$ -**	**$ 10,573**	**$ 16,103**	**$ 9,195**	**$ -**	**$ 25,298**	**$ 709**	**$ 9,388**	**$ -**	**$ -**	**$ 10,097**	**$ (13,351)**	**$ 24,193**	**$ -**	**$ -**	**$ 10,842**
Net cash provided by (used) in operating activities	**$ 8,656**				**$ 8,833**				**$ 9,444**				**$ 26,933**				**$ 9,146**					**$ 22,202**				
Capitalized Software Development Costs	(2,132)				(1,970)				(1,973)				(6,075)				(2,095)					(6,496)				
Purchase of Property and Equipment	(145)				(246)				(86)				(477)				(452)					(709)				
Free Cash Flow	**$ 6,379**				**$ 6,617**				**$ 7,385**				**$ 20,381**				**$ 6,599**					**$ 14,997**				

*Adjusted for potentially dilutive shares due to adjusted net income

2025 RESULTS

GAAP AND ADJUSTED FULL YEAR RESULTS

(Amounts in thousands, unaudited)

	2025																													
	Three Months Ended March 31, 2025				Three Months Ended June 30, 2025				Three Months Ended September 30, 2025					Three Months Ended December 31, 2025							Twelve Months Ended December 31, 2025						
	GAAP	SBC	Other Inc	Adjusted	GAAP	SBC	Other Inc	Adjusted	GAAP	SBC	Other Inc	Adj*	Adjusted	GAAP	SBC	Other Inc	Impairment	Restructure	Adj*	Adjusted	GAAP	SBC	Other Inc	Impairment	Restructure	Adj*	Adjusted
Revenue																											
Security Solutions	$ 25,818	$ -	$ -	$ 25,818	$ 32,474	$ -	$ -	$ 32,474	$ 46,478	$ -	$ -	$ -	$ 46,478	$ 44,830	$ -	$ -	$ -	$ -	$ -	$ 44,830	$ 149,600	$ -	$ -	$ -	$ -	$ -	$ 149,600
Secure Networks	4,798	-	-	4,798	3,494	-	-	3,494	4,966	-	-	-	4,966	1,947	-	-	-	-	-	1,947	15,205	-	-	-	-	-	15,205
Total	**30,616**	**-**	**-**	**30,616**	**35,968**	**-**	**-**	**35,968**	**51,444**	**-**	**-**	**-**	**51,444**	**46,777**	**-**	**-**	**-**	**-**	**-**	**46,777**	**164,805**	**-**	**-**	**-**	**-**	**-**	**164,805**
Gross Profit																											
Security Solutions	11,060	169	-	11,229	11,298	139	-	11,437	19,286	142	-	-	19,428	15,915	144	-	-	401	-	16,460	57,559	594	-	-	401	-	58,554
Secure Networks	1,122	21	-	1,143	634	10	-	644	1,260	12	-	-	1,272	442	15	-	-	93	-	550	3,458	58	-	-	93	-	3,609
Total	**12,182**	**190**	**-**	**12,372**	**11,932**	**149**	**-**	**12,081**	**20,546**	**154**	**-**	**-**	**20,700**	**16,357**	**159**	**-**	**-**	**494**	**-**	**17,010**	**61,017**	**652**	**-**	**-**	**494**	**-**	**62,163**
Gross Margin																											
Security Solutions	42.8%	0.7%	0.0%	43.5%	34.8%	0.4%	0.0%	35.2%	41.5%	0.3%	0.0%	0.0%	41.8%	35.5%	0.3%	0.0%	0.0%	0.9%	0.0%	36.7%	38.5%	0.4%	0.0%	0.0%	0.3%	0.0%	39.1%
Secure Networks	23.4%	0.4%	0.0%	23.8%	18.1%	0.3%	0.0%	18.4%	25.4%	0.2%	0.0%	0.0%	25.6%	22.7%	0.8%	0.0%	0.0%	4.8%	0.0%	28.2%	22.7%	0.4%	0.0%	0.0%	0.6%	0.0%	23.7%
Total	**39.8%**	**0.6%**	**0.0%**	**40.4%**	**33.2%**	**0.4%**	**0.0%**	**33.6%**	**39.9%**	**0.3%**	**0.0%**	**0.0%**	**40.2%**	**35.0%**	0.3%	**0.0%**	**0.0%**	**1.1%**	**0.0%**	**36.4%**	**37.0%**	**0.4%**	**0.0%**	**0.0%**	**0.3%**	**0.0%**	**37.7%**
Operating Expenses																											
Research and Development	1,571	40	-	1,531	1,512	244	-	1,268	1,899	421	-	-	1,478	2,075	533	-	-	150	-	1,392	7,057	1,238	-	-	150	-	5,669
Selling, General and Administrative	19,633	6,818	-	12,815	20,303	7,364	-	12,939	21,115	8,813	-	-	12,302	17,874	5,265	-	-	857	-	11,752	78,925	28,260	-	-	857	-	49,808
Goodwill Impairment	-	-	-	-	-	-	-	-	-	-	-	-	-	14,916	-	-	14,916	-	-	-	14,916	-	-	14,916	-	-	-
Total	**21,204**	**6,858**	**-**	**14,346**	**21,815**	**7,608**	**-**	**14,207**	**23,014**	**9,234**	**-**	**-**	**13,780**	**34,865**	**5,798**	**-**	**14,916**	**1,007**	**-**	**13,144**	**100,898**	**29,498**	**-**	**14,916**	**1,007**	**-**	**55,477**
EBIT / Operating (Loss)/Income	**(9,022)**	**7,048**	**-**	**(1,974)**	**(9,883)**	**7,757**	**-**	**(2,126)**	**(2,468)**	**9,388**	**-**	**-**	**6,920**	**(18,508)**	**5,957**	**-**	**14,916**	**1,501**	**-**	**3,866**	**(39,881)**	**30,150**	**-**	**14,916**	**1,501**	**-**	**6,686**
Interest Expense	(147)	-	-	(147)	(141)	-	-	(141)	(136)	-	-	-	(136)	(129)	-	-	-	-	-	(129)	(553)	-	-	-	-	-	(553)
Other Income	561	-	(561)	-	553	-	(553)	-	511	-	(511)	-	-	1,600	-	(1,600)	-	-	-	-	3,225	-	(3,225)	-	-	-	-
Earnings Before Taxes (EBT)	**(8,608)**	**7,048**	**(561)**	**(2,121)**	**(9,471)**	**7,757**	**(553)**	**(2,267)**	**(2,093)**	**9,388**	**(511)**	**-**	**6,784**	**(17,037)**	**5,957**	**(1,600)**	**14,916**	**1,501**	**-**	**3,737**	**(37,209)**	**30,150**	**(3,225)**	**14,916**	**1,501**	**-**	**6,133**
Benefit from (Provision for) Income Taxes	4	-	-	4	(46)	-	-	(46)	(21)	-	-	-	(21)	726	-	-	-	-	-	726	663	-	-	-	-	-	663
Net (Loss)/Income	**$ (8,604)**	**$ 7,048**	**$ (561)**	**$ (2,117)**	**$ (9,517)**	**$ 7,757**	**$ (553)**	**$ (2,313)**	**$ (2,114)**	**$ 9,388**	**$ (511)**	**$ -**	**$ 6,763**	**$ (16,311)**	**$ 5,957**	**$ (1,600)**	**$ 14,916**	**$ 1,501**	**$ -**	**$ 4,463**	**$ (36,546)**	**$ 30,150**	**$ (3,225)**	**$ 14,916**	**$ 1,501**	**$ -**	**$ 6,796**
Share Count - Basic	72,715	72,715	72,715	72,715	73,163	73,163	73,163	73,163	72,580	72,580	72,580	-	72,580	73,053	73,053	73,053	73,053	73,053	-	73,053	72,878	72,878	72,878	72,878	72,878	-	72,878
Share Count - Diluted	72,715	72,715	72,715	72,715	73,163	73,163	73,163	73,163	72,580	72,580	72,580	2,972	75,552	73,053	73,053	73,053	73,053	73,053	5,136	78,189	72,878	72,878	72,878	72,878	72,878	4,253	77,131
EPS - Basic	**$ (0.12)**	**$ 0.10**	**$ (0.01)**	**$ (0.03)**	**$ (0.13)**	**$ 0.11**	**$ (0.01)**	**$ (0.03)**	**$ (0.03)**	**$ 0.13**	**$ (0.01)**	**$ -**	**$ 0.09**	**$ (0.22)**	**$ 0.08**	**$ (0.02)**	**$ 0.20**	**$ 0.02**	**$ -**	**$ 0.06**	**$ (0.50)**	**$ 0.41**	**$ (0.04)**	**$ 0.20**	**$ 0.02**	**$ -**	**$ 0.09**
EPS - Diluted	**$ (0.12)**	**$ 0.10**	**$ (0.01)**	**$ (0.03)**	**$ (0.13)**	**$ 0.11**	**$ (0.01)**	**$ (0.03)**	**$ (0.03)**	**$ 0.13**	**$ (0.01)**	**$ -**	**$ 0.09**	**$ (0.22)**	**$ 0.08**	**$ (0.02)**	**$ 0.20**	**$ 0.02**	**$ -**	**$ 0.06**	**$ (0.50)**	**$ 0.41**	**$ (0.04)**	**$ 0.20**	**$ 0.02**	**$ -**	**$ 0.09**
Net (Loss)/Income	**$ (8,604)**	**$ 7,048**	**$ (561)**	**$ (2,117)**	**$ (9,517)**	**$ 7,757**	**$ (553)**	**$ (2,313)**	**$ (2,114)**	**$ 9,388**	**$ (511)**	**$ -**	**$ 6,763**	**$ (16,311)**	**$ 5,957**	**$ (1,600)**	**$ 14,916**	**$ 1,501**	**$ -**	**$ 4,463**	**$ (36,546)**	**$ 30,150**	**$ (3,225)**	**$ 14,916**	**$ 1,501**	**$ -**	**$ 6,796**
Other Income	(561)	-	561	-	(553)	-	553	-	(511)	-	511	-	-	(1,600)	-	1,600	-	-	-	-	(3,225)	-	3,225	-	-	-	-
Interest Expense	147	-	-	147	141	-	-	141	136	-	-	-	136	129	-	-	-	-	-	129	553	-	-	-	-	-	553
(Benefit from) Provision for Income Taxes	(4)	-	-	(4)	46	-	-	46	21	-	-	-	21	(726)	-	-	-	-	-	(726)	(663)	-	-	-	-	-	(663)
Depreciation & Amortization	2,336	-	-	2,336	2,509	-	-	2,509	3,177	-	-	-	3,177	3,429	-	-	-	-	-	3,429	11,451	-	-	-	-	-	11,451
EBITDA	**$ (6,686)**	**$ 7,048**	**$ -**	**$ 362**	**$ (7,374)**	**$ 7,757**	**$ -**	**$ 383**	**$ 709**	**$ 9,388**	**$ -**	**$ -**	**$ 10,097**	**$ (15,079)**	**$ 5,957**	**$ -**	**$ 14,916**	**$ 1,501**	**$ -**	**$ 7,295**	**$ (28,430)**	**$ 30,150**	**$ -**	**$ 14,916**	**$ 1,501**	**$ -**	**$ 18,137**
Net cash provided by (used) in operating activities	**$ 6,106**				**$ 6,950**				**$ 9,146**					**$ 7,980**							**$ 30,182**						
Capitalized Software Development Costs	(2,214)				(2,187)				(2,095)					(1,680)							(8,176)						
Purchase of Property and Equipment	(123)				(134)				(452)					(30)							(739)						
Free Cash Flow	**$ 3,769**				**$ 4,629**				**$ 6,599**					**$ 6,270**							**$ 21,267**						

*Adjusted for potentially dilutive shares due to adjusted net income

CASH GROSS PROFIT & CASH GROSS MARGIN 9M RESULTS

(Amounts in thousands, unaudited)

	2026				2025	
	Three Months Ended March 31, 2026	Three Months Ended June 30, 2026	Three Months Ended September 30, 2026	Nine Months Ended September 30, 2026	Three Months Ended September 30, 2025	Nine Months Ended September 30, 2025
Revenue						
Security Solutions	$ 45,970	$ 46,662	$ 54,184	$ 146,816	$ 46,478	$ 104,770
Secure Networks	1,772	1,083	1,014	3,869	4,966	13,258
Total	**$ 47,742**	**$ 47,745**	**$ 55,198**	**$ 150,685**	**$ 51,444**	**$ 118,028**
GAAP Gross Profit						
Security Solutions	$ 16,863	$ 16,500	$ 20,761	$ 54,124	$ 19,286	$ 41,644
Secure Networks	512	192	179	883	1,260	3,016
Total	**$ 17,375**	**$ 16,692**	**$ 20,940**	**$ 55,007**	**$ 20,546**	**$ 44,660**
GAAP Gross Margin						
Security Solutions	36.7%	35.4%	38.3%	36.9%	41.5%	39.7%
Secure Networks	28.9%	17.7%	17.7%	22.8%	25.4%	22.7%
Total	**36.4%**	**35.0%**	**37.9%**	**36.5%**	**39.9%**	**37.8%**
Stock Based Compensation - Cost of Sales						
Security Solutions	$ 194	$ 184	$ 171	$ 549	$ 142	$ 450
Secure Networks	22	18	16	56	12	43
Total	**$ 216**	**$ 202**	**$ 187**	**$ 605**	**$ 154**	**$ 493**
Adjusted Gross Profit						
Security Solutions	$ 17,057	$ 16,684	$ 20,932	$ 54,673	$ 19,428	$ 42,094
Secure Networks	534	210	195	939	1,272	3,059
Total	**$ 17,591**	**$ 16,894**	**$ 21,127**	**$ 55,612**	**$ 20,700**	**$ 45,153**
Adjusted Gross Margin						
Security Solutions	37.1%	35.8%	38.6%	37.2%	41.8%	40.2%
Secure Networks	30.1%	19.4%	19.2%	24.3%	25.6%	23.1%
Total	**36.8%**	**35.4%**	**38.3%**	**36.9%**	**40.2%**	**38.3%**
Depreciation & Amortization - Cost of Sales						
Security Solutions	$ 2,593	$ 2,511	$ 2,636	$ 7,740	$ 2,354	$ 5,569
Secure Networks	3	3	1	7	2	5
Total	**$ 2,596**	**$ 2,514**	**$ 2,637**	**$ 7,747**	**$ 2,356**	**$ 5,574**
Cash Gross Profit						
Security Solutions	$ 19,650	$ 19,195	$ 23,568	$ 62,413	$ 21,782	$ 47,663
Secure Networks	537	213	196	946	1,274	3,064
Total	**$ 20,187**	**$ 19,408**	**$ 23,764**	**$ 63,359**	**$ 23,056**	**$ 50,727**
Cash Gross Margin						
Security Solutions	42.7%	41.1%	43.5%	42.5%	46.9%	45.5%
Secure Networks	30.3%	19.7%	19.4%	24.5%	25.7%	23.1%
Total	**42.3%**	**40.6%**	**43.1%**	**42.0%**	**44.8%**	**43.0%**

CASH GROSS PROFIT & CASH GROSS MARGIN FULL YEAR RESULTS

(Amounts in thousands, unaudited)

	2025				
	Three Months Ended				Twelve Months Ended
	March 31, 2025	June 30, 2025	September 30, 2025	December 31, 2025	December 31, 2025
Revenue					
Security Solutions	$ 25,818	$ 32,474	$ 46,478	$ 44,830	$ 149,600
Secure Networks	4,798	3,494	4,966	1,947	15,205
Total	**$ 30,616**	**$ 35,968**	**$ 51,444**	**$ 46,777**	**$ 164,805**
GAAP Gross Profit					
Security Solutions	$ 11,060	$ 11,298	$ 19,286	$ 15,915	$ 57,559
Secure Networks	1,122	634	1,260	442	3,458
Total	**$ 12,182**	**$ 11,932**	**$ 20,546**	**$ 16,357**	**$ 61,017**
GAAP Gross Margin					
Security Solutions	42.8%	34.8%	41.5%	35.5%	38.5%
Secure Networks	23.4%	18.1%	25.4%	22.7%	22.7%
Total	**39.8%**	**33.2%**	**39.9%**	**35.0%**	**37.0%**
Stock Based Compensation - Cost of Sales					
Security Solutions	$ 169	$ 139	$ 142	$ 144	$ 594
Secure Networks	21	10	12	15	58
Total	**$ 190**	**$ 149**	**$ 154**	**$ 159**	**$ 652**
Restructuring Costs - Cost of Sales					
Security Solutions	$ -	$ -	$ -	$ 401	$ 401
Secure Networks	-	-	-	93	93
Total	**$ -**	**$ -**	**$ -**	**$ 494**	**$ 494**
Adjusted Gross Profit					
Security Solutions	$ 11,229	$ 11,437	$ 19,428	$ 16,460	$ 58,554
Secure Networks	1,143	644	1,272	550	3,609
Total	**$ 12,372**	**$ 12,081**	**$ 20,700**	**$ 17,010**	**$ 62,163**
Adjusted Gross Margin					
Security Solutions	43.5%	35.2%	41.8%	36.7%	39.1%
Secure Networks	23.8%	18.4%	25.6%	28.2%	23.7%
Total	**40.4%**	**33.6%**	**40.2%**	**36.4%**	**37.7%**
Depreciation & Amortization - Cost of Sales					
Security Solutions	$ 1,501	$ 1,714	$ 2,354	$ 2,605	$ 8,174
Secure Networks	2	1	2	2	7
Total	**$ 1,503**	**$ 1,715**	**$ 2,356**	**$ 2,607**	**$ 8,181**
Cash Gross Profit					
Security Solutions	$ 12,730	$ 13,151	$ 21,782	$ 19,065	$ 66,728
Secure Networks	1,145	645	1,274	552	3,616
Total	**$ 13,875**	**$ 13,796**	**$ 23,056**	**$ 19,617**	**$ 70,344**
Cash Gross Margin					
Security Solutions	49.3%	40.5%	46.9%	42.5%	44.6%
Secure Networks	23.9%	18.5%	25.7%	28.4%	23.8%
Total	**45.3%**	**38.4%**	**44.8%**	**41.9%**	**42.7%**

GAAP, ADJUSTED, AND CASH OPERATING EXPENSES

(Amounts in thousands, unaudited)

	2025				
	Three Months Ended				Twelve Months Ended
	March 31, 2025	June 30, 2025	September 30, 2025	December 31, 2025	December 31, 2025
Operating Expenses	**$ 21,204**	**$ 21,815**	**$ 23,014**	**$ 34,865**	**$ 100,898**
Adjustments					
[-] Stock-Based Compensation	(6,858)	(7,608)	(9,234)	(5,798)	(29,498)
[-] Restructuring	-	-	-	(1,007)	(1,007)
[-] Impairment Expenses	-	-	-	(14,916)	(14,916)
Adjusted Operating Expenses (Adjusted OPEX)	**$ 14,346**	**$ 14,207**	**$ 13,780**	**$ 13,144**	**$ 55,477**
[-] Depreciation and Amortization	(833)	(794)	(821)	(823)	(3,271)
[+] Capitalized Software Development Costs	2,270	2,149	2,057	1,579	8,055
Cash Operating Expenses (Cash OPEX)	**$ 15,783**	**$ 15,562**	**$ 15,016**	**$ 13,900**	**$ 60,261**

RECONCILIATIONS

EBITDA, ADJUSTED EBITDA, EBITDA MARGIN, ADJUSTED EBITDA MARGIN, INCREMENTAL ADJUSTED EBITDA, AND INCREMENTAL ADJUSTED EBITDA MARGIN

(Amounts in thousands, unaudited)

	For the Three Months Ended						For the Nine Months Ended					
	September 30, 2026		September 30, 2025		Year-over-Year Change		September 30, 2026		September 30, 2025		Year-over-Year Change	
	Amount	Margin	Amount	Margin	Amount	Margin	Amount	Margin	Amount	Margin	Amount	Margin
Net income (loss)	$ 4,436	8.0 %	$ (2,114)	(4.1) %	$ 6,550	174.5 %	$ 7,119	4.7 %	$ (20,235)	(17.2) %	$ 27,354	83.8 %
Other income	(464)	(0.8) %	(511)	(1.0) %	47	1.3 %	(1,662)	(1.1) %	(1,625)	(1.4) %	(37)	(0.1)%
Interest expense	100	0.2 %	136	0.3 %	(36)	(1.0)%	318	0.2 %	424	0.4 %	(106)	(0.3)%
Provision for income taxes	18	— %	21	— %	(3)	(0.1)%	80	0.1 %	63	0.1 %	17	— %
Depreciation and amortization	3,472	6.3 %	3,177	6.2 %	295	7.9 %	10,248	6.8 %	8,022	6.8 %	2,226	6.8 %
EBITDA (Non-GAAP)	7,562	13.7 %	709	1.4 %	6,853	182.6 %	16,103	10.7 %	(13,351)	(11.3) %	29,454	90.2 %
Stock-based compensation expense [1]	3,011	5.5 %	9,388	18.2 %	(6,377)	(169.9)%	9,195	6.1 %	24,193	20.5 %	(14,998)	(45.9)%
Adjusted EBITDA (Non-GAAP)	$ 10,573	19.2 %	$ 10,097	19.6 %	$ 476	12.7 %	$ 25,298	16.8 %	$ 10,842	9.2 %	$ 14,456	44.3 %

[1] The stock-based compensation expense to EBITDA is made up of stock-based compensation expense for the awarded RSUs, PSUs, and stock options, and other sources. Stock-based compensation expense for the awarded RSUs, PSUs and stock options was $2.3 million and $6.0 million for the three and nine months ended September 30, 2026, respectively, and $7.4 million and $19.8 million for the three and nine months ended September 30, 2025, respectively. Stock-based compensation expense from other sources was $0.7 million and $3.2 million for the three and nine months ended September 30, 2026, respectively, and $1.9 million and $4.4 million for the three and nine months ended September 30, 2025, respectively. The other sources of stock-based compensation consist of accrued compensation, which the Company intends to settle in shares of the Company's common stock. However, the Company has the discretion to determine whether this compensation will ultimately be paid in stock or cash up until the date at which it is paid. Any change to the expected payment form would result in out-of-quarter adjustments to this add back to Adjusted EBITDA.

RECONCILIATIONS

ADJUSTED NET INCOME AND ADJUSTED EPS

(Amounts in thousands except per share data, unaudited)

	For the Three Months Ended		For the Nine Months Ended	
	September 30, 2026	September 30, 2025	September 30, 2026	September 30, 2025
Net income (loss)	$ 4,436	$ (2,114)	$ 7,119	$ (20,235)
Adjustments:				
Other income	(464)	(511)	(1,662)	(1,625)
Stock-based compensation expense [1]	3,011	9,388	9,195	24,193
Adjusted net income (Non-GAAP)	$ 6,983	$ 6,763	$ 14,652	$ 2,333
Earnings (Loss) per share, diluted	$ 0.06	$ (0.03)	$ 0.09	$ (0.28)
Adjustments:				
Other income	(0.01)	(0.01)	(0.02)	(0.02)
Stock-based compensation expense [1]	0.04	0.13	0.12	0.33
Adjustment to diluted earnings per share [2]	—	—	—	—
Adjusted earnings per share, diluted (Non-GAAP)	$ 0.09	$ 0.09	$ 0.19	$ 0.03
Weighted-average shares to compute GAAP earnings (loss) per share, diluted	76,496	72,580	77,260	72,819
Weighted-average shares to compute non-GAAP earnings (loss) per share, diluted [2]	76,496	75,552	77,260	74,892

[1] The stock-based compensation expense to EBITDA is made up of stock-based compensation expense for the awarded RSUs, PSUs, and stock options, and other sources. Stock-based compensation expense for the awarded RSUs, PSUs and stock options was $2.3 million and $6.0 million for the three and nine months ended September 30, 2026, respectively, and $7.4 million and $19.8 million for the three and nine months ended September 30, 2025, respectively. Stock-based compensation expense from other sources was $0.7 million and $3.2 million for the three and nine months ended September 30, 2026, respectively, and $1.9 million and $4.4 million for the three and nine months ended September 30, 2025, respectively. The other sources of stock-based compensation consist of accrued compensation, which the Company intends to settle in shares of the Company's common stock. However, the Company has the discretion to determine whether this compensation will ultimately be paid in stock or cash up until the date at which it is paid. Any change to the expected payment form would result in out-of-quarter adjustments to this add back to Adjusted Net Income.

[2] For a period of net loss, potentially dilutive shares are not included in the calculation of diluted earnings (loss) per share, because to do so would be anti-dilutive. This is an adjustment used to reconcile GAAP earnings (loss) per share (excluding potentially dilutive shares) with non-GAAP earnings per share (including potentially dilutive shares).

RECONCILIATIONS

ADJUSTED GROSS PROFIT, CASH GROSS PROFIT, ADJUSTED GROSS MARGIN, AND CASH GROSS MARGIN

(Amounts in thousands, unaudited)

	For the Three Months Ended				For the Nine Months Ended			
	September 30, 2026		September 30, 2025		September 30, 2026		September 30, 2025	
	Amount	Margin	Amount	Margin	Amount	Margin	Amount	Margin
Gross profit	$ 20,940	37.9 %	$ 20,546	39.9 %	$ 55,007	36.5 %	$ 44,660	37.8 %
Adjustments:								
Stock-based compensation expense – cost of sales	187	0.4 %	154	0.3 %	605	0.4 %	493	0.5 %
Adjusted gross profit (Non-GAAP)	21,127	38.3 %	20,700	40.2 %	55,612	36.9 %	45,153	38.3 %
Depreciation and amortization – cost of sales	2,637	4.8 %	2,356	4.6 %	7,747	5.1 %	5,574	4.7 %
Cash gross profit (Non-GAAP)	$ 23,764	43.1 %	$ 23,056	44.8 %	$ 63,359	42.0 %	$ 50,727	43.0 %

RECONCILIATIONS

FREE CASH FLOW AND FREE CASH FLOW MARGIN

(Amounts in thousands, unaudited)

	For the Three Months Ended		For the Nine Months Ended	
	September 30, 2026	September 30, 2025	September 30, 2026	September 30, 2025
Net cash provided by operating activities	$ 9,444	$ 9,146	$ 26,933	$ 22,202
Adjustments:				
Capitalized software development costs	(1,973)	(2,095)	(6,075)	(6,496)
Purchases of property and equipment, net	(86)	(452)	(477)	(709)
Free cash flow (Non-GAAP)	$ 7,385	$ 6,599	$ 20,381	$ 14,997
Revenue	$ 55,198	$ 51,444	$ 150,685	$ 118,028
Operating cash flow margin	17.1 %	17.8 %	17.9 %	18.8 %
Free cash flow margin (Non-GAAP)	13.4 %	12.8 %	13.5 %	12.7 %

RECONCILIATIONS

ADJUSTED OPERATING EXPENSES AND CASH OPERATING EXPENSES

(Amounts in thousands, unaudited)

	For the Three Months Ended		For the Nine Months Ended	
	September 30, 2026	September 30, 2025	September 30, 2026	September 30, 2025
Operating expenses	$ 16,850	$ 23,014	$ 49,152	$ 66,033
Adjustments:				
Stock-based compensation expense	(2,824)	(9,234)	(8,590)	(23,700)
Adjusted operating expenses (Non-GAAP)	14,026	13,780	40,562	42,333
Depreciation and amortization	(835)	(821)	(2,501)	(2,448)
Software R&D capitalized costs	2,001	2,057	5,988	6,476
Cash operating expenses (Non-GAAP)	$ 15,192	$ 15,016	$ 44,049	$ 46,361



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