

Fourth Quarter and Full Year 2025 Earnings

March 16, 2026

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This presentation also includes certain non-GAAP financial measures. These non-GAAP financial measures are in addition to, and not a substitute for or superior to, measures of financial performance prepared in accordance with GAAP. There are a number of limitations related to the use of these non-GAAP financial measures versus their nearest GAAP equivalents. For example, other companies may calculate non-GAAP financial measures differently or may use other measures to evaluate their performance, all of which could reduce the usefulness of our non-GAAP financial measures as tools for comparison. The reader is cautioned not to place undue reliance on non-GAAP financial measures and to evaluate them only in conjunction with their nearest GAAP equivalents. Please see the appendix for reconciliations of these non-GAAP financial measures to their nearest GAAP equivalents and for the calculation of certain other financial measures.

FINANCIAL PERFORMANCE SUMMARY

DELIVERED \$46.8M OF REVENUE, 35.0% GAAP GROSS MARGIN, 41.9% CASH GM¹, AND \$8.0M OF CASH FLOW FROM OPERATIONS

4Q 2025 Summary

- Delivered \$46.8M of Revenue vs. guidance of \$44.0M to \$46.3M; YoY revenue growth of 77%
 - Security Solutions (“SS”) up 105% YoY; Results exceeded guidance assumptions due to better than forecasted performance within Telos ID
 - Secure Networks (“SN”) down 56% YoY; Results in line with guidance assumptions
- Delivered 35.0% GAAP Gross Margin (“GM”) vs. ~34.0% - 34.5% assumed in guidance
 - Cash Gross Margin¹ was 41.9% and exceeded the assumed guidance range primarily due to better than forecasted performance within Telos ID
- Adjusted Operating Expenses¹ approximately \$1.0M better than guidance assumptions due to lower than forecasted costs across several areas
- Adjusted EBITDA¹ above top end of guidance range primarily due to higher than forecasted Cash Gross Profit¹ within Telos ID and lower Adjusted Operating Expenses¹
- Cash Flow from Operations was \$8.0M or a 17.1% margin and Free Cash Flow¹ was \$6.3M or a 13.4% margin

	FY 2025 Actual	4Q 2025 Actual	4Q 2025 Guidance / Assumptions
Revenue	\$164.8M	\$46.8M	\$44.0M to \$46.3M
Revenue Growth	+52% YoY	+77% YoY	+67% to +76% YoY
GAAP Gross Profit	\$61.0M <i>37.0% GAAP GM 42.7% Cash GM¹</i>	\$16.4M <i>35.0% GAAP GM 41.9% Cash GM¹</i>	~34.0% to 34.5% GAAP GM ~40.0% to 41.0% Cash GM ¹
Adjusted EBITDA ¹	\$18.1M <i>11.0% Margin¹</i>	\$7.3M <i>15.6% Margin¹</i>	\$4.0M to \$5.7M ~9.1% to 12.3% Margin ¹
Adjusted EPS ¹	\$0.09	\$0.06	
Cash Flow	\$30.2M Cash Flow From Ops <i>18.3% Margin</i> \$21.3M Free Cash Flow ¹ <i>12.9% Margin¹</i>	\$8.0M Cash Flow From Ops <i>17.1% Margin</i> \$6.3M Free Cash Flow ¹ <i>13.4% Margin¹</i>	

77.4% Revenue Growth, 36.7% Incremental Adjusted EBITDA Margin¹, and 13.4% FCF Margin¹ in 4Q 2025



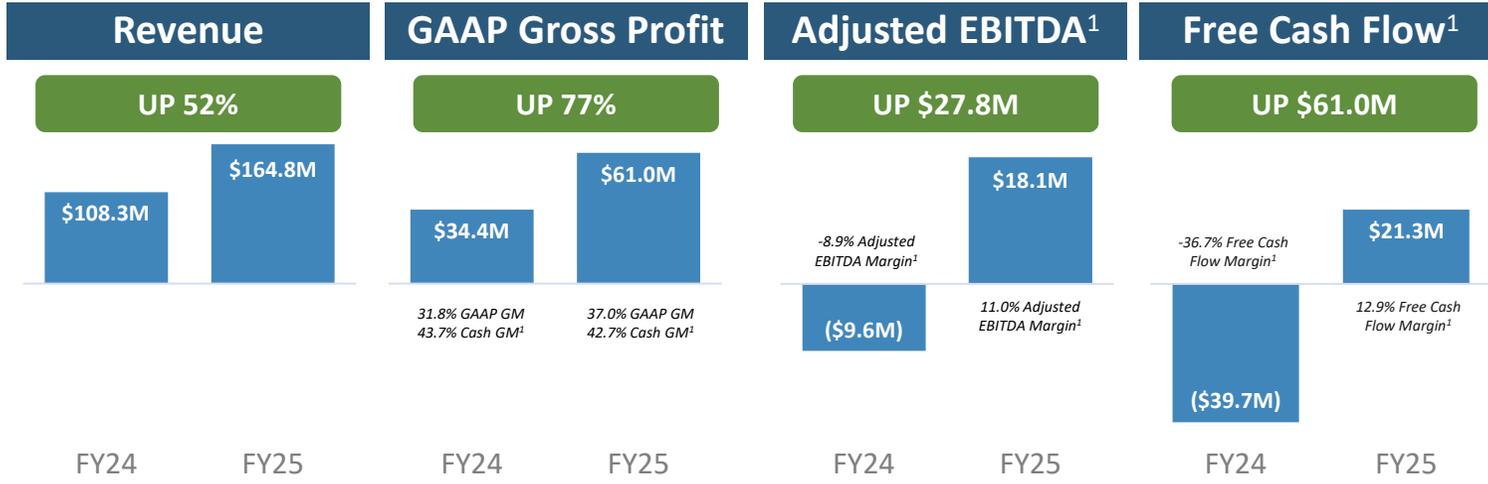
Notes:

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

FINANCIAL PERFORMANCE SUMMARY

SIGNIFICANT YEAR-OVER-YEAR BUSINESS EXPANSION IN 2025

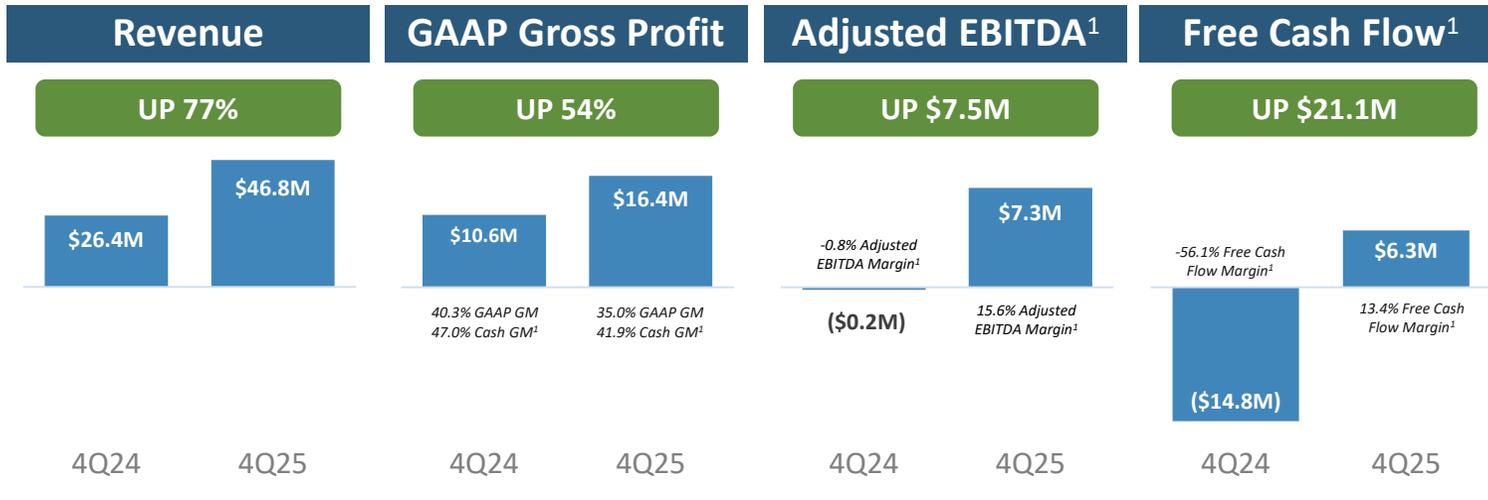
FY YoY



FY YoY Commentary

- Revenue:** Security Solutions up 95% to \$149.6M primarily due to expansion within the Telos ID portfolio. Secure Networks down 52% to \$15.2M primarily due to the ramp down and completion of certain programs as expected.
- Gross Profit:** GAAP Gross Profit up \$26.6M due to higher Revenue. GAAP GM is also up 523 bps primarily due to impairment charges in 3Q24. Cash GM¹ down 104 bps primarily due to higher non-cash infrastructure costs.
- Adjusted EBITDA¹:** Up \$27.8M to \$18.1M; Higher Cash Gross Profit¹ (due to higher Revenue) and lower Adjusted Operating Expenses¹ excluding depreciation and amortization due to 2024 restructuring and ongoing expense management.
- Free Cash Flow¹:** Total company up \$61.0M due to higher Adjusted EBITDA¹, lower CAPEX and capitalized software development costs, and favorable working capital dynamics. FCF margin¹ was 12.9%.
- Capital Deployment:** Deployed \$13.6M to repurchase 3.1M shares at an average price of \$4.38.

4Q YoY



4Q YoY Commentary

- Revenue:** Security Solutions up 105% to \$44.8M primarily due to expansion within the Telos ID portfolio. Secure Networks down 56% to \$1.9M primarily due to the completion of certain programs as expected.
- Gross Profit:** GAAP Gross Profit up \$5.7M due to higher Revenue. GAAP GM down 529 bps. Cash GM¹ down 505 bps primarily due to mix and higher non-cash infrastructure costs.
- Adjusted EBITDA¹:** Up \$7.5M to \$7.3M; primarily as a result of higher Cash Gross Profit¹ (due to higher Revenue). Adjusted Operating Expenses¹ excluding depreciation and amortization are also slightly lower.
- Free Cash Flow¹:** Total company up \$21.1M due to higher Adjusted EBITDA¹, lower CAPEX and capitalized software development costs, and favorable working capital dynamics. FCF margin¹ was 13.4%.
- Capital Deployment:** Deployed \$6.0M to repurchase over 1M shares at an average price of \$5.78.

52.2% Revenue Growth, 49.1% Incremental Adjusted EBITDA Margin¹, and 12.9% FCF Margin¹ in FY 2025



Notes:

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

DOUBLE DIGIT REVENUE GROWTH WITH ADJUSTED EBITDA MARGIN EXPANSION IN 2026

	Guidance	
	FY 2026 Low End	FY 2026 High End
Revenue	\$187M <i>+14% YoY</i>	\$200M <i>+21% YoY</i>
Adjusted EBITDA ¹	\$20.6M <i>11.0% Margin¹</i>	\$28.0M <i>14.0% Margin¹</i>

	1Q 2026 Low End	1Q 2026 High End
Revenue	\$44.0M <i>+44% YoY</i>	\$45.0M <i>+47% YoY</i>
Adjusted EBITDA ¹	\$4.5M <i>10.2% Margin¹</i>	\$5.0M <i>11.1% Margin¹</i>

Guidance Assumptions

FY Assumptions

- Revenue forecasted to grow 14% to 21%, primarily due to expansion within Telos ID
- Cash Gross Margin¹ approximately 37.0 – 39.5%
- Cash Operating Expenses¹ approximately \$1.5M to \$4.0M lower YoY due to ongoing expense management
- Adjusted EBITDA¹ improves YoY with Adjusted EBITDA Margins¹ of 11.0% to 14.0%

1Q Assumptions

- Revenue forecasted to grow 44% to 47%, primarily due to expansion within Telos ID
- Cash Gross Margin¹ over 39%
- Cash Operating Expenses¹ approximately \$1.0M lower YoY due to ongoing expense management
- Adjusted EBITDA¹ improves from a \$0.4M gain in 1Q25 with Adjusted EBITDA Margins¹ of 10.2% to 11.1%

Forecasting 17% Revenue Growth and 22% Incremental Adjusted EBITDA Margin¹ at Midpoint of FY Guidance

Notes:

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

SUMMARY

2025 Was a Transformational Year for Telos with Strong Revenue Growth, Significant Adjusted EBITDA Margin Expansion and a Dramatic Improvement in Cash Generation

Successfully Delivered on Large Programs, Secured New Business and Scaled Our Operating Model

Returned Capital to Shareholders via Share Repurchases While Maintaining a Liquid and Flexible Balance Sheet

Forecasting Double-Digit Revenue Growth, Increased Operating Leverage and Adjusted EBITDA Margin Expansion in 2026

Appendix

NON-GAAP FINANCIAL MEASURES

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

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

2026 OUTLOOK

2026 FY ADDITIONAL MODELING ASSUMPTIONS

	2025 Full Year	2026E Full Year	2026E FY Commentary
GAAP Gross Margin	37.0%	~30.5% - 33.5%	<ul style="list-style-type: none"> See Cash GM¹ commentary below
Cash Gross Margin ¹	42.7%	~37.0% - 39.5%	<ul style="list-style-type: none"> SS down YoY; SN up YoY More favorable revenue mix between SS and SN (SS 98% vs. 91% for 2025FY)
Stock Based Compensation (SBC)	\$30.2M	~\$11.0M - \$35.0M	<ul style="list-style-type: none"> ~\$0.9M in COS in FY26
Depreciation & Amortization	\$11.5M	~\$14.4M	<ul style="list-style-type: none"> ~22% is included in Adjusted Operating Expenses¹ in FY26
Basic Weighted Average Share Count	72.9M	~75.6M	
Tax Rate Benefit / (Provision)	1.8%	-	<ul style="list-style-type: none"> Not meaningful
CAPEX & Capitalized Software	\$8.9M	~\$9.5M	<ul style="list-style-type: none"> FY26 CAPEX ~\$1.8M
Cash Operating Expenses ¹	\$60.3M	~\$56.3M - \$58.8M	<ul style="list-style-type: none"> Down YoY due to ongoing expense management
Adjusted Operating Expenses ¹	\$55.5M	~\$51.8M - \$54.3M	<ul style="list-style-type: none"> Down YoY due to lower spend as indicated above; Partially offset by lower capitalization of software development costs

Notes:

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

2026 OUTLOOK

2026 1Q ADDITIONAL MODELING ASSUMPTIONS

	2025 1Q	2026E 1Q	2026E 1Q Commentary
GAAP Gross Margin	39.8%	Over 33.0%	<ul style="list-style-type: none"> See Cash GM¹ commentary below
Cash Gross Margin ¹	45.3%	Over 39.0%	<ul style="list-style-type: none"> SS down YoY; SN up YoY More favorable revenue mix between SS and SN (SS 96% vs. 84% in 1Q25)
Stock Based Compensation (SBC)	\$7.0M	~\$3.3M	<ul style="list-style-type: none"> ~\$0.2M in COS in 1Q26
Depreciation & Amortization	\$2.3M	~\$3.3M	<ul style="list-style-type: none"> ~24% is included in Adjusted Operating Expenses¹ in 1Q26
Basic Weighted Average Share Count	72.7M	~73.9M	
Tax Rate Benefit / (Provision)	-	-	<ul style="list-style-type: none"> Not meaningful
CAPEX & Capitalized Software	\$2.3M	~\$2.2M	<ul style="list-style-type: none"> 1Q26 CAPEX ~\$0.2M
Cash Operating Expenses ¹	\$15.8M	~\$14.8M	<ul style="list-style-type: none"> Down YoY due to ongoing expense management
Adjusted Operating Expenses ¹	\$14.3M	~\$13.6M	<ul style="list-style-type: none"> Down YoY due to lower spend as indicated above; Partially offset by lower capitalization of software development costs

Notes:

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

2025 RESULTS

GAAP AND ADJUSTED FULL YEAR RESULTS

(Amounts in thousands, unaudited)

	2025																												
	Three Months Ended March 31, 2025				Three Months Ended June 30, 2025				Three Months Ended September 30, 2025				Three Months Ended December 31, 2025				Twelve Months Ended December 31, 2025												
	GAAP	SBC	Other Inc	Adjusted	GAAP	SBC	Other Inc	Adjusted	GAAP	SBC	Other Inc	Adj*	Adjusted	GAAP	SBC	Other Inc	Impairment	Restructure	Adj*	Adjusted	GAAP	SBC	Other Inc	Impairment	Restructure	Adj*	Adjusted		
Revenue																													
Security Solutions	\$ 25,818	\$ -	\$ -	\$ 25,818	\$ 32,474	\$ -	\$ -	\$ 32,474	\$ 46,478	\$ -	\$ -	\$ -	\$ 46,478	\$ 44,830	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 44,830	\$ 149,600	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 149,600	
Secure Networks	4,798	-	-	4,798	3,494	-	-	3,494	4,966	-	-	-	4,966	1,947	-	-	-	-	-	-	1,947	15,205	-	-	-	-	-	15,205	
Total	30,616	-	-	30,616	35,968	-	-	35,968	51,444	-	-	-	51,444	46,777	-	-	-	-	-	46,777	164,805	-	-	-	-	-	164,805		
Gross Profit																													
Security Solutions	11,060	169	-	11,229	11,298	139	-	11,437	19,286	142	-	-	19,428	15,915	144	-	-	401	-	-	16,460	57,559	594	-	-	401	-	58,554	
Secure Networks	1,122	21	-	1,143	634	10	-	644	1,260	12	-	-	1,272	442	15	-	-	93	-	-	550	3,458	58	-	-	93	-	3,609	
Total	12,182	190	-	12,372	11,932	149	-	12,081	20,546	154	-	-	20,700	16,357	159	-	-	494	-	-	17,010	61,017	652	-	-	494	-	62,163	
Gross Margin																													
Security Solutions	42.8%	0.7%	0.0%	43.5%	34.8%	0.4%	0.0%	35.2%	41.5%	0.3%	0.0%	0.0%	41.8%	35.5%	0.3%	0.0%	0.0%	0.9%	0.0%	36.7%	38.5%	0.4%	0.0%	0.0%	0.3%	0.0%	39.1%		
Secure Networks	23.4%	0.4%	0.0%	23.8%	18.1%	0.3%	0.0%	18.4%	25.4%	0.2%	0.0%	0.0%	25.6%	22.7%	0.8%	0.0%	0.0%	4.8%	0.0%	28.2%	22.7%	0.4%	0.0%	0.0%	0.6%	0.0%	23.7%		
Total	39.8%	0.6%	0.0%	40.4%	33.2%	0.4%	0.0%	33.6%	39.9%	0.3%	0.0%	0.0%	40.2%	35.0%	0.3%	0.0%	0.0%	1.1%	0.0%	36.4%	37.0%	0.4%	0.0%	0.0%	0.3%	0.0%	37.7%		
Operating Expenses																													
Research and Development	1,571	40	-	1,531	1,512	244	-	1,268	1,899	421	-	-	1,478	2,075	533	-	-	150	-	-	1,392	7,057	1,238	-	-	150	-	5,669	
Selling, General and Administrative	19,633	6,818	-	12,815	20,303	7,364	-	12,939	21,115	8,813	-	-	12,302	17,874	5,265	-	-	857	-	-	11,752	78,925	28,260	-	-	857	-	49,808	
Goodwill Impairment	-	-	-	-	-	-	-	-	-	-	-	-	-	14,916	-	-	14,916	-	-	-	-	14,916	-	-	14,916	-	-	-	
Total	21,204	6,858	-	14,346	21,815	7,608	-	14,207	23,014	9,234	-	-	13,780	34,865	5,798	-	14,916	1,007	-	13,144	100,898	29,498	-	14,916	1,007	-	55,477		
EBIT / Operating (Loss)/Income	(9,022)	7,048	-	(1,974)	(9,883)	7,757	-	(2,126)	(2,468)	9,388	-	-	6,920	(18,508)	5,957	-	14,916	1,501	-	3,866	(39,881)	30,150	-	14,916	1,501	-	6,686		
Interest Expense	(147)	-	-	(147)	(141)	-	-	(141)	(136)	-	-	-	(136)	(129)	-	-	-	-	-	-	(129)	(553)	-	-	-	-	-	(553)	
Other Income	561	-	(561)	-	553	-	(553)	-	511	-	(511)	-	-	1,600	-	(1,600)	-	-	-	-	-	3,225	-	(3,225)	-	-	-	-	
Earnings Before Taxes (EBT)	(8,608)	7,048	(561)	(2,121)	(9,471)	7,757	(553)	(2,267)	(2,093)	9,388	(511)	-	6,784	(17,037)	5,957	(1,600)	14,916	1,501	-	3,737	(37,209)	30,150	(3,225)	14,916	1,501	-	6,133		
Benefit from (Provision for) Income Taxes	4	-	-	4	(46)	-	-	(46)	(21)	-	-	-	(21)	726	-	-	-	-	-	-	726	663	-	-	-	-	-	663	
Net (Loss)/Income	\$(6,604)	\$ 7,048	\$(561)	\$(2,117)	\$(9,517)	\$ 7,757	\$(553)	\$(2,313)	\$(2,114)	\$ 9,388	\$(511)	\$(6,763)	\$(16,311)	\$ 5,957	\$(1,600)	\$ 14,916	\$ 1,501	\$(6,463)	\$(36,546)	\$ 30,150	\$(3,225)	\$ 14,916	\$ 1,501	\$(6,796)	\$(11,451)	\$(6,796)	\$ 18,137		
Share Count - Basic	72,715	72,715	72,715	72,715	73,163	73,163	73,163	73,163	72,580	72,580	72,580	-	72,580	73,053	73,053	73,053	73,053	73,053	-	73,053	72,878	72,878	72,878	72,878	72,878	72,878	72,878	72,878	72,878
Share Count - Diluted	72,715	72,715	72,715	72,715	73,163	73,163	73,163	73,163	72,580	72,580	72,580	2,972	75,552	73,053	73,053	73,053	73,053	73,053	5,136	78,189	72,878	72,878	72,878	72,878	72,878	72,878	72,878	77,131	
EPS - Basic	\$(0.12)	\$ 0.10	\$(0.01)	\$(0.03)	\$(0.13)	\$ 0.11	\$(0.01)	\$(0.03)	\$(0.03)	\$ 0.13	\$(0.01)	\$(0.09)	\$(0.22)	\$ 0.08	\$(0.02)	\$ 0.20	\$ 0.02	\$(0.06)	\$(0.50)	\$ 0.41	\$(0.04)	\$ 0.20	\$ 0.02	\$(0.02)	\$(0.02)	\$(0.02)	\$(0.09)		
EPS - Diluted	\$(0.12)	\$ 0.10	\$(0.01)	\$(0.03)	\$(0.13)	\$ 0.11	\$(0.01)	\$(0.03)	\$(0.03)	\$ 0.13	\$(0.01)	\$(0.09)	\$(0.22)	\$ 0.08	\$(0.02)	\$ 0.20	\$ 0.02	\$(0.06)	\$(0.50)	\$ 0.41	\$(0.04)	\$ 0.20	\$ 0.02	\$(0.02)	\$(0.02)	\$(0.09)			
Net (Loss)/Income	\$(8,604)	\$ 7,048	\$(561)	\$(2,117)	\$(9,517)	\$ 7,757	\$(553)	\$(2,313)	\$(2,114)	\$ 9,388	\$(511)	\$(6,763)	\$(16,311)	\$ 5,957	\$(1,600)	\$ 14,916	\$ 1,501	\$(6,463)	\$(36,546)	\$ 30,150	\$(3,225)	\$ 14,916	\$ 1,501	\$(6,796)	\$(11,451)	\$(6,796)	\$ 18,137		
Other Income	(561)	-	561	-	(553)	-	553	-	(511)	-	511	-	-	(1,600)	-	1,600	-	-	-	-	-	(3,225)	-	3,225	-	-	-	-	
Interest Expense	147	-	-	147	141	-	-	141	136	-	-	-	136	129	-	-	-	-	-	-	129	553	-	-	-	-	553		
(Benefit from) Provision for Income Taxes	(4)	-	-	(4)	46	-	-	46	21	-	-	-	21	(726)	-	-	-	-	-	-	(726)	(663)	-	-	-	-	(663)		
Depreciation & Amortization	2,336	-	-	2,336	2,509	-	-	2,509	3,177	-	-	-	3,177	3,429	-	-	-	-	-	-	3,429	11,451	-	-	-	-	11,451		
EBITDA	\$(6,686)	\$ 7,048	\$(561)	\$(362)	\$(7,374)	\$ 7,757	\$(553)	\$(383)	\$ 709	\$ 9,388	\$(511)	\$(10,097)	\$(15,079)	\$ 5,957	\$(1,600)	\$ 14,916	\$ 1,501	\$(6,279)	\$(28,430)	\$ 30,150	\$(3,225)	\$ 14,916	\$ 1,501	\$(6,796)	\$(11,451)	\$(6,796)	\$ 18,137		
Net cash provided by (used) in operating activities	\$ 6,106				\$ 6,950				\$ 9,146				\$ 7,980							\$ 30,182									
Capitalized Software Development Costs	(2,214)				(2,187)				(2,095)				(1,680)								(8,176)								
Purchase of Property and Equipment	(123)				(134)				(452)				(30)								(739)								
Free Cash Flow	\$ 3,769				\$ 4,629				\$ 6,599				\$ 6,270								\$ 21,267								

*Adjusted for potentially dilutive shares due to adjusted net income

2024 RESULTS

GAAP AND ADJUSTED FULL YEAR RESULTS

(Amounts in thousands, unaudited)

	2024																										
	Three Months Ended March 31, 2024					Three Months Ended June 30, 2024					Three Months Ended September 30, 2024					Three Months Ended December 31, 2024					Twelve Months Ended December 31, 2024						
	GAAP	SBC	Other Inc	Restructure	Adjusted	GAAP	SBC	Other Inc	Adjusted	GAAP	SBC	Other Inc	Impairment	Restructure	Adjusted	GAAP	SBC	Other Inc	Restructure	Adjusted	GAAP	SBC	Other Inc	Impairment	Restructure	Adjusted	
Revenue																											
Security Solutions	\$ 18,640	\$ -	\$ -	\$ -	\$ 18,640	\$ 17,867	\$ -	\$ -	\$ 17,867	\$ 18,332	\$ -	\$ -	\$ -	\$ -	\$ 18,332	\$ 21,921	\$ -	\$ -	\$ -	\$ 21,921	\$ 76,760	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 76,760
Secure Networks	10,979	-	-	-	10,979	10,631	-	-	10,631	5,451	-	-	-	-	5,451	4,451	-	-	-	4,451	31,512	-	-	-	-	-	31,512
Total	29,619	-	-	-	29,619	28,498	-	-	28,498	23,783	-	-	-	-	23,783	26,372	-	-	-	26,372	108,272	-	-	-	-	-	108,272
Gross Profit																											
Security Solutions	8,626	176	-	-	8,802	7,265	162	-	7,427	2,310	117	-	5,333	272	8,032	9,478	212	-	(21)	9,669	27,679	667	-	5,333	251	33,930	
Secure Networks	2,335	81	-	-	2,416	2,442	66	-	2,508	833	(2)	-	-	121	952	1,140	16	-	(31)	1,125	6,750	161	-	-	90	7,001	
Total	10,961	257	-	-	11,218	9,707	228	-	9,935	3,143	115	-	5,333	393	8,984	10,618	228	-	(52)	10,794	34,429	828	-	5,333	341	40,931	
Gross Margin																											
Security Solutions	46.3%	0.9%	0.0%	0.0%	47.2%	40.7%	0.9%	0.0%	41.6%	12.6%	0.6%	0.0%	29.1%	1.5%	43.8%	43.2%	1.0%	0.0%	-0.1%	44.1%	36.1%	0.9%	0.0%	6.9%	0.3%	44.2%	
Secure Networks	21.3%	0.7%	0.0%	0.0%	22.0%	23.0%	0.6%	0.0%	23.6%	15.3%	0.0%	0.0%	0.0%	2.2%	17.5%	25.6%	0.4%	0.0%	-0.7%	25.3%	21.4%	0.5%	0.0%	0.0%	0.3%	22.2%	
Total	37.0%	0.9%	0.0%	0.0%	37.9%	34.1%	0.8%	0.0%	34.9%	13.2%	0.5%	0.0%	22.4%	1.7%	37.8%	40.3%	0.9%	0.0%	-0.2%	40.9%	31.8%	0.8%	0.0%	4.9%	0.3%	37.8%	
Operating Expenses																											
Research and Development	3,170	428	-	-	2,742	1,459	(877)	-	2,336	2,409	188	-	-	164	2,057	1,404	140	-	(26)	1,290	8,442	(121)	-	-	138	8,425	
Selling, General and Administrative	16,229	2,299	-	(10)	13,940	16,892	2,868	-	14,024	23,225	8,511	-	-	890	13,824	19,141	7,026	-	(89)	12,204	75,487	20,704	-	-	791	53,992	
Impairment loss on intangible assets	-	-	-	-	-	-	-	-	-	6,373	-	-	6,373	-	-	-	-	-	-	-	6,373	-	-	6,373	-	-	
Total	19,399	2,727	-	(10)	16,682	18,351	1,991	-	16,360	32,007	8,699	-	6,373	1,054	15,881	20,545	7,166	-	(115)	13,494	90,302	20,583	-	6,373	929	62,417	
EBIT / Operating (Loss)/Income	(8,438)	2,984	-	(10)	(5,464)	(8,644)	2,219	-	(6,425)	(28,864)	8,814	-	11,706	1,447	(6,897)	(9,927)	7,394	-	(167)	(2,700)	(55,873)	21,411	-	11,706	1,270	(21,486)	
Interest Expense	(175)	-	-	-	(175)	(160)	-	-	(160)	(157)	-	-	-	-	(157)	(152)	-	-	-	(152)	(644)	-	-	-	-	(644)	
Other Income	1,252	-	(1,252)	-	-	1,064	-	(1,064)	-	983	-	(983)	-	-	-	724	-	(724)	-	-	4,023	-	(4,023)	-	-	-	
Earnings Before Taxes (EBT)	(7,361)	2,984	(1,252)	(10)	(5,639)	(7,740)	2,219	(1,064)	(6,585)	(28,038)	8,814	(983)	11,706	1,447	(7,054)	(9,355)	7,394	(724)	(167)	(2,852)	(52,494)	21,411	(4,023)	11,706	1,270	(22,130)	
Benefit from (Provision for) Income Taxes	(17)	-	-	-	(17)	(17)	-	-	(17)	(17)	-	-	-	-	(17)	25	-	-	-	25	(26)	-	-	-	-	(26)	
Net (Loss)/Income	\$ (7,378)	\$ 2,984	\$ (1,252)	\$ (10)	\$ (5,656)	\$ (7,757)	\$ 2,219	\$ (1,064)	\$ (6,602)	\$ (28,055)	\$ 8,814	\$ (983)	\$ 11,706	\$ 1,447	\$ (7,071)	\$ (9,330)	\$ 7,394	\$ (724)	\$ (167)	\$ (2,827)	\$ (52,520)	\$ 21,411	\$ (4,023)	\$ 11,706	\$ 1,270	\$ (22,156)	
Weighted Average Share Count	70,628	70,628	70,628	70,628	70,628	72,017	72,017	72,017	72,017	72,309	72,309	72,309	72,309	72,309	72,309	72,435	72,435	72,435	72,435	72,435	71,850	71,850	71,850	71,850	71,850	71,850	
EPS	\$ (0.10)	\$ 0.04	\$ (0.02)	\$ -	\$ (0.08)	\$ (0.11)	\$ 0.03	\$ (0.01)	\$ (0.09)	\$ (0.39)	\$ 0.12	\$ (0.01)	\$ 0.16	\$ 0.02	\$ (0.10)	\$ (0.13)	\$ 0.10	\$ (0.01)	\$ -	\$ (0.04)	\$ (0.73)	\$ 0.30	\$ (0.06)	\$ 0.16	\$ 0.02	\$ (0.31)	
Net (Loss)/Income	\$ (7,378)	\$ 2,984	\$ (1,252)	\$ (10)	\$ (5,656)	\$ (7,757)	\$ 2,219	\$ (1,064)	\$ (6,602)	\$ (28,055)	\$ 8,814	\$ (983)	\$ 11,706	\$ 1,447	\$ (7,071)	\$ (9,330)	\$ 7,394	\$ (724)	\$ (167)	\$ (2,827)	\$ (52,520)	\$ 21,411	\$ (4,023)	\$ 11,706	\$ 1,270	\$ (22,156)	
Other Income	(1,252)	-	1,252	-	-	(1,064)	-	1,064	-	(983)	-	983	-	-	-	(724)	-	724	-	-	(4,023)	-	4,023	-	-	-	
Interest Expense	175	-	-	-	175	160	-	-	160	157	-	-	-	-	157	152	-	-	-	152	644	-	-	-	-	644	
(Benefit from) Provision for Income Taxes	17	-	-	-	17	17	-	-	17	17	-	-	-	-	17	(25)	-	-	-	(25)	26	-	-	-	-	26	
Depreciation & Amortization	3,129	-	-	-	3,129	3,491	-	-	3,491	2,748	-	-	-	-	2,748	2,499	-	-	-	2,499	11,867	-	-	-	-	11,867	
EBITDA	\$ (5,309)	\$ 2,984	\$ -	\$ (10)	\$ (2,335)	\$ (5,153)	\$ 2,219	\$ -	\$ (2,934)	\$ (26,116)	\$ 8,814	\$ -	\$ 11,706	\$ 1,447	\$ (4,149)	\$ (7,428)	\$ 7,394	\$ -	\$ (167)	\$ (201)	\$ (44,006)	\$ 21,411	\$ -	\$ 11,706	\$ 1,270	\$ (9,619)	
Net cash used in operating activities	\$ (350)					\$ (7,990)				\$ (7,080)					\$ (10,518)					\$ (25,938)							
Capitalized Software Development Costs	(3,202)					(3,113)				(2,789)					(2,401)					(11,505)							
Purchase of Property and Equipment	(97)					(235)				(49)					(1,871)					(2,252)							
Free Cash Flow	\$ (3,649)					\$ (11,338)				\$ (9,918)					\$ (14,790)					\$ (39,695)							

2025 RESULTS

CASH GROSS PROFIT & CASH GROSS MARGIN FULL YEAR RESULTS

(Amounts in thousands, unaudited)

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

2024 RESULTS

CASH GROSS PROFIT & CASH GROSS MARGIN FULL YEAR RESULTS

(Amounts in thousands, unaudited)

	2024					
	Three Months Ended				Twelve Months Ended	
	March 31, 2024	June 30, 2024	September 30, 2024	December 31, 2024	December 31, 2024	
Revenue						
Security Solutions	\$ 18,640	\$ 17,867	\$ 18,332	\$ 21,921	\$ 76,760	
Secure Networks	10,979	10,631	5,451	4,451	31,512	
Total	\$ 29,619	\$ 28,498	\$ 23,783	\$ 26,372	\$ 108,272	
GAAP Gross Profit						
Security Solutions	\$ 8,626	\$ 7,265	\$ 2,310	\$ 9,478	\$ 27,679	
Secure Networks	2,335	2,442	833	1,140	6,750	
Total	\$ 10,961	\$ 9,707	\$ 3,143	\$ 10,618	\$ 34,429	
GAAP Gross Margin						
Security Solutions	46.3%	40.7%	12.6%	43.2%	36.1%	
Secure Networks	21.3%	23.0%	15.3%	25.6%	21.4%	
Total	37.0%	34.1%	13.2%	40.3%	31.8%	
Stock Based Compensation - Cost of Sales						
Security Solutions	\$ 176	\$ 162	\$ 117	\$ 212	\$ 667	
Secure Networks	81	66	(2)	16	161	
Total	\$ 257	\$ 228	\$ 115	\$ 228	\$ 828	
Impairment - Cost of Sales						
Security Solutions	\$ -	\$ -	\$ 5,333	\$ -	\$ 5,333	
Secure Networks	-	-	-	-	-	
Total	\$ -	\$ -	\$ 5,333	\$ -	\$ 5,333	
Restructuring Costs - Cost of Sales						
Security Solutions	\$ -	\$ -	\$ 272	\$ (21)	\$ 251	
Secure Networks	-	-	121	(31)	90	
Total	\$ -	\$ -	\$ 393	\$ (52)	\$ 341	
Adjusted Gross Profit						
Security Solutions	\$ 8,802	\$ 7,427	\$ 8,032	\$ 9,669	\$ 33,930	
Secure Networks	2,416	2,508	952	1,125	7,001	
Total	\$ 11,218	\$ 9,935	\$ 8,984	\$ 10,794	\$ 40,931	
Adjusted Gross Margin						
Security Solutions	47.2%	41.6%	43.8%	44.1%	44.2%	
Secure Networks	22.0%	23.6%	17.5%	25.3%	22.2%	
Total	37.9%	34.9%	37.8%	40.9%	37.8%	
Depreciation & Amortization - Cost of Sales						
Security Solutions	\$ 1,275	\$ 2,037	\$ 1,488	\$ 1,596	\$ 6,396	
Secure Networks	3	2	2	1	8	
Total	\$ 1,278	\$ 2,039	\$ 1,490	\$ 1,597	\$ 6,404	
Cash Gross Profit						
Security Solutions	\$ 10,077	\$ 9,464	\$ 9,520	\$ 11,265	\$ 40,326	
Secure Networks	2,419	2,510	954	1,126	7,009	
Total	\$ 12,496	\$ 11,974	\$ 10,474	\$ 12,391	\$ 47,335	
Cash Gross Margin						
Security Solutions	54.1%	53.0%	51.9%	51.4%	52.5%	
Secure Networks	22.0%	23.6%	17.5%	25.3%	22.2%	
Total	42.2%	42.0%	44.0%	47.0%	43.7%	

RECONCILIATIONS

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

(Amounts in thousands, unaudited)

	For the Three Months Ended December 31,						For the Year Ended December 31,					
	2025		2024		Year-over-Year Change		2025		2024		Year-over-Year Change	
	Amount	Margin	Amount	Margin	Amount	Margin	Amount	Margin	Amount	Margin	Amount	Margin
Net loss	\$ (16,311)	(34.9)%	\$ (9,330)	(35.4)%	\$ (6,981)	(34.2)%	\$ (36,546)	(22.2)%	\$ (52,520)	(48.5)%	\$ 15,974	28.3 %
Other income	(1,600)	(3.4)%	(724)	(2.8)%	(876)	(4.3)%	(3,225)	(2.0)%	(4,023)	(3.7)%	798	1.4 %
Interest expense	129	0.3 %	152	0.6 %	(23)	(0.1)%	553	0.3 %	644	0.6 %	(91)	(0.2)%
(Benefit from) provision for income taxes	(726)	(1.5)%	(25)	(0.1)%	(701)	(3.5)%	(663)	(0.3)%	26	— %	(689)	(1.2)%
Depreciation and amortization	3,429	7.3 %	2,499	9.5 %	930	4.5 %	11,451	6.9 %	11,867	11.0 %	(416)	(0.7)%
EBITDA (Non-GAAP)	(15,079)	(32.2)%	(7,428)	(28.2)%	(7,651)	(37.6)%	(28,430)	(17.3)%	(44,006)	(40.6)%	15,576	27.6 %
Stock-based compensation expense ⁽¹⁾	5,957	12.7 %	7,394	28.0 %	(1,437)	(7.0)%	30,150	18.3 %	21,411	19.8 %	8,739	15.4 %
Goodwill impairment	14,916	31.9 %	—	— %	14,916	73.1 %	14,916	9.1 %	—	— %	14,916	26.4 %
Impairment loss on intangible assets	—	— %	—	— %	—	— %	—	— %	11,706	10.8 %	(11,706)	(20.7)%
Restructuring expenses ⁽²⁾	1,501	3.2 %	(167)	(0.6)%	1,668	8.2 %	1,501	0.9 %	1,270	1.1 %	231	0.4 %
Adjusted EBITDA (Non-GAAP)	\$ 7,295	15.6 %	\$ (201)	(0.8)%	\$ 7,496	36.7 %	\$ 18,137	11.0 %	\$ (9,619)	(8.9)%	\$ 27,756	49.1 %

⁽¹⁾ The stock-based compensation expense to EBITDA is made up of stock-based compensation expense for the awarded RSUs, PSUs, and stock options, and other sources. Stock-based compensation expense for the awarded RSUs, PSUs and stock options was \$4.3 million and \$24.0 million for the three and twelve months ended December 31, 2025, respectively, and \$6.9 million and \$19.4 million for the three and twelve months ended December 31, 2024, respectively. Stock-based compensation expense from other sources was \$1.7 million and \$6.1 million for the three and twelve months ended December 31, 2025, respectively, and \$0.5 million and \$2.1 million for the three and twelve months ended December 31, 2024, respectively. The other sources of stock-based compensation consist of accrued compensation, which the Company intends to settle in shares of the Company's common stock. However, the Company has the discretion to determine whether this compensation will ultimately be paid in stock or cash up until the date at which it is paid. Any change to the expected payment form would result in out-of-quarter adjustments to this add back to Adjusted EBITDA.

⁽²⁾ The restructuring expenses include severance and other related benefit costs, and other non-cash restructuring costs related to implementing the restructuring plan.

RECONCILIATIONS

ADJUSTED NET INCOME (LOSS) AND ADJUSTED EPS

(Amounts in thousands, unaudited)

	For the Three Months Ended December 31,		For the Year Ended December 31,	
	2025	2024	2025	2024
Net loss	\$ (16,311)	\$ (9,330)	\$ (36,546)	\$ (52,520)
Adjustments:				
Other income	(1,600)	(724)	(3,225)	(4,023)
Stock-based compensation expense ⁽¹⁾	5,957	7,394	30,150	21,411
Goodwill impairment	14,916	—	14,916	—
Impairment loss on intangible assets ⁽³⁾	—	—	—	11,706
Restructuring expenses ⁽²⁾	1,501	(167)	1,501	1,270
Adjusted net income (loss) (Non-GAAP)	\$ 4,463	\$ (2,827)	\$ 6,796	\$ (22,156)
Earnings (loss) per share, diluted	\$ (0.22)	\$ (0.13)	\$ (0.50)	\$ (0.73)
Adjustments:				
Other income	(0.02)	(0.01)	(0.04)	(0.06)
Stock-based compensation expense ⁽¹⁾	0.08	0.10	0.41	0.30
Goodwill impairment	0.20	—	0.21	—
Impairment loss on intangible assets	—	—	—	0.16
Restructuring expenses ⁽²⁾	0.02	—	0.02	0.02
Adjustment to diluted earnings per share ⁽³⁾	—	—	(0.01)	—
Adjusted earnings (loss) per share, diluted (Non-GAAP)	\$ 0.06	\$ (0.04)	\$ 0.09	\$ (0.31)
Weighted-average shares to compute GAAP loss per share, diluted	73,053	72,435	72,878	71,850
Weighted-average shares to compute non-GAAP earnings (loss) per share, diluted ⁽³⁾	78,189	72,435	77,131	71,850

⁽¹⁾ The stock-based compensation expense to EBITDA is made up of stock-based compensation expense for the awarded RSUs, PSUs, and stock options, and other sources.

Stock-based compensation expense for the awarded RSUs, PSUs and stock options was \$4.3 million and \$24.0 million for the three and twelve months ended December 31, 2025, respectively, and \$6.9 million and \$19.4 million for the three and twelve months ended December 31, 2024, respectively. Stock-based compensation expense from other sources was \$1.7 million and \$6.1 million for the three and twelve months ended December 31, 2025, respectively, and \$0.5 million and \$2.1 million for the three and twelve months ended December 31, 2024, respectively. The other sources of stock-based compensation consist of accrued compensation, which the Company intends to settle in shares of the Company's common stock. However, the Company has the discretion to determine whether this compensation will ultimately be paid in stock or cash up until the date at which it is paid. Any change to the expected payment form would result in out-of-quarter adjustments to this add back to Adjusted Net Income (Loss).

⁽²⁾ The restructuring expenses 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.

⁽³⁾ For a period of net loss, potentially dilutive shares are not included in the calculation of diluted earnings (loss) per share, because to do so would be anti-dilutive. This is an adjustment used to reconcile GAAP earnings (loss) per share (excluding potentially dilutive shares) with non-GAAP earnings per share (including potentially dilutive shares).

RECONCILIATIONS

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

(Amounts in thousands, unaudited)

	For the Three Months Ended December 31,				For the Year Ended December 31,			
	2025		2024		2025		2024	
	Amount	Margin	Amount	Margin	Amount	Margin	Amount	Margin
Gross profit	16,357	35.0 %	10,618	40.3 %	61,017	37.0 %	\$ 34,429	31.8 %
Adjustments:								
Stock-based compensation expense — cost of sales	159	0.3 %	228	0.8 %	652	0.4 %	828	0.8 %
Impairment loss on intangible assets – cost of sales	—	— %	—	— %	—	— %	5,333	4.9 %
Restructuring expenses — cost of sales	494	1.1 %	(52)	(0.2)%	494	0.3 %	341	0.3 %
Adjusted gross profit (Non-GAAP)	17,010	36.4 %	10,794	40.9 %	62,163	37.7 %	40,931	37.8 %
Depreciation and amortization — cost of sales	2,606	5.5 %	1,597	6.1 %	8,180	5.0 %	\$ 6,404	5.9 %
Cash gross profit (Non-GAAP)	19,616	41.9 %	12,391	47.0 %	70,343	42.7 %	47,335	43.7 %

RECONCILIATIONS

FREE CASH FLOW AND FREE CASH FLOW MARGIN

(Amounts in thousands, unaudited)

	For the Three Months Ended December 31,		For the Year Ended December 31,	
	2025	2024	2025	2024
Net cash flows provided by (used in) operating activities	\$ 7,980	\$ (10,518)	\$ 30,182	\$ (25,938)
Adjustments:				
Capitalized software development costs	(1,680)	(2,401)	(8,176)	(11,505)
Purchases of property and equipment, net	(30)	(1,871)	(739)	(2,252)
Free cash flow (Non-GAAP)	\$ 6,270	\$ (14,790)	\$ 21,267	\$ (39,695)
Revenue	\$ 46,777	\$ 26,372	\$ 164,805	\$ 108,272
Operating cash flow margin	17.1 %	(39.9)%	18.3 %	(24.0)%
Free cash flow margin (Non-GAAP)	13.4 %	(56.1)%	12.9 %	(36.7)%

RECONCILIATIONS

ADJUSTED OPERATING EXPENSES AND CASH OPERATING EXPENSES

(Amounts in thousands, unaudited)

	For the Three Months Ended December 31,		For the Year Ended December 31,	
	2025	2024	2025	2024
Operating expenses	\$ 34,865	\$ 20,545	\$ 100,898	\$ 90,302
Adjustments:				
Stock-based compensation expense	(5,798)	(7,166)	(29,498)	(20,583)
Goodwill impairment	(14,916)	—	(14,916)	—
Impairment loss on intangible assets	—	—	—	(6,373)
Restructuring expenses	(1,007)	115	(1,007)	(929)
Adjusted operating expenses (Non-GAAP)	13,144	13,494	55,477	62,417
Depreciation and amortization	(823)	(902)	(3,271)	(5,463)
Capitalized software development costs	1,579	2,403	8,055	11,262
Cash operating expenses (Non-GAAP)	\$ 13,900	\$ 14,995	\$ 60,261	\$ 68,216



Solutions that **empower**
and **protect** the enterprise.™