# UNITED STATES SECURITIES AND EXCHANGE COMMISSION Washington, D.C. 20549

# FORM 8-K

# CURRENT REPORT Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

### November 9, 2023

Date of Report (Date of earliest event reported)

# **TELOS CORPORATION**

(Exact name of registrant as specified in its charter)

Maryland

001-08443

52-0880974

(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)
19886 Ashburn Road,		20147-2358
Ashburn, Virginia (Address of principal executive offices)		(Zip Code)
(induces of principal electative offices)		(2.1) 3000)
	(703) 724-3800	
(Registrant's	telephone number, including area code)	
	NOT APPLICABLE	
(Former name, former a	ddress, and former fiscal year, if changed	d since last report)
Securities re	egistered pursuant to Section 12(b) of the	e Act:
Title of each class	Trading symbol	Name of each exchange on which registered
Common stock, \$0.001 par value per share	TLS	The Nasdaq Stock Market LLC
Check the appropriate box below if the Form 8-K filing is interpolated following provisions:    Written communications pursuant to Rule 42     Soliciting material pursuant to Rule 14a-12 to Pre-commencement communications pursuant     Pre-commencement communications pursuant	5 under the Securities Act (17 CFR 230. nder the Exchange Act (17 CFR 240.14a nt to Rule 14d-2(b) under the Exchange A	425) a-12) Act (17 CFR 240.14d-2(b))
Indicate by check mark whether the registrant is an emerging chapter) or Rule 12b-2 of the Securities Exchange Act of 193		of the Securities Act of 1933 (§230.405 of this
Emerging growth company $\square$		
If an emerging growth company, indicate by check mark if the transition period for complying with any new or revised final	<u>o</u>	

#### Item 2.02. Results of Operations and Financial Condition.

On Thursday, November 9, 2023, Telos Corporation (the "Company") issued a press release reporting certain financial results of the Company for the quarter ended September 30, 2023. A copy of the press release is attached as Exhibit 99.1 to this Current Report on Form 8-K and incorporated herein by reference.

The Company's press release contains non-GAAP financial measures. Pursuant to the requirements of Regulation G, the Company has provided reconciliations within the press release of the non-GAAP financial measures to the most directly comparable GAAP financial measures. Disclosure regarding definitions of these measures used by the Company and why the Company's management believes the measures provide useful information to investors is also included in the press release.

The Company will conduct a conference call to discuss its financial results on Thursday, November 9, 2023, at 8:30 a.m., Eastern Time.

The information in this Current Report on Form 8-K, including Exhibit 99.1 attached hereto, is furnished pursuant to Item 2.02 of this Current Report on Form 8-K. Such information shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, nor shall it be deemed incorporated by reference into any filing under the Securities Act of 1933, except as shall be expressly set forth by specific reference in such filing.

### Item 9.01. Financial Statements and Exhibits.

99.1 Press Release, issued November 9, 2023

# SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

# TELOS CORPORATION

By: /s/ Mark Bendza

Mark Bendza

Chief Financial Officer

Date: November 9, 2023

# Telos Corporation Announces Third Quarter Results: Exceeds Guidance on All Metrics, Significantly Expands Gross Margin, Returns to Positive Cash Flow From Operations, and Raises Full-Year Outlook

- Reports Third Quarter Results Above High End of Guidance Range on All Metrics
- Delivered \$36.2 Million of Revenue, Reflecting Outperformance by Security Solutions and Official Launch of TSA PreCheck® Program
- Expanded Gross Margin by 303 Basis Points Year-over-Year to 36.0%; Excluding Stock-Based Compensation and Depreciation and Amortization, Non-GAAP Gross Margin Expanded by 684 Basis Points to 41.5%
- Generated \$0.8 Million of Cash Flow From Operations
- Raises Full-Year Outlook on All Metrics

**Ashburn, Virginia, November 9, 2023** – Telos Corporation (NASDAQ: TLS), a leading provider of cyber, cloud and enterprise security solutions for the world's most security-conscious organizations, today announced financial results for the third quarter 2023.

"We executed well in the third quarter, delivering results above the high end of our guidance ranges on all key metrics, expanding gross margin 303 basis points compared to the third quarter of 2022 and returning to positive cash flow from operations," said John B. Wood, chairman and CEO, Telos. "I am also pleased that we achieved the formal launch of our TSA PreCheck program. Our performance and risk reduction year-to-date, as well as an improved outlook on key programs across the portfolio, have enabled us to again raise our full-year outlook on all metrics."

Third Quarter 2023 Financial Highlights		
	3Q 2023	3Q 2022
	(in millions, except	per share data)
Revenue	\$36.2	\$63.6
Gross Profit	\$13.0	\$20.9
Gross Margin	36.0%	32.9%
Non-GAAP Gross Profit <sup>1</sup>	\$15.0	\$22.1
Non-GAAP Gross Margin <sup>1</sup>	41.5%	34.7%
GAAP Net Loss	\$(8.7)	\$(8.5)
Adjusted Net (Loss)/Income <sup>1</sup>	\$(4.7)	\$6.9
EBITDA <sup>1</sup>	\$(6.5)	\$(7.3)
Adjusted EBITDA <sup>1</sup>	\$(1.3)	\$8.6
Adjusted EBITDA Margin <sup>1</sup>	(3.5%)	13.5%
GAAP EPS	\$(0.12)	\$(0.13)
Adjusted EPS <sup>1</sup>	\$(0.07)	\$0.10
Weighted-average Shares of Common Stock Outstanding	69.6	67.5
Cash Flow from Operations	\$0.8	\$12.0
Free Cash Flow <sup>1</sup>	\$(3.0)	\$8.4

<sup>&</sup>lt;sup>1</sup> Non-GAAP Gross Profit, Non-GAAP Gross Margin, Adjusted Net (Loss)/Income, EBITDA, Adjusted EBITDA, Adjusted EBITDA Margin, Adjusted EPS, and Free Cash Flow are non-GAAP financial measures. Refer to "Non-GAAP Financial Measures" below.

#### **Selected Third Quarter Business Highlights:**

- Achieved formal launch of the TSA PreCheck program.
  - https://tsaprecheckbytelos.tsa.dhs.gov/
- Awarded Xacta® renewals with key government and commercial customers:
  - Government clients include the National Geospatial-Intelligence Agency, Federal Bureau of Investigation, U.S. State Department,
     Defense Intelligence Agency, U.S. Social Security Administration, U.S. Environmental Protection Agency, and a classified customer.
  - · Commercial customers include Zscaler, EY, stackArmor, and a large confidential customer in the technology sector.
- Achieved renewals for cyber services at the Defense Health Agency, General Services Administration, and U.S. Department of Homeland Security.
- Received a new award for the Telos Automated Message Handling System with the Joint Cryptologic Mission Simulation program through the National Security Agency.
- · Received a new contract award in Secure Networks for a new network installation with the U.S. Air Force.

#### **Financial Outlook:**

	4Q 2023	Full Ye	ar 2023
		Prior	Updated
Revenue	\$30 - \$34 Million	\$122 - \$137 Million	\$134 - \$138 Million
YoY Growth	(37%) - (28%)	(44%) - (37%)	(38%) - (36%)
Adjusted EBITDA <sup>1</sup>	(\$6.5) - (\$4.5) Million	(\$19) - (\$14) Million	(\$9) - (\$7) Million

<sup>&</sup>lt;sup>1</sup>Adjusted EBITDA is a non-GAAP financial measure. Refer to "Non-GAAP Financial Measures" below.

This guidance consists of forward-looking statements and actual results may differ materially. Refer to the Forward-Looking Statements section below for information on the factors that could cause the Company's actual results to differ materially from these forward-looking statements. Adjusted EBITDA is a non-GAAP financial measure. The Company has not provided the most directly comparable GAAP measure to this forward-looking non-GAAP financial measure because certain items are out of the Company's control or cannot be reasonably predicted. Accordingly, a reconciliation for forward-looking Adjusted EBITDA is not available without unreasonable effort.

#### **Webcast Information**

Telos will host a live webcast to discuss its third quarter 2023 financial results at 8:30 a.m. Eastern Time today, November 9, 2023. To access the webcast, visit <a href="https://register.vevent.com/register/BIa3c1c9fa2f8f4d45a304c1f14550f273">https://register.vevent.com/register/BIa3c1c9fa2f8f4d45a304c1f14550f273</a>. Related presentation materials will be made available on the Investors section of the Company's website at <a href="https://investors.telos.com">https://investors.telos.com</a>. In addition, an archived webcast will be available approximately two hours after the conclusion of the live event on the Investors section of the Company's website.

#### **Forward-Looking Statements**

This press release contains forward-looking statements which are made under the safe harbor provisions of the federal securities laws. These statements are based on the Company's management's current beliefs, expectations and assumptions about future events, conditions, and results and on information currently available to them. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. The Company believes that these risks and uncertainties include, but are not limited to, those described under the captions "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" set forth from time to time in the Company's filings and reports with the U.S. Securities and Exchange Commission ("SEC"), including its Annual Report on Form 10-K for the year ended December 31, 2022 and its Quarterly Reports on Form 10-Q, as well as future filings and reports by the Company, copies of which are available at https://investors.telos.com and on the SEC's website at www.sec.gov.

Although the Company bases these forward-looking statements on assumptions that its management believes are reasonable when made, the Company cautions the reader that forward-looking statements are not guarantees of future performance and that the Company's actual results of operations, financial condition and liquidity, and industry developments may differ materially from statements made in or suggested by the forward-looking statements contained in this release. Given these risks, uncertainties, and other factors, many of which are beyond its control, the Company cautions the reader not to place undue reliance on these forward-looking statements. Any forward-looking statement speaks only as of the date of such statement and, except as required by law, the Company undertakes no obligation to update any forward-looking statement publicly, or to revise any forward-looking statement to reflect events or developments occurring after the date of the statement, even if new information becomes available in the future. Comparisons of results for current and any prior periods are not intended to express any future trends or indications of future performance, unless specifically expressed as such, and should only be viewed as historical data.

#### **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, Adjusted Net Income/(Loss), Adjusted Earnings Per Share ("EPS"), Non-GAAP Gross Profit, Non-GAAP Gross Margin, and Free Cash Flow are useful in evaluating operating 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, Adjusted Net(Loss)/Income and Adjusted EPS 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 and Adjusted EBITDA Margin are 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. Non-GAAP Gross Profit and Non-GAAP 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 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. 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.

EBITDA, Adjusted EBITDA, EBITDA Margin, Adjusted EBITDA Margin, Adjusted Net Income/(Loss), Adjusted EPS, Non-GAAP Gross Profit, Non-GAAP Gross Margin, and Free Cash Flow are supplemental measures of operating performance that are not made under GAAP and do not represent, and should not be considered as an alternative to, Net Income/(Loss), Net Income/(Loss) Margin, Earnings per Share, Gross Profit, Gross Margin, or Net Cash Flows provided by/(used in) operating activities, as determined by GAAP.

The Company defines EBITDA as net (loss)/income, adjusted for non-operating (income)/expense, interest expense, provision for/(benefit from) income taxes, and depreciation and amortization. The Company defines Adjusted EBITDA as EBITDA, adjusted for stock-based compensation expense and restructuring expenses. The Company defines EBITDA Margin, as EBITDA as a percentage of total revenue. The Company defines Adjusted EBITDA Margin as Adjusted EBITDA as a percentage of total revenue. The Company defines Adjusted For non-operating (income)/expense, stock-based compensation expense and restructuring expenses. The Company defines Adjusted EPS as Adjusted Net Income/(Loss) divided by the weighted-average number of common shares outstanding for the period. The Company defines Non-GAAP Gross Profit as gross profit, adjusted for stock-based compensation expense and depreciation and amortization charged under cost of sales. The Company defines Non-GAAP Gross Margin as Non-GAAP Gross Profit as a percentage of total revenue. Free Cash Flow is defined as net cash provided by/(used in) operating activities, less purchases of property and equipment, and capitalized software development costs.

EBITDA, Adjusted EBITDA, EBITDA Margin, Adjusted EBITDA Margin, Adjusted Net Income/(Loss), Adjusted EPS, Non-GAAP Gross Profit, Non-GAAP Gross Margin, and Free Cash Flow each has limitations as an analytical tool, and you should not consider any of them in isolation, or as a substitute for analysis of results as reported under GAAP. Among other limitations, EBITDA, Adjusted EBITDA, EBITDA Margin, Adjusted EBITDA Margin, Adjusted EPS, Non-GAAP Gross Profit, Non-GAAP Gross Margin, and Free Cash Flow each does not reflect our cash expenditures, or future requirements, for capital expenditures or contractual commitments, does not reflect the impact of certain cash and non-cash charges resulting from matters considered not to be indicative of ongoing operations, and does not reflect income tax expense or benefit. Other companies in the Company's industry may calculate Adjusted EBITDA, Adjusted EBITDA Margin, Adjusted Net Income/(Loss), Adjusted EPS, Non-GAAP Gross Profit, Non-GAAP Gross Margin, and Free Cash Flow differently than Telos does, which limits its usefulness as a comparative measure. Because of these limitations, neither EBITDA, Adjusted EBITDA Margin, Adjusted EBITDA Margin, Adjusted Net Income/(Loss), Adjusted EPS, Non-GAAP Gross Profit, Non-GAAP Gross Margin nor Free Cash Flow should be considered as a replacement for Gross Profit, Gross Margin, Net Income/ (Loss), Net Income/(Loss) Margin, Earnings per Share, or Net Cash Flows Provided by Operating Activities, as determined by GAAP, or as a measure of profitability. Telos compensates for these limitations by relying primarily on the Company's GAAP results and using non-GAAP measures only for supplemental purposes.

#### **About Telos Corporation**

Telos Corporation (NASDAQ: TLS) empowers and protects the world's most security-conscious organizations with solutions for continuous security assurance of individuals, systems, and information. Telos' offerings include cybersecurity solutions for IT risk management and information security; cloud security solutions to protect cloud-based assets and enable continuous compliance with industry and government security standards; and enterprise security solutions for identity and access management, secure mobility, organizational messaging, and network management and defense. The Company serves commercial enterprises, regulated industries and government customers around the world.

Media:

media@telos.com

**Investors:** 

InvestorRelations@telos.com

# TELOS CORPORATION CONSOLIDATED STATEMENTS OF OPERATIONS

(Unaudited)

	For the Three	Months Ended	For the Nine	Months Ended
	September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
		(in thousands, excep	per share amounts)	
Revenue – services	\$ 34,385	\$ 55,305	\$ 94,866	\$ 153,683
Revenue – products	1,801	\$ 8,288	9,453	15,861
Total revenue	36,186	63,593	104,319	169,544
Cost of sales – services (exclusive of depreciation and amortization shown separately below)	20,683	36,555	58,613	97,311
Cost of sales – products (exclusive of depreciation and amortization shown separately below)	545	5,902	4,561	10,886
Depreciation and amortization	1,945	191	2,291	602
Total cost of sales	23,173	42,648	65,465	108,799
Gross profit	13,013	20,945	38,854	60,745
Selling, general and administrative expenses				
Sales and marketing	1,728	3,042	5,164	13,035
Research and development	3,154	3,981	8,633	13,900
General and administrative	17,824	22,706	57,187	72,997
Total selling, general and administrative expenses	22,706	29,729	70,984	99,932
Operating loss	(9,693)	(8,784)	(32,130)	(39,187)
Other income	1,222	518	5,367	648
Interest expense	(178)	(181)	(611)	(558)
Loss before income taxes	(8,649)	(8,447)	(27,374)	(39,097)
Provision for income taxes	(23)	(8)	(68)	(133)
Net loss	\$ (8,672)	\$ (8,455)	\$ (27,442)	\$ (39,230)
Net loss per share:				
Basic	\$ (0.12)	\$ (0.13)	\$ (0.40)	\$ (0.58)
Diluted	\$ (0.12)	\$ (0.13)	\$ (0.40)	\$ (0.58)
Weighted-average shares outstanding:				
Basic	69,571	67,493	69,062	67,641
Diluted	69,571	67,493	69,062	67,641

# TELOS CORPORATION CONSOLIDATED BALANCE SHEETS

(Unaudited)

Accounts receivable, net         \$ 9,9,93         \$ 119,30           Accounts receivable, net         25,424         40,606           Inventories, net         984         2,878           Prepaid expenses         8,102         4,818           Other current assets         1,750         89           Total current assets         136,213         167,966           Property and equipment, net         3,330         4,78           Finance lease right-of-use assets, net         6,17         7,33           Operating lease right-of-use assets, net         17,92         17,92           Interpolate assets         1,033         1,133           Obtate asset         1,033         1,243           Obtate assets         1,033         2,243           Interpolate assets, net         1,033         3,243           Obtate assets         1,033         2,243           Total current assets         1,033         2,243           Accounts payable and other accrued liabilities         7,457         2,255           Account accrue assets payable and other accrued liabilities         5,75         6,44           Finance lease obligations – current portion         1,63         1,53           Operating lease obligations – current portion		Se	ptember 30, 2023	Dec	December 31, 2022		
Accounts receivable, net         \$ 9,9,93         \$ 119,30           Accounts receivable, net         25,424         40,606           Inventories, net         984         2,878           Prepaid expenses         8,102         4,818           Other current assets         1,750         89           Total current assets         136,213         167,966           Property and equipment, net         3,330         4,78           Finance lease right-of-use assets, net         6,17         7,33           Operating lease right-of-use assets, net         17,92         17,92           Interpolate assets         1,033         1,133           Obtate asset         1,033         1,243           Obtate assets         1,033         2,243           Interpolate assets, net         1,033         3,243           Obtate assets         1,033         2,243           Total current assets         1,033         2,243           Accounts payable and other accrued liabilities         7,457         2,255           Account accrue assets payable and other accrued liabilities         5,75         6,44           Finance lease obligations – current portion         1,63         1,53           Operating lease obligations – current portion			(in thousands, except p	er share and	share data)		
Accounts receivable, net         25,44         40,06           Inventories, net         984         2,37           Prepaid expenses         8,102         4,818           Other current assets         1,750         38           Total current assets         136,213         167,66           Property and equipment, net         3,301         4,78           Property and equipment, net         6,917         7,83           Operating lease right-of-use assets, net         6,917         7,83           Operating lease right-of-use assets, net         17,922         17,92           Operating lease right-of-use assets, net         6,917         3,94           Ober assign sphot-of-use assets, net         17,92         17,92           Operating lease right-of-use assets, net         17,92         17,92           Intall Gradient assets of path of-use assets, net         18,93         2,93           Itabilities         1,032         1,93         1,93           Accunuel asset double districties         1,29	Assets:						
Inventories, net         984         2,87           Prepaid expenses         8,102         4818           Other current assets         1,752         889           Total current assets         136,213         167,956           Property and equipment, net         3,330         4,768           Finance lease right-of-use assets, net         6,917         7,838           Operating lease right-of-use assets, net         274         34           Goodwill         17,922         17,922           Intangible assets, net         10,38         3,741           Other assets         10,38         1,13           Total assets         \$ 20,473         \$ 237,39           Liabilities         * 7,457         \$ 237,39           Liabilities         * 7,457         \$ 22,55           Accounts payable and other accrued liabilities         \$ 7,457         \$ 22,55           Accounts payable and other accrued liabilities         \$ 7,457         \$ 22,55           Accounts payable and other accrued liabilities         \$ 7,457         \$ 22,55           Accounts payable and other accrued liabilities         \$ 7,457         \$ 44           Other financing obligations - urrent portion         1,659         1,54           Other financing obligations	Cash and cash equivalents	\$	99,953	\$	119,305		
Prepaid expenses         8,102         4,81           Other current assets         1,750         83           Total current assets         3,390         4,78           Property and equipment, net         6,917         7,83           Ginance lease right-of-use assets, net         6,917         33           Operating lease right-of-use assets, net         17,922         17,92           Intangable assets, net         3,94         3,74,41           Other assets         1,032         2,237,39           Itabilities         1,033         2,237,39           Itabilities         2,047,39         2,255           Accrued compensation and benefits         1,259         3,83           Contract liabilities         5,775         6,44           Finance lease obligations – current portion         1,695         1,59           Operating lease obligations – current portion         2,25         3,50           Ofter financing obligations – current portion         2,95         1,24           Other current liabilities         3,96         1,24           Other financing obligations – current portion         2,95         1,24           Other compense liabilities – non-current portion         9,965         11,24           Operating lease l	Accounts receivable, net		25,424		40,069		
Other current asserts         1,50         8.8           Total current asserts         136,213         16,768           Finance lease right-of-use assets, net         6,917         7,83           Operating lease right-of-use assets, net         274         17,92           Goodwill         17,92         17,92           Intemplate assets, net         38,94         37,41           Other assets         10,08         20,473           Total assets         20,073         22,373           Liabilities and Stockholders' Equity         87,475         22,55           Accounts payable and other accrued liabilities         7,45         2,255           Accounted compensation and benefits         12,59         3,83           Contract liabilities         5,75         6,44           Finance lease obligations – current portion         1,69         1,59           Operating lease obligations – current portion         224         36           Other current liabilities         2,95         4,50           Total current liabilities         2,95         4,50           Operating lease obligations – non-current portion         9,65         11,24           Other financing obligations – non-current portion         9,55         7,5	Inventories, net		984		2,877		
Total current assets         136,213         167,966           Property and equipment, net         3,300         4,788           Chance clease right-of-use assets, net         6,917         7,83           Operating lease right-of-use assets, net         274         34           Goodwill         17,922         17,922           Lintagible assets, net         18,984         37,411           Other assets         1,038         1,133           Total assets         1,038         2,373           Liabilities         8,047,38         2,373           Liabilities and Stockholders' Equity:         8,047,38         2,255           Accounts payable and other accrued liabilities         7,47         2,255           Accounts describing a current portion         1,695         1,593           Contract Liabilities         5,775         6,44           Finance lease obligations – current portion         9,605         1,134           Ober financing obligations – current portion         9,605         1,24           Other financing obligations – non-current portion         9,965         1,24           Other financing obligations – non-current portion         6         2           Operating lease liabilities – non-current portion         6         2 <td>Prepaid expenses</td> <td></td> <td>8,102</td> <td></td> <td>4,819</td>	Prepaid expenses		8,102		4,819		
Property and equipment, net         3,390         4,78           Finance lease right-of-use assets, net         6,917         7,83           Operating lease right-of-use assets, net         17,92         17,92           Intragible assets, net         17,92         17,92           Intragible assets, net         1,038         3,741           Other assets         1,038         1,133           Total assets         5         204,738         5         237,33           Itabilities         8         2,047         5         237,33           Itabilities         8         7,457         5         22,55           Accounts payable and other accrued liabilities         \$         7,457         6         22,55           Accounted compensation and benefits         \$         7,457         6         44,6         6         2,33         3,38	Other current assets		1,750		893		
Finance lease right-of-use assets, net         6,917         7,83           Operating lease right-of-use assets, net         274         34           Goodwill         17,92         17,92           Intagible assets, net         38,984         37,41           Other assets         1,038         \$ 23,739           Total assets         \$ 204,738         \$ 237,39           Liabilities           Liabilities         7,457         \$ 22,55           Accounts payable and other accrued liabilities         12,593         8,383           Contract liabilities         12,593         8,383           Contract liabilities         5,775         6,44           Finance lease obligations – current portion         1,695         1,595           Operating lease obligations – current portion         20,55         4,50           Other financing obligations – current portion         29,583         45,50           Other current liabilities         29,583         45,50           Finance lease obligations – non-current portion         65         22           Operating lease liabilities – non-current portion         65         2           Operating lease liabilities – non-current portion         65         2           Other financing obli	Total current assets		136,213		167,963		
Operating lease right-of-use assets, net         274         34           Goodwill         17,922         17,922           Linangible assets, net         38,984         37,412           Other assets         1,033         \$ 237,393           Total assets         \$ 204,738         \$ 237,393           Liabilities and Stockholders' Equity:         Tabilities and Stockholders' Equity:           Liabilities         ***********************************	Property and equipment, net		3,390		4,787		
Goodwill         17,922         17,922           Intangible assets, net         38,984         37,411           Other assets         1,03         1,131           Total assets         \$ 204,739         2,237,39           Liabilities         \$ 204,739         \$ 237,39           Liabilities         \$ 7,457         \$ 22,55           Accrunds payable and other accrued liabilities         \$ 7,457         \$ 22,55           Accrund compensation and benefits         12,593         8,38           Contract liabilities         5,775         6,44           Finance lease obligations – current portion         1,695         1,59           Operating lease obligations – current portion         224         36           Other financing obligations – current portion         29,583         45,50           Other current liabilities         29,583         45,50           Finance lease obligations – non-current portion         9,965         11,24           Operating lease liabilities – non-current portion         9,965         11,24           Operating lease liabilities – non-current portion         9,965         12,24           Operating lease liabilities – non-current portion         9,965         75           Other liabilities         30,99         29	Finance lease right-of-use assets, net		6,917		7,832		
Integlible assets, net         38,984         37,411           Other assets         1,038         1,133           Total assets         2,020,389         2,237,389           Liabilities           Care and stockholders' Equity           Liabilities           Accounts payable and other accrued liabilities         5,745         2,255           Accrued compensation and benefits         1,259         8,388           Contract liabilities         5,775         6,444           Finance lease obligations – current portion         224         36           Other financing obligations – current portion         224         36           Other current liabilities         1,339         4,550           Total current liabilities         1,239         4,550           Operating lease obligations – current portion         29,583         45,50           Other current liabilities         3,965         1,24           Other current liabilities         3,965         1,24           Operating lease obligations – current portion         65         2           Operating lease ilabilities – non-current portion         65         2           Operating lease obligations – current portion         65         2	Operating lease right-of-use assets, net		274		341		
Other assets         1,038         1,133           Total assets         2,047,339         2,237,399           Liabilities and Stockholders' Equity:         Total Liabilities         Liabilities         Liabilities         Total Current Dortion         Liabilities         Liabilities </td <td>Goodwill</td> <td></td> <td>17,922</td> <td></td> <td>17,922</td>	Goodwill		17,922		17,922		
Total assets         \$ 204,738         \$ 237,393           Liabilities           Accounts payable and other accrued liabilities         \$ 7,457         \$ 22,555           Accrued compensation and benefits         12,593         8,381           Contract liabilities         5,775         6,44           Finance lease obligations – current portion         224         36           Other financing obligations – current portion         224         36           Other current liabilities         1,243         4,50           Other current liabilities         29,583         4,50           Total current liabilities         29,583         4,50           Finance lease obligations – non-current portion         9,965         11,24           Operating lease liabilities – non-current portion         6         2           Operating lease liabilities – non-current portion         6         2           Other financing obligations – non-current portion         795         75           Other idiabilities         309         29           Other financing obligations – non-current portion         309         29           Other idiabilities         40,717         65,04           Stockholders' equity         309         29	Intangible assets, net		38,984		37,415		
Liabilities and Stockholders' Equity:   Liabilities and Stockholders' Equity:   Accounts payable and other accrued liabilities   \$ 7,457   \$ 22,55     Accrued compensation and benefits   \$ 7,575   6,445     Finance lease obligations – current portion   1,695   1,593     Operating lease obligations – current portion   224   36     Other financing obligations – current portion   224   36     Other funancing obligations – current portion   1,244     Other current liabilities   1,839   4,919     Total current liabilities   29,583   45,500     Finance lease obligations – non-current portion   9,965   11,244     Operating lease liabilities – non-current portion   9,965   12,44     Operating lease liabilities – non-current portion   56   27     Other financing obligations – non-current portion   57   751     Other financing obligations – non-current portion   7,211     Deferred income taxes   795   751     Other liabilities   309   297     Other liabilities   309   297     Total liabilities   309   297     Accumulated outstanding as of September 30, 2023 and December 31, 2022, respectively   108   100     Additional paid-in capital   431,784   412,700     Accumulated other comprehensive income   (24)   (55     Accumulated other comprehensive income   (24)   (25     Accumulated other comprehensive income   (24)   (25     Accumulated officit   (267,847)   (240,400     Total stockholders' equity   168   172,35	Other assets		1,038		1,137		
Accounts payable and other accrued liabilities   \$ 7,457   \$ 22,55     Accrued compensation and benefits   12,593   8,388     Accrued compensation and benefits   12,593   8,388     Contract liabilities   5,775   6,444     Finance lease obligations – current portion   1,695   1,595     Operating lease obligations – current portion   224   36     Other financing obligations – current portion   224   36     Other current liabilities   1,839   4,919     Other current liabilities   1,839   4,919     Total current liabilities   29,583   45,500     Operating lease obligations – non-current portion   9,965   11,244     Operating lease liabilities – non-current portion   665   22     Other financing obligations – non-current portion   65   22     Other financing obligations – non-current portion   7,211     Deferred income taxes   795   75     Other liabilities   309   29     Other liabilities   309   29     Other liabilities   309   29     Other liabilities   40,717   5,044     Stockholders' equity:    Common stock, \$0,001 par value, \$25,000,000 shares authorized, \$69,623,209 shares and \$67,431,632     Shares issued and outstanding as of September 30, 2023 and December 31, 2022, respectively   108   100     Additional paid-in capital   431,784   412,700     Accumulated other comprehensive income   (24)   (55     Accumulated other comprehensive income   (24)   (25     Accumulated other comprehensive income   (24)   (25     Accumulated other comprehensive income   (24)	Total assets	\$	204,738	\$	237,397		
Accounts payable and other accrued liabilities         \$ 7,457         \$ 22,55           Accrued compensation and benefits         12,593         8,388           Contract liabilities         5,775         6,444           Finance lease obligations – current portion         16,95         1,593           Operating lease obligations – current portion         224         36           Other financing obligations – current portion         —         1,24           Other current liabilities         1,839         4,919           Total current liabilities         29,583         45,50           Total current liabilities – non-current portion         9,965         11,244           Operating lease liabilities – non-current portion         65         2           Other financing obligations – non-current portion         65         2           Other liabilities         795         75           Other liabilities         309         29           Total liabilities         40,717         65,04           Stockholders' equity:         108         10           Additional paid-in capital         431,784         412,70           Accumulated other comprehensive income         (24)         (55           Accumulated other comprehensive income         (26,7,847)	Liabilities and Stockholders' Equity:						
Accrued compensation and benefits         12,593         8,381           Contract liabilities         5,775         6,44           Finance lease obligations – current portion         1,695         1,595           Operating lease obligations – current portion         224         36           Other financing obligations – current portion         -1,244         36           Other current liabilities         1,839         4,915           Total current liabilities         29,583         45,500           Finance lease obligations – non-current portion         9,965         11,244           Operating lease liabilities – non-current portion         65         2°           Other financing obligations – non-current portion         -7         7,21           Deferred income taxes         795         75           Other liabilities         309         29           Total liabilities         309         29           Total liabilities         40,717         65,04           Stockholders' equity:         108         100           Additional paid-in capital         431,784         412,70           Accumulated other comprehensive income         (24)         (55           Accumulated deficit         (267,847)         (240,405           <	Liabilities:						
Contract liabilities         5,775         6,44           Finance lease obligations – current portion         1,695         1,595           Operating lease obligations – current portion         224         36           Other financing obligations – current portion         —         1,24           Other current liabilities         1,839         4,915           Total current liabilities         29,583         45,50           Finance lease obligations – non-current portion         9,965         11,24           Operating lease liabilities – non-current portion         65         22           Other financing obligations – non-current portion         —         7,21           Deferred income taxes         795         75           Other liabilities         309         29           Total liabilities         40,717         55,04           Stockholders' equity:         10         10           Common stock, \$0.001 par value, 250,000,000 shares authorized, 69,623,209 shares and 67,431,632         10         10           Shares issued and outstanding as of September 30, 2023 and December 31, 2022, respectively         10         10           Accumulated other comprehensive income         (24)         (55           Accumulated deficit         (267,847)         (240,405	Accounts payable and other accrued liabilities	\$	7,457	\$	22,551		
Finance lease obligations – current portion         1,695         1,595           Operating lease obligations – current portion         224         36           Other financing obligations – current portion         —         1,24           Other current liabilities         1,839         4,915           Total current liabilities         29,583         45,50           Finance lease obligations – non-current portion         9,965         11,24           Operating lease liabilities – non-current portion         65         22           Other financing obligations – non-current portion         —         7,21           Deferred income taxes         795         75           Other liabilities         309         29           Total liabilities         40,717         65,043           Stockholders' equity:         —         10           Common stock, \$0.001 par value, \$250,000,000 shares authorized, 69,623,209 shares and 67,431,632         8         10           Additional paid-in capital         431,784         412,70           Accumulated other comprehensive income         (24)         (55           Accumulated deficit         (267,847)         (240,405           Total stockholders' equity         164,021         172,35	Accrued compensation and benefits		12,593		8,388		
Operating lease obligations – current portion         224         36           Other financing obligations – current portion         —         1,24           Other current liabilities         1,839         4,919           Total current liabilities         29,583         45,500           Finance lease obligations – non-current portion         9,965         11,244           Operating lease liabilities – non-current portion         65         2°           Other financing obligations – non-current portion         —         7,21           Deferred income taxes         795         75           Other liabilities         309         29°           Total liabilities         40,717         65,04°           Stockholders' equity         108         100           Additional paid-in capital         431,784         412,700           Accumulated other comprehensive income         (24)         (55           Accumulated deficit         (267,847)         (240,400           Total stockholders' equity         164,021         172,35	Contract liabilities		5,775		6,444		
Other financing obligations – current portion         —         1,24           Other current liabilities         1,839         4,919           Total current liabilities         29,583         45,500           Finance lease obligations – non-current portion         9,965         11,244           Operating lease liabilities – non-current portion         65         2°           Other financing obligations – non-current portion         —         7,21°           Deferred income taxes         795         75°           Other liabilities         309         29°           Total liabilities         40,717         65,04°           Stockholders' equity         50         20°           Common stock, \$0,001 par value, 250,000,000 shares authorized, 69,623,209 shares and 67,431,632         50         10°           Shares issued and outstanding as of September 30, 2023 and December 31, 2022, respectively         108         10°           Additional paid-in capital         431,784         412,700           Accumulated other comprehensive income         (24)         (55°           Accumulated deficit         (267,847)         (240,40°           Total stockholders' equity         164,021         172,35°	Finance lease obligations – current portion		1,695		1,592		
Other current liabilities         1,839         4,919           Total current liabilities         29,583         45,500           Finance lease obligations – non-current portion         9,965         11,244           Operating lease liabilities – non-current portion         65         22           Other financing obligations – non-current portion         —         7,212           Deferred income taxes         795         756           Other liabilities         309         297           Total liabilities         40,717         65,043           Stockholders' equity:         108         100           Additional paid-in capital         431,784         412,700           Accumulated other comprehensive income         (24)         (55           Accumulated deficit         (267,847)         (240,405)           Total stockholders' equity         164,021         172,35	Operating lease obligations – current portion		224		361		
Total current liabilities         29,583         45,500           Finance lease obligations – non-current portion         9,965         11,244           Operating lease liabilities – non-current portion         65         22           Other financing obligations – non-current portion         —         7,212           Deferred income taxes         795         756           Other liabilities         309         297           Total liabilities         40,717         65,043           Stockholders' equity:         50         50           Common stock, \$0.001 par value, 250,000,000 shares authorized, 69,623,209 shares and 67,431,632         50         50           Shares issued and outstanding as of September 30, 2023 and December 31, 2022, respectively         108         100           Additional paid-in capital         431,784         412,700           Accumulated other comprehensive income         (24)         (55           Accumulated deficit         (267,847)         (240,405           Total stockholders' equity         164,021         172,35			_		1,247		
Finance lease obligations – non-current portion       9,965       11,244         Operating lease liabilities – non-current portion       65       2         Other financing obligations – non-current portion       —       7,21         Deferred income taxes       795       75         Other liabilities       309       29         Total liabilities       40,717       65,04         Stockholders' equity:       Stockholders' equity:       108       100         Additional paid-in capital       431,784       412,700         Accumulated other comprehensive income       (24)       (55         Accumulated deficit       (267,847)       (240,405         Total stockholders' equity       164,021       172,35	Other current liabilities		1,839		4,919		
Operating lease liabilities – non-current portion         65         22           Other financing obligations – non-current portion         —         7,21°           Deferred income taxes         795         75°           Other liabilities         309         29°           Total liabilities         40,717         65,04°           Stockholders' equity:         500         500           Common stock, \$0.001 par value, 250,000,000 shares authorized, 69,623,209 shares and 67,431,632         500         500           shares issued and outstanding as of September 30, 2023 and December 31, 2022, respectively         108         100           Additional paid-in capital         431,784         412,700           Accumulated other comprehensive income         (24)         (55           Accumulated deficit         (267,847)         (240,405)           Total stockholders' equity         164,021         172,35	Total current liabilities	, <u> </u>	29,583	, <u> </u>	45,502		
Other financing obligations – non-current portion         —         7,21           Deferred income taxes         795         75           Other liabilities         309         297           Total liabilities         40,717         65,042           Stockholders' equity:         50,001 par value, 250,000,000 shares authorized, 69,623,209 shares and 67,431,632         50,001         <	Finance lease obligations – non-current portion		9,965		11,248		
Deferred income taxes         795         756           Other liabilities         309         299           Total liabilities         40,717         65,047           Stockholders' equity:         50,047         65,047           Common stock, \$0,001 par value, 250,000,000 shares authorized, 69,623,209 shares and 67,431,632 shares issued and outstanding as of September 30, 2023 and December 31, 2022, respectively         108         100           Additional paid-in capital         431,784         412,704           Accumulated other comprehensive income         (24)         (55           Accumulated deficit         (267,847)         (240,405           Total stockholders' equity         164,021         172,35	Operating lease liabilities – non-current portion		65		27		
Other liabilities         309         299           Total liabilities         40,717         65,047           Stockholders' equity:         Common stock, \$0.001 par value, 250,000,000 shares authorized, 69,623,209 shares and 67,431,632 shares issued and outstanding as of September 30, 2023 and December 31, 2022, respectively         108         100           Additional paid-in capital         431,784         412,700           Accumulated other comprehensive income         (24)         (55           Accumulated deficit         (267,847)         (240,405           Total stockholders' equity         164,021         172,35	Other financing obligations – non-current portion		_		7,211		
Total liabilities 40,717 65,047 Stockholders' equity:  Common stock, \$0.001 par value, 250,000,000 shares authorized, 69,623,209 shares and 67,431,632 shares issued and outstanding as of September 30, 2023 and December 31, 2022, respectively 108 108 Additional paid-in capital 431,784 412,700 Accumulated other comprehensive income (24) (267,847) Accumulated deficit (267,847) (240,405) Total stockholders' equity 164,021 172,356	Deferred income taxes		795		758		
Stockholders' equity:  Common stock, \$0.001 par value, 250,000,000 shares authorized, 69,623,209 shares and 67,431,632 shares issued and outstanding as of September 30, 2023 and December 31, 2022, respectively  Additional paid-in capital  Accumulated other comprehensive income  Accumulated deficit  Total stockholders' equity  108  108  109  431,784  412,709  (24)  (55  420,409  164,021  172,35	Other liabilities		309		297		
Common stock, \$0.001 par value, 250,000,000 shares authorized, 69,623,209 shares and 67,431,632 shares issued and outstanding as of September 30, 2023 and December 31, 2022, respectively  Additional paid-in capital  Accumulated other comprehensive income  Accumulated deficit  Total stockholders' equity  108  431,784  412,700  (24)  (55)  (240,405)  164,021  172,356	Total liabilities	'	40,717	,	65,043		
shares issued and outstanding as of September 30, 2023 and December 31, 2022, respectively  Additional paid-in capital  Accumulated other comprehensive income  Accumulated deficit  Total stockholders' equity  108  431,784  412,708  (24)  (25)  (267,847)  (240,408  164,021  172,356	Stockholders' equity:						
Accumulated other comprehensive income(24)(55)Accumulated deficit(267,847)(240,405)Total stockholders' equity164,021172,356			108		106		
Accumulated deficit         (267,847)         (240,405)           Total stockholders' equity         164,021         172,356	Additional paid-in capital		431,784		412,708		
Total stockholders' equity 164,021 172,354	Accumulated other comprehensive income		(24)		(55)		
	Accumulated deficit		(267,847)		(240,405)		
# 204.720 ¢ 227.20	Total stockholders' equity		164,021		172,354		
10tal Habilities and stockholders' equity \$ 204,736 \$ 237,39	Total liabilities and stockholders' equity	\$	204,738	\$	237,397		

# TELOS CORPORATION CONSOLIDATED STATEMENTS OF CASH FLOWS

(Unaudited)

September 19, 200         September 19, 200 <th c<="" th=""><th></th><th>For</th><th>r the Three</th><th>Months Ended</th><th>For the Nine</th><th colspan="3">Months Ended</th></th>	<th></th> <th>For</th> <th>r the Three</th> <th>Months Ended</th> <th>For the Nine</th> <th colspan="3">Months Ended</th>		For	r the Three	Months Ended	For the Nine	Months Ended		
Rel loss         \$ (8,672)         \$ (8,455)         \$ (27,442)         \$ (39,200)           Adjustments to reconcile net loss to cash flows from operations:         Sock-based compensation         \$ 15,816         \$ 22,462         48,843           Depreciation and amortization         \$ 2,218         11,536         \$ 22,462         48,843           Depreciation and amortization         \$ 321         1,517         \$ 6,336         4,427           Deferred income tax provision         13         \$ 37         \$ 25           Accretion of discount in acquisition holdback         \$ 13         \$ 2         36           Loss on disposal of fixed assets         \$ 1         \$ 1         \$ 2         96           Amortization of debt isuance costs         16         \$ 51         \$ 2         96           Amortization of debt isuance costs         16         \$ 51         \$ 2         97           Amortization of debt isuance costs         16         \$ 2         \$ 15         \$ 2           Gáin on early extinguishment of other financing obligations         \$ 6         \$ 5         \$ (339)         \$ 14,517         \$ 8,635           Loss on disposa of fixed debt isuance costs         \$ 8,855         \$ (339)         \$ 14,517         \$ 8,763           Accounts receivable         \$ 8		September	30, 2023	September 30, 2022	September 30, 2023	September 30, 2022			
Net loss				(in the	ousands)				
Adjustments to reconcile net loss to cash flows from operations	Cash flows from operating activities:								
Stock-based compensation         5,218         15,836         22,462         48,843           Depreciation admortization         3,215         1,517         6,336         4,427           Deferred income tax provision         13         —         37         25           Accretion of discount in acquisition holdback         —         13         2         36           Loss on disposal of fixed assets         —         1         1         1         2           Provision for doubtful accounts         11         31         128         97           Amortization of debt issuance costs         16         —         51         —           Gain on early extinguishment of other financing obligations         —         —         (1,427)         —           Changes in other operating assets and liabilities:         —         —         (1,427)         —           Changes in other operating assets and liabilities:         —         —         (1,427)         —           Accounts receivable         8,855         (339)         14,517         8,763           Inventories         8,855         (339)         14,517         8,763           Accounts payable and other accrued payables         (8,697)         2,068         (1,492)         2,63	Net loss	\$	(8,672)	\$ (8,455)	\$ (27,442)	\$ (39,230)			
Depreciation and amortization         3,215         1,517         6,336         4,427           Deferred income tax provision         13         —         37         25           Accretion of discount in acquisition holdback         —         13         2         36           Loss on disposal of fixed assets         —         1         1         1         2           Provision for doubtful accounts         11         31         128         97           Amortization of debt issuance costs         16         —         51         —           Gain on early extinguishment of other financing obligations         —         —         (1,427)         —           Gain on early extinguishment of other financing obligations         —         —         (1,427)         —           Calain on early extinguishment of other financing obligations         —         —         (1,427)         —           Accing periodic properities         8,855         (339)         14,517         8,763           Accounts possible si other operating assets and liabilities         8,865         (339)         (1,416)         1,893         (3,429)           Pepaid expenses, other current assets, other assets         (661)         838         (4,106)         2,635           Accounts	Adjustments to reconcile net loss to cash flows from operations:								
Deferred income tax provision         13         —         37         25           Accretion of discount in acquisition holdback         —         13         2         36           Loss on disposal of fixed assets         —         11         1         2           Provision for doubtful accounts         11         31         128         97           Amortization of debt issuance costs         16         —         51         —           Gain on early extinguishment of other financing obligations         —         —         (1,427)         —           Cain on early extinguishment of other financing obligations         —         —         (1,427)         —           Cain on early extinguishment of other financing obligations         —         —         (1,427)         —           Cain on early extinguishment of other financing obligations         —         —         (1,427)         —           Changes in other operating assets and liabilities:         —         (1,248)         —         (1,427)         —         8,763           Inventoric solution and selections         6         6         838         (4,106)         2,486         Accrued compensation and benefits         2,731         4(8         2,496         371         Contract liabilities         4	Stock-based compensation		5,218	15,836	22,462	48,843			
Accretion of discount in acquisition holdback         —         13         2         36           Loss on disposal of fixed assets         —         1         1         2           Provision for doubtful accounts         11         31         128         97           Amortization of dobt issuance costs         16         —         51         —           Gain on early extinguishment of other financing obligations         —         —         151         —           Changes in other operating assets and liabilities:         —         —         —         14,517         8,763           Accounts receivable         8,855         (339)         14,517         8,763           Inventories         782         (1,046)         1,893         (3,429)           Prepaid expenses, other current assets, other assets         (661)         838         (4,106)         (2,486)           Accounts payable and other accrued payables         (8,687)         2,068         (14,942)         2,635           Accrued compensation and benefits         2,731         (48)         2,496         371           Contract liabilities         (363)         2,153         (670)         571           Other current liabilities         (361)         (1,681)         (3,670	Depreciation and amortization		3,215	1,517	6,336	4,427			
Loss on disposal of fixed assets         —         1         1         2           Provision for doubtful accounts         11         31         128         97           Amortization of debt issuance costs         16         —         51         —           Gain on early extinguishment of other financing obligations         —         —         (1,427)         —           Calanges in other operating assets and liabilities         8.855         (339)         14,517         8,763           Inventories         782         (1,046)         1,893         (3,429)           Prepaid expenses, other current assets, other assets         (661)         838         (4,106)         (2,486)           Accounts payable and other accrued payables         (8,687)         2,068         (14,942)         2,635           Accrued compensation and benefits         2,731         (48)         2,496         371           Contract liabilities         (363)         2,153         (670)         571           Other current liabilities         (363)         1,362         (3,367)         20,181           Net cash provided by/(used in) operating activities         846         11,962         (3,367)         20,181           Early Increase of property and equipment         (80	Deferred income tax provision		13	_	37	25			
Provision for doubtful accounts         11         31         128         97           Amortization of debt issuance costs         16         —         51         —           Gain on early extinguishment of other financing obligations         —         —         (1,427)         —           Changes in other operating assets and liabilities:         —         —         (1,046)         1,893         (3,429)           Accounts receivable         8,855         (339)         14,517         8,763         1,989         14,517         8,763         1,942         1,942         2,948         1,942         2,635         1,942         2,635         1,942         2,635         4,416         2,486         4,1942         2,635         4,268         4,106         2,486         4,296         371         2,635         4,296         371         2,635         4,296         371         2,635         4,296         371         2,635         4,296         371         2,635         4,296         371         2,635         4,296         371         2,635         4,296         371         2,635         4,296         371         2,635         4,273         4,48         2,965         4,194         2,965         2,763         2,713         4,81	Accretion of discount in acquisition holdback		_	13	2	36			
Amortization of debt issuance costs         16         —         51         —           Gain on early extinguishment of other financing obligations         —         (1,427)         —           Changes in other operating assets and liabilities:         —         (1,427)         8,763           Accounts receivable         8,855         (339)         14,517         8,763           Inventories         782         (1,046)         1,893         (3,429)           Prepaid expenses, other current assets, other assets         (661)         838         (4,106)         (2,486)           Accounts payable and other accrued payables         (8,687)         2,068         (14,942)         2,635           Accrued compensation and benefits         2,731         (48)         2,496         371           Contract liabilities         (363)         2,153         (670)         571           Other current liabilities         (362)         2,183         (2,703)         (507)	Loss on disposal of fixed assets		_	1	1	2			
Gain on early extinguishment of other financing obligations         —         —         (1,427)         —           Changes in other operating assets and liabilities:         8.855         (339)         14,517         8,763           Inventories         782         (1,046)         1,893         (3,429)           Prepaid expenses, other current assets, other assets         (661)         838         (4,106)         (2,486)           Accounts payable and other accrued payables         (8,687)         2,068         (14,942)         2,635           Accrued compensation and benefits         2,731         (48)         2,496         371           Contract liabilities         (363)         2,153         (670)         571           Other current liabilities         (1,612)         (583)         (2,703)         (507)           Net cash provided by/(used in) operating activities         846         11,986         (3,367)         20,118           Cash flows from investing activities         (3,762)         (3,446)         (11,960)         (8,580)           Purchase of property and equipment         (80)         (174)         (350)         (815)           Net cash used in investing activities         (3,842)         (3,620)         (12,310)         (9,395)           Cash </td <td>Provision for doubtful accounts</td> <td></td> <td>11</td> <td>31</td> <td>128</td> <td>97</td>	Provision for doubtful accounts		11	31	128	97			
Changes in other operating assets and liabilities:         8.855         (339)         14,517         8,763           Inventories         782         (1,046)         1,893         (3,429)           Prepaid expenses, other current assets, other assets         (661)         838         (4,106)         (2,486)           Accounts payable and other accrued payables         (8,687)         2,068         (14,942)         2,635           Accrued compensation and benefits         2,731         (48)         2,496         371           Contract liabilities         (363)         2,153         (670)         571           Other current liabilities         (1,612)         (583)         (2,703)         (507)           Net cash provided by/(used in) operating activities         846         11,986         (3,367)         20,118           Cash flows from investing activities         (3,762)         (3,446)         (11,960)         (8,580)           Purchases of property and equipment         (80)         (174)         (350)         (815)           Net cash used in investing activities         (3,842)         (3,620)         (12,310)         (9,395)           Cash flows from financing activities         (3,842)         (3,620)         (12,310)         (9,385)           Cash flow	Amortization of debt issuance costs		16	_	51	_			
Accounts receivable         8,855         (339)         14,517         8,763           Inventories         782         (1,046)         1,893         (3,429)           Prepaid expenses, other current assets, other assets         (661)         838         (4,106)         (2,486)           Accounts payable and other accrued payables         (8,687)         2,068         (14,942)         2,635           Accounts compensation and benefits         2,731         (48)         2,496         371           Contract liabilities         (363)         2,153         (670)         571           Other current liabilities         (364)         11,960         (3,631)         5,011         6,011         6,580         6,011         6,011         6,011         6,011         6,011         6,011<	Gain on early extinguishment of other financing obligations		_	_	(1,427)	_			
Inventories   782   (1,046)   1,893   (3,429)     Prepaid expenses, other current assets, other assets   (661)   838   (4,106)   (2,486)     Accounts payable and other accrued payables   (8,687)   2,068   (14,942)   2,635     Accrued compensation and benefits   2,731   (48)   2,496   371     Contract liabilities   (330   2,153   (670)   571     Other current liabilities   (1,612)   (583)   (2,703)   (507)     Net cash provided by/(used in) operating activities   846   11,986   (3,367)   20,118     Cash flows from investing activities   (3,762)   (3,446)   (11,960)   (8,580)     Purchases of property and equipment   (80)   (174)   (350)   (815)     Net cash used in investing activities   (405)   (373)   (1,180)   (1,083)     Payment under finance lease obligations   (405)   (373)   (1,180)   (1,083)     Payment of tax withholding related to net share settlement of equity awards   (92)   (249)   (1,676)   (3,135)     Repurchase of common stock   -	Changes in other operating assets and liabilities:								
Prepaid expenses, other current assets, other assets         (661)         838         (4,106)         (2,486)           Accounts payable and other accrued payables         (8,687)         2,068         (14,942)         2,635           Accrued compensation and benefits         2,731         (48)         2,496         371           Contract liabilities         (363)         2,153         (670)         571           Other current liabilities         (1612)         (583)         (2,703)         (507)           Net cash provided by/(used in) operating activities         846         11,986         (3,367)         20,118           Cash flows from investing activities:         846         11,986         (3,367)         20,118           Cash flows from investing activities:         846         11,986         (3,367)         20,118           Purchases of property and equipment         (80)         (174)         (350)         (815)           Net cash used in investing activities         (3,842)         (3,620)         (12,310)         (9,395)           Payments under financing activities         (405)         (373)         (1,180)         (1,083)           Payment of tax withholding related to net share settlement of equity awards         (92)         (249)         (1,676)         (3,135)	Accounts receivable		8,855	(339)	14,517	8,763			
Accounts payable and other accrued payables         (8,687)         2,068         (14,942)         2,635           Accrued compensation and benefits         2,731         (48)         2,496         371           Contract liabilities         (363)         2,153         (670)         571           Other current liabilities         (1,612)         (583)         (2,703)         (507)           Net cash provided by/(used in) operating activities         846         11,986         (3,367)         20,118           Cash flows from investing activities:         (3,762)         (3,446)         (11,960)         (8,580)           Purchases of property and equipment costs         (30)         (174)         (350)         (815)           Net cash used in investing activities         (3,842)         (3,620)         (12,310)         (9,395)           Cash flows from financing activities         (3,842)         (3,620)         (12,310)         (9,395)           Cash flows from financing activities         (405)         (373)         (1,180)         (1,083)           Payments under finance lease obligations         (405)         (373)         (1,180)         (1,083)           Payment sunder finance lease obligations         (405)         (5,000)         (1,360)         (3,135)	Inventories		782	(1,046)	1,893	(3,429)			
Accrued compensation and benefits         2,731         (48)         2,496         371           Contract liabilities         (363)         2,153         (670)         571           Other current liabilities         (1,612)         (583)         (2,703)         (507)           Net cash provided by/(used in) operating activities         846         11,986         (3,367)         20,118           Cash flows from investing activities:         846         11,986         (3,367)         20,118           Cash flows from investing activities:         (3,762)         (3,446)         (11,960)         (8,580)           Purchases of property and equipment         (80)         (174)         (350)         (815)           Net cash used in investing activities         (3,842)         (3,620)         (12,310)         (9,395)           Cash flows from financing activities:         (3,842)         (3,620)         (12,310)         (9,395)           Cash flows from financing activities:         (405)         (373)         (1,180)         (1,083)           Payments under finance lease obligations         (405)         (373)         (1,180)         (1,083)           Payment of tax withholding related to net share settlement of equity awards         (92)         (249)         (1,676)         (3,135)	Prepaid expenses, other current assets, other assets		(661)	838	(4,106)	(2,486)			
Contract liabilities         (363)         2,153         (670)         571           Other current liabilities         (1,612)         (583)         (2,703)         (507)           Net cash provided by/(used in) operating activities         846         11,986         (3,367)         20,118           Cash flows from investing activities:         846         11,986         (3,367)         20,118           Capitalized software development costs         (3,762)         (3,446)         (11,960)         (8,580)           Purchases of property and equipment         (80)         (174)         (350)         (815)           Net cash used in investing activities         (3,842)         (3,620)         (12,310)         (9,395)           Cash flows from financing activities:         (405)         (373)         (1,180)         (1,083)           Payments under finance lease obligations         (405)         (373)         (1,180)         (1,083)           Payment of tax withholding related to net share settlement of equity awards         (92)         (249)         (1,676)         (3,135)           Repurchase of common stock         —         (5,000)         (139)         (7,603)           Payment of DFT holdback amount         —         —         (564)         —           Pa	Accounts payable and other accrued payables		(8,687)	2,068	(14,942)	2,635			
Other current liabilities         (1,612)         (583)         (2,703)         (507)           Net cash provided by/(used in) operating activities         846         11,986         (3,367)         20,118           Cash flows from investing activities:         Use of property and equipment costs         (3,762)         (3,446)         (11,960)         (8,580)           Purchases of property and equipment         (80)         (174)         (350)         (815)           Net cash used in investing activities         (3,842)         (3,620)         (12,310)         (9,395)           Cash flows from financing activities:         Use of property and equipment         (405)         (373)         (1,180)         (1,083)           Payments under finance lease obligations         (405)         (373)         (1,180)         (1,083)           Payment of tax withholding related to net share settlement of equity awards         (92)         (249)         (1,676)         (3,135)           Repurchase of common stock         —         (5,000)         (139)         (7,603)           Payment of DFT holdback amount         —         —         (564)         —           Payments for debt issuance costs         —         —         (114)         —           Net cash used in financing activities	Accrued compensation and benefits		2,731	(48)	2,496	371			
Net cash provided by/(used in) operating activities         846         11,986         (3,367)         20,118           Cash flows from investing activities:         Capitalized software development costs         (3,762)         (3,446)         (11,960)         (8,580)           Purchases of property and equipment         (80)         (174)         (350)         (815)           Net cash used in investing activities         (3,842)         (3,620)         (12,310)         (9,395)           Cash flows from financing activities:         Payments under finance lease obligations         (405)         (373)         (1,180)         (1,083)           Payment of tax withholding related to net share settlement of equity awards         (92)         (249)         (1,676)         (3,135)           Repurchase of common stock         —         (5,000)         (139)         (7,603)           Payment of DFT holdback amount         —         —         (564)         —           Payments for debt issuance costs         —         —         (114)         —           Net cash used in financing activities         (497)         (5,622)         (3,673)         (11,821)           Net change in cash, cash equivalents, and restricted cash         (3,493)         2,744         (19,350)         (1,098)	Contract liabilities		(363)	2,153	(670)	571			
Cash flows from investing activities:       (3,762)       (3,446)       (11,960)       (8,580)         Purchases of property and equipment       (80)       (174)       (350)       (815)         Net cash used in investing activities       (3,842)       (3,620)       (12,310)       (9,395)         Cash flows from financing activities:       The company of the compa	Other current liabilities		(1,612)	(583)	(2,703)	(507)			
Capitalized software development costs       (3,762)       (3,446)       (11,960)       (8,580)         Purchases of property and equipment       (80)       (174)       (350)       (815)         Net cash used in investing activities       (3,842)       (3,620)       (12,310)       (9,395)         Cash flows from financing activities:       Payments under finance lease obligations       (405)       (373)       (1,180)       (1,083)         Payment of tax withholding related to net share settlement of equity awards       (92)       (249)       (1,676)       (3,135)         Repurchase of common stock       —       (5,000)       (139)       (7,603)         Payment of DFT holdback amount       —       —       (564)       —         Payments for debt issuance costs       —       —       (114)       —         Net cash used in financing activities       (497)       (5,622)       (3,673)       (11,821)         Net change in cash, cash equivalents, and restricted cash       (3,493)       2,744       (19,350)       (1,098)         Cash, cash equivalents, and restricted cash, beginning of period       103,581       122,720       119,438       126,562	Net cash provided by/(used in) operating activities		846	11,986	(3,367)	20,118			
Purchases of property and equipment       (80)       (174)       (350)       (815)         Net cash used in investing activities       (3,842)       (3,620)       (12,310)       (9,395)         Cash flows from financing activities:       Payments under finance lease obligations       (405)       (373)       (1,180)       (1,083)         Payment of tax withholding related to net share settlement of equity awards       (92)       (249)       (1,676)       (3,135)         Repurchase of common stock       —       (5,000)       (139)       (7,603)         Payment of DFT holdback amount       —       —       (564)       —         Payments for debt issuance costs       —       —       (114)       —         Net cash used in financing activities       (497)       (5,622)       (3,673)       (11,821)         Net change in cash, cash equivalents, and restricted cash       (3,493)       2,744       (19,350)       (1,098)         Cash, cash equivalents, and restricted cash, beginning of period       103,581       122,720       119,438       126,562	Cash flows from investing activities:								
Net cash used in investing activities       (3,842)       (3,620)       (12,310)       (9,395)         Cash flows from financing activities:       Payments under finance lease obligations       (405)       (373)       (1,180)       (1,083)         Payment of tax withholding related to net share settlement of equity awards       (92)       (249)       (1,676)       (3,135)         Repurchase of common stock       —       (5,000)       (139)       (7,603)         Payment of DFT holdback amount       —       —       (564)       —         Payments for debt issuance costs       —       —       (114)       —         Net cash used in financing activities       (497)       (5,622)       (3,673)       (11,821)         Net change in cash, cash equivalents, and restricted cash       (3,493)       2,744       (19,350)       (1,098)         Cash, cash equivalents, and restricted cash, beginning of period       103,581       122,720       119,438       126,562	Capitalized software development costs		(3,762)	(3,446)	(11,960)	(8,580)			
Cash flows from financing activities:         Payments under finance lease obligations       (405)       (373)       (1,180)       (1,083)         Payment of tax withholding related to net share settlement of equity awards       (92)       (249)       (1,676)       (3,135)         Repurchase of common stock       —       (5,000)       (139)       (7,603)         Payment of DFT holdback amount       —       —       (564)       —         Payments for debt issuance costs       —       —       (114)       —         Net cash used in financing activities       (497)       (5,622)       (3,673)       (11,821)         Net change in cash, cash equivalents, and restricted cash       (3,493)       2,744       (19,350)       (1,098)         Cash, cash equivalents, and restricted cash, beginning of period       103,581       122,720       119,438       126,562	Purchases of property and equipment		(80)	(174)	(350)	(815)			
Payments under finance lease obligations       (405)       (373)       (1,180)       (1,083)         Payment of tax withholding related to net share settlement of equity awards       (92)       (249)       (1,676)       (3,135)         Repurchase of common stock       —       (5,000)       (139)       (7,603)         Payment of DFT holdback amount       —       —       (564)       —         Payments for debt issuance costs       —       —       (114)       —         Net cash used in financing activities       (497)       (5,622)       (3,673)       (11,821)         Net change in cash, cash equivalents, and restricted cash       (3,493)       2,744       (19,350)       (1,098)         Cash, cash equivalents, and restricted cash, beginning of period       103,581       122,720       119,438       126,562	Net cash used in investing activities		(3,842)	(3,620)	(12,310)	(9,395)			
Payment of tax withholding related to net share settlement of equity awards       (92)       (249)       (1,676)       (3,135)         Repurchase of common stock       —       (5,000)       (139)       (7,603)         Payment of DFT holdback amount       —       —       (564)       —         Payments for debt issuance costs       —       —       (114)       —         Net cash used in financing activities       (497)       (5,622)       (3,673)       (11,821)         Net change in cash, cash equivalents, and restricted cash       (3,493)       2,744       (19,350)       (1,098)         Cash, cash equivalents, and restricted cash, beginning of period       103,581       122,720       119,438       126,562	Cash flows from financing activities:								
Repurchase of common stock       —       (5,000)       (139)       (7,603)         Payment of DFT holdback amount       —       —       —       (564)       —         Payments for debt issuance costs       —       —       —       (114)       —         Net cash used in financing activities       (497)       (5,622)       (3,673)       (11,821)         Net change in cash, cash equivalents, and restricted cash       (3,493)       2,744       (19,350)       (1,098)         Cash, cash equivalents, and restricted cash, beginning of period       103,581       122,720       119,438       126,562	Payments under finance lease obligations		(405)	(373)	(1,180)	(1,083)			
Payment of DFT holdback amount         —         —         (564)         —           Payments for debt issuance costs         —         —         —         (114)         —           Net cash used in financing activities         (497)         (5,622)         (3,673)         (11,821)           Net change in cash, cash equivalents, and restricted cash         (3,493)         2,744         (19,350)         (1,098)           Cash, cash equivalents, and restricted cash, beginning of period         103,581         122,720         119,438         126,562	Payment of tax withholding related to net share settlement of equity awards		(92)	(249)	(1,676)	(3,135)			
Payments for debt issuance costs         —         —         (114)         —           Net cash used in financing activities         (497)         (5,622)         (3,673)         (11,821)           Net change in cash, cash equivalents, and restricted cash         (3,493)         2,744         (19,350)         (1,098)           Cash, cash equivalents, and restricted cash, beginning of period         103,581         122,720         119,438         126,562	Repurchase of common stock		_	(5,000)	(139)	(7,603)			
Net cash used in financing activities         (497)         (5,622)         (3,673)         (11,821)           Net change in cash, cash equivalents, and restricted cash         (3,493)         2,744         (19,350)         (1,098)           Cash, cash equivalents, and restricted cash, beginning of period         103,581         122,720         119,438         126,562	Payment of DFT holdback amount		_	_	(564)	_			
Net change in cash, cash equivalents, and restricted cash (3,493) 2,744 (19,350) (1,098) Cash, cash equivalents, and restricted cash, beginning of period 103,581 122,720 119,438 126,562	Payments for debt issuance costs		_	_	(114)	_			
Net change in cash, cash equivalents, and restricted cash (3,493) 2,744 (19,350) (1,098) Cash, cash equivalents, and restricted cash, beginning of period 103,581 122,720 119,438 126,562	Net cash used in financing activities		(497)	(5,622)	(3,673)	(11,821)			
Cash, cash equivalents, and restricted cash, beginning of period 103,581 122,720 119,438 126,562	Net change in cash, cash equivalents, and restricted cash			2,744	(19,350)	(1,098)			
						• • •			
		\$	100,088	\$ 125,464					

#### NON-GAAP FINANCIAL MEASURES

(Unaudited)

Reconciliation of Net Loss to EBITDA, Adjusted EBITDA, EBITDA Margin and Adjusted EBITDA Margin

	For the Three Months Ended							For the Nine Months Ended							
		September	30, 2023		September	30, 2022		September	30, 2023	September	September 30, 2022				
		Amount	Margin		Amount	Margin		Amount	Margin		Amount	Margin			
						(dollars i	in thou	sands)							
Net loss	\$	(8,672)	(24.0) %	\$	(8,455)	(13.3) %	\$	(27,442)	(26.3) %	\$	(39,230)	(23.1) %			
Other income		(1,222)	(3.4) %		(518)	(0.8) %		(5,367)	(5.1) %		(648)	(0.4) %			
Interest expense		178	0.5 %		181	0.3 %		611	0.6 %		558	0.3 %			
Provision for income taxes		23	0.1 %		8	— %		68	0.1 %		133	0.1 %			
Depreciation and amortization		3,215	8.9 %		1,517	2.4 %		6,336	6.0 %		4,427	2.6 %			
EBITDA (Non-GAAP)		(6,478)	(17.9) %		(7,267)	(11.4) %		(25,794)	(24.7) %		(34,760)	(20.5) %			
Stock-based compensation expense (1)		5,218	14.4 %		15,836	24.9 %		22,462	21.5 %		48,843	28.8 %			
Restructuring expenses (2)			— %		_	— %		1,197	1.2 %		_	— %			
Adjusted EBITDA (Non-GAAP)	\$	(1,260)	(3.5) %	\$	8,569	13.5 %	\$	(2,135)	(2.0) %	\$	14,083	8.3 %			

<sup>(1)</sup> The stock-based compensation adjustment to EBITDA is made up of stock-based compensation expense for the awarded restricted stock units ("RSUs"), performance-based restricted stock units ("PSUs") and stock options, and other sources. Stock-based compensation expense for the awarded RSUs, PSUs and stock options was \$5.2 million and \$18.6 million for the three and nine months ended September 30, 2023, respectively, and \$16.1 million and \$46.8 million for the three and nine months ended September 30, 2022, respectively. No stock-based compensation from other sources was recorded for the three months ended September 30, 2023, while \$3.8 million was recorded for the nine months ended September 30, 2023. Stock-based compensation (adjustment)/expense from other sources was \$(0.3) million and \$2.0 million for the three and nine months ended September 30, 2022, 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, it is the Company's discretion whether this compensation will ultimately be paid in stock or cash. The Company has the right to dictate the form of these payments up until the date at which they are paid. Any change to the expected payment form would result in out-of-quarter adjustments to this add back to Adjusted EBITDA.

Reconciliation of Net Loss to Non-GAAP Adjusted Net (Loss)/Income and Adjusted EPS

	For the Three Months Ended								For the Nine Months Ended							
		Septembe	r 30,	2023		Septembe	r 3	0, 2022		Septembe	r 30	, 2023		September 30, 2022		
		Amount	Earnings Per Share			Amount	I	Earnings Per Share		Amount		arnings Per Share		Amount		arnings Per Share
							(ir	n thousands, exce	ept p	per share data)						
Net loss	\$	(8,672)	\$	(0.12)	\$	(8,455)	\$	(0.13)	\$	(27,442)	\$	(0.40)	\$	(39,230)	\$	(0.58)
Adjustments:																
Other income		(1,222)		(0.02)		(518)		(0.01)		(5,367)		(80.0)		(648)		(0.01)
Stock-based compensation expense (1)		5,218		0.07		15,836		0.24		22,462		0.33		48,843		0.72
Restructuring expenses (2)		_		_		_		_		1,197		0.02		_		_
Adjusted net (loss)/income, Adjusted EPS (Non-GAAP)	\$	(4,676)	\$	(0.07)	\$	6,863	\$	0.10	\$	(9,150)	\$	(0.13)	\$	8,965	\$	0.13
Weighted-average shares of common stock outstanding, basic		69,571				67,493				69,062				67,641		

<sup>(1)</sup> The stock-based compensation adjustment to net (loss)/income 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 \$5.2 million and \$18.6 million for the three and nine months ended September 30, 2023, respectively, and \$16.1 million and \$46.8 million for the three and nine months ended September 30, 2022, respectively. No stock-based compensation from other sources was recorded for the three months ended September 30, 2023, while \$3.8 million was recorded for the nine months ended September 30, 2023. Stock-based compensation/(adjustment)/expense from other sources was \$(0.3) million and \$2.0 million for the three and nine months ended September 30, 2022, 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, it is the Company's discretion whether this compensation will ultimately be paid in stock or cash. The Company has the right to dictate the form of these payments up until the date at which they are paid. Any change to the expected payment form would result in out-of-quarter adjustments to this add back to Adjusted Net (Loss)/Income.

<sup>(2)</sup> The restructuring expenses to EBITDA include severance and other related benefit costs (including outplacement services and continuing health insurance coverage), external consulting and advisory fees related to implementing the restructuring plan.

<sup>(2)</sup> The restructuring expenses to net loss include severance and other related benefit costs (including outplacement services and continuing health insurance coverage), external consulting and advisory fees related to implementing the restructuring plan.

Reconciliation of Gross Profit to Non-GAAP Gross Profit; Gross Margin to Non-GAAP Gross Margin

		For the Thre	e Mor	ths Ended			For the Nine Months Ended					
	September	30, 2023		September	30, 2022		September	30, 2023		September 30, 2022		
	Amount	Margin		Amount	Margin	1	Amount	Margin		Amount	Margin	
					(dollars	in thous	sands)					
Gross profit	\$ 13,013	36.0 %	\$	20,945	32.9 %	\$	38,854	37.2 %	\$	60,745	35.8 %	
Adjustments:												
Stock-based compensation expense — cost of sales	73	0.2 %		929	1.5 %		624	0.6 %		2,798	1.6 %	
Depreciation and amortization — cost of sales	1,945	5.3 %		191	0.3 %		2,291	2.2 %		602	0.4 %	
Non-GAAP gross profit	\$ 15,031	41.5 %	\$	22,065	34.7 %	\$	41,769	40.0 %	\$	64,145	37.8 %	

### Free Cash Flow

	]	For the Three	Months Ended		For the Nine I	Months Ended		
	Septem	ber 30, 2023	September 30, 2022	Septer	mber 30, 2023	Septem	ber 30, 2022	
			(in the	ousands)	_			
Net cash provided by/(used in) operating activities	\$	846	\$ 11,986	\$	(3,367)	\$	20,118	
Adjustments:								
Purchases of property and equipment		(80)	(174)		(350)		(815)	
Capitalized software development costs		(3,762)	(3,446)		(11,960)		(8,580)	
Free cash flow (Non-GAAP)	\$	(2,996)	\$ 8,366	\$	(15,677)	\$	10,723	