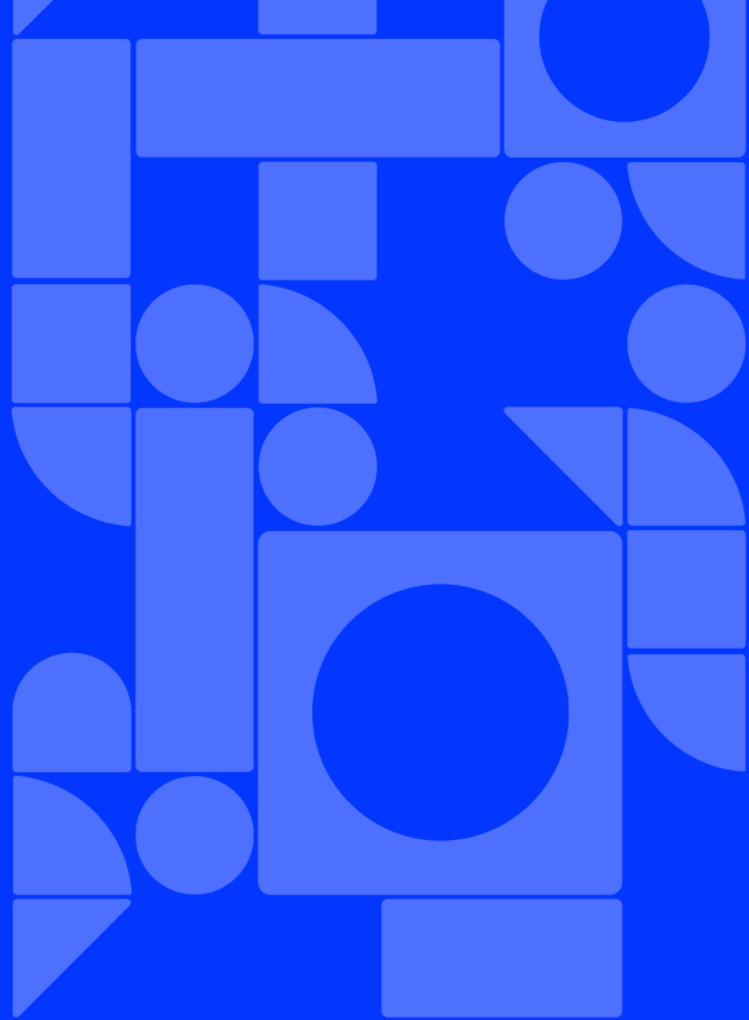


# Q4 2023 Investor Presentation

Five9 (NASDAQ: FIVN)



The Intelligent Cloud Contact Center

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In addition to U.S. GAAP financials, this presentation 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 U.S. GAAP and may differ from non-GAAP measures used by other companies in our industry. The Company considers these non-GAAP financial measures to be important because they provide useful measures of the operating performance of the Company, exclusive of unusual events, as well as factors that do not directly affect what we consider to be our core operating performance. The non-GAAP financial measures should not be considered a substitute for financial information presented in accordance with GAAP. Please see the reconciliation of non-GAAP financial measures to the most directly comparable GAAP measure set forth in the Appendix to this presentation.

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

# 2023 and Q4 Highlights

## Strong Financial Results

- 2023 revenue was a record \$910.5M, representing 17% YoY growth
- Q4'23 revenue was a record \$239.1M, representing 15% YoY growth
- LTM ENT subscription revenue growth of 25% YoY
- 2023 adjusted EBITDA margin of 18.3%
- Q4'23 adjusted EBITDA margin of 20.2%
- Record operating cash flow of \$36.5M, or 15% of revenue

## Up-market Execution

- Enterprise business accounted for 87% of LTM revenue
- 183 \$1M+ ARR customers represented 50%+ of recurring revenue
- Significant enterprise wins
  - Non-profit healthcare organization: \$3.6M in ARR
  - Prominent university: \$2.0M in ARR
  - Healthcare services network: \$1.6M in ARR
- Regional bank added a business unit and other products, increasing ARR to over \$1.9M

# 2023 and Q4'23 Highlights (cont'd)

## Channel and International Momentum

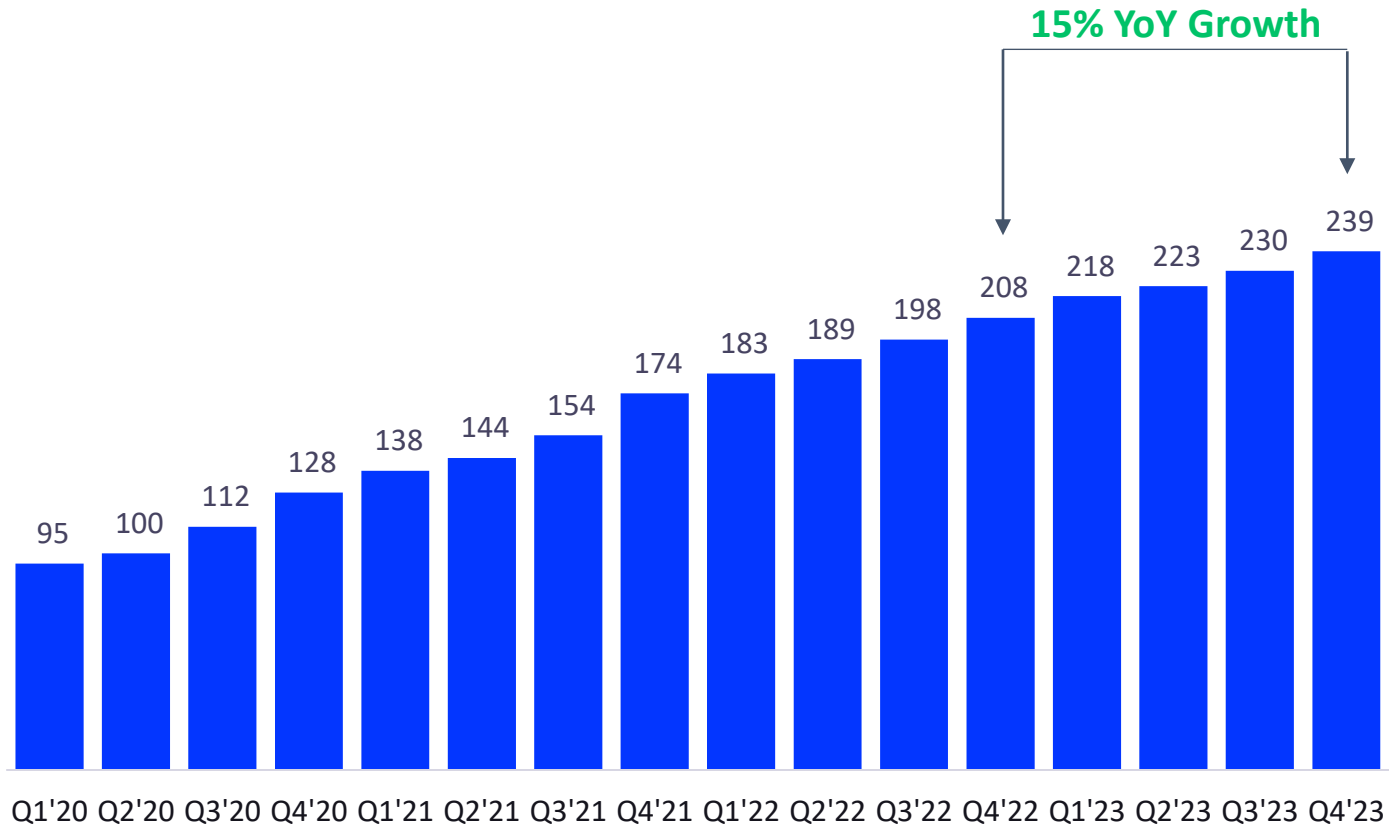
- 2023 international revenue grew 28% YoY
- Expanded footprint in the DACH region
- Listed our intelligent CX platform on Google Cloud Marketplace
- In 2023, number of global partner sales certifications tripled YoY, and partner implementations doubled during the same period
- 51 partners booked more than \$1M in ACV in 2023

## Platform Strength

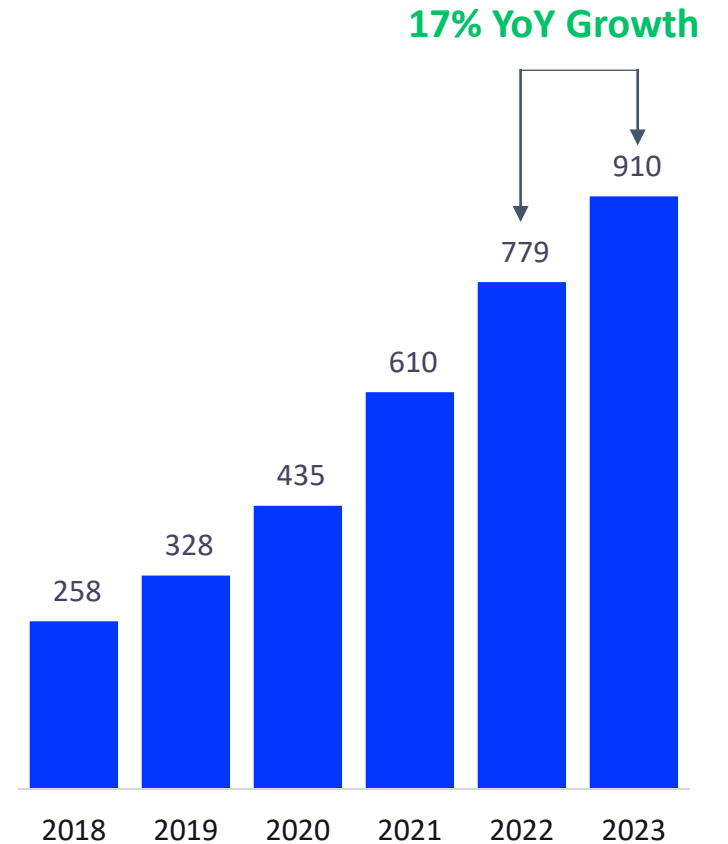
- AI & Automation made up 17% of our total ACV new logo bookings for Enterprise and 7% of Enterprise subscription revenue in Q4
- YoY bookings growth for Agent Assist, which includes AI Summaries, accelerated in each of the last 3 quarters, culminating in a 6x increase in Q4
- Named a global leader in the 2024 Aragon Research Globe for Conversational AI

# Consistent Revenue Growth

## Quarterly Revenue (\$M)

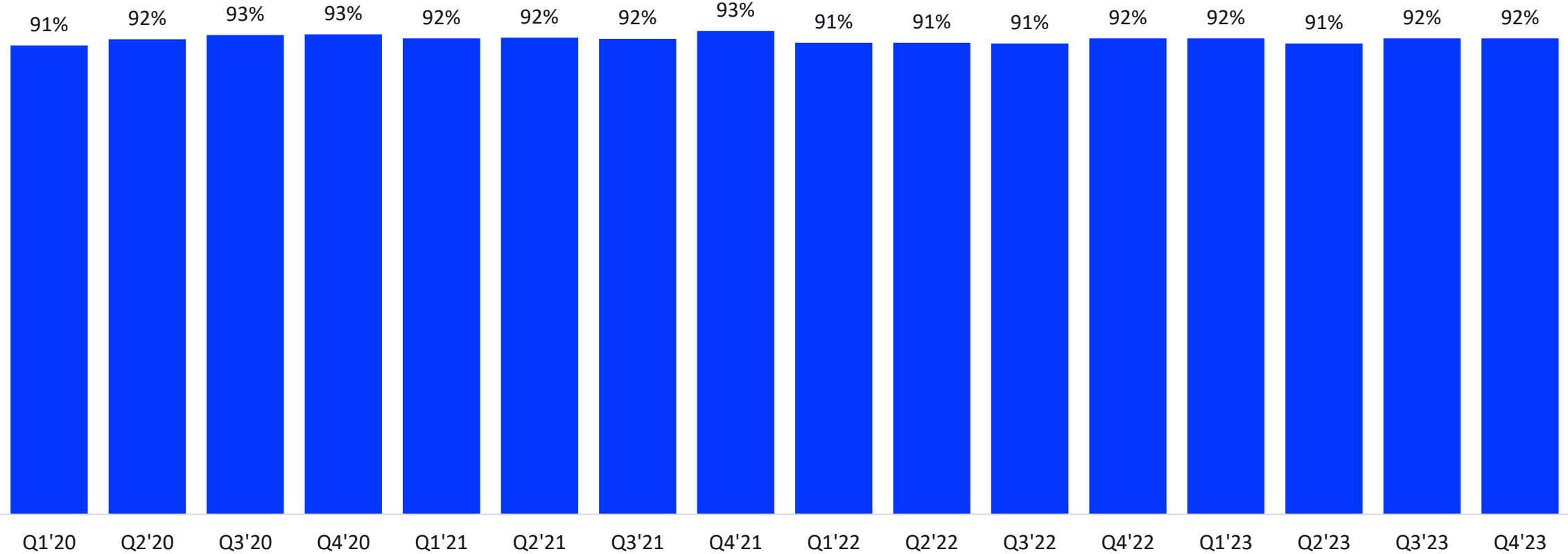


## Annual Revenue (\$M)



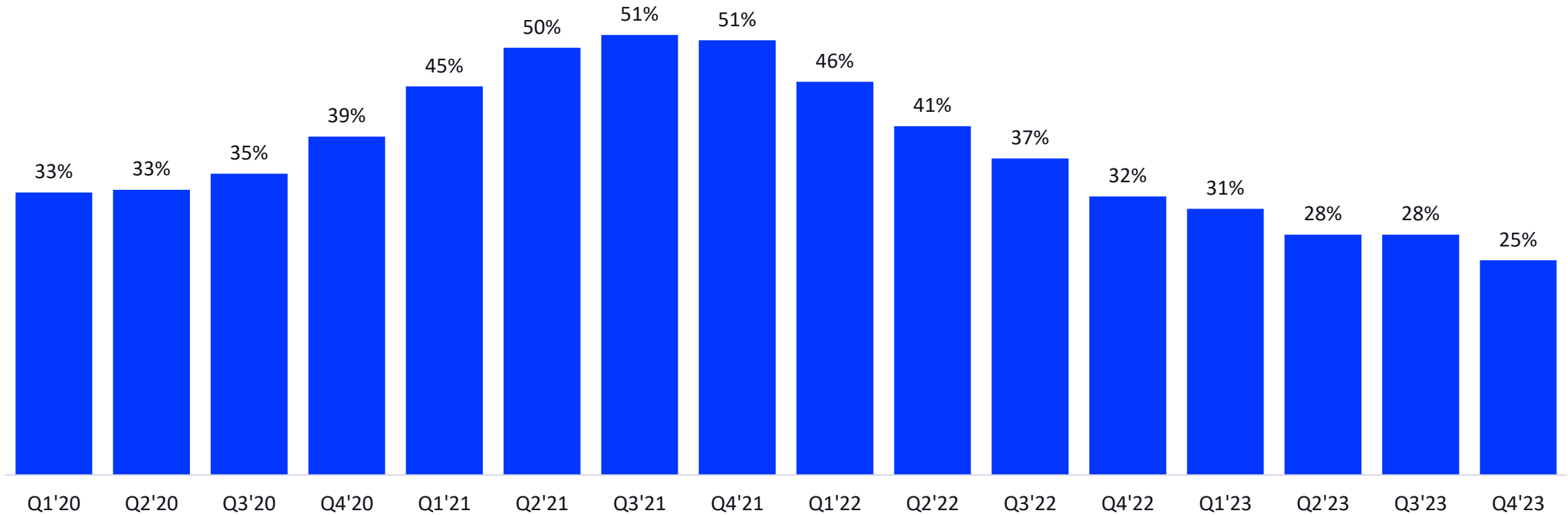
# Attractive Revenue Visibility

Recurring as a % of Total Revenue



# Executing on Enterprise Opportunity

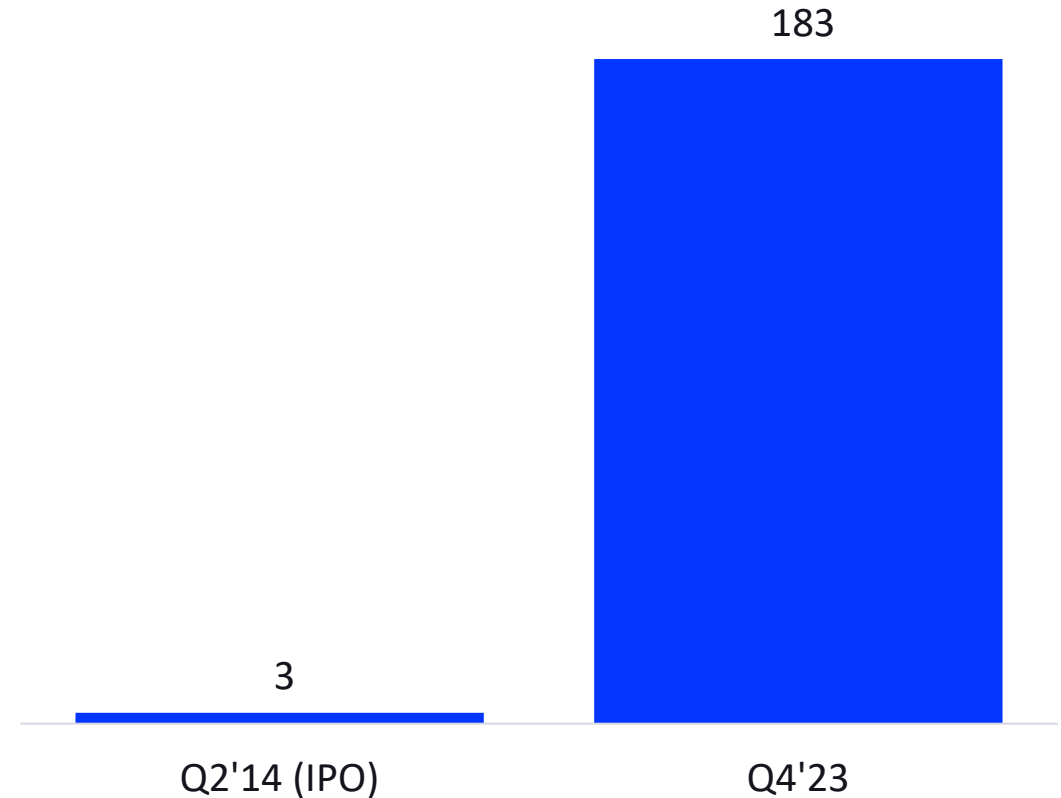
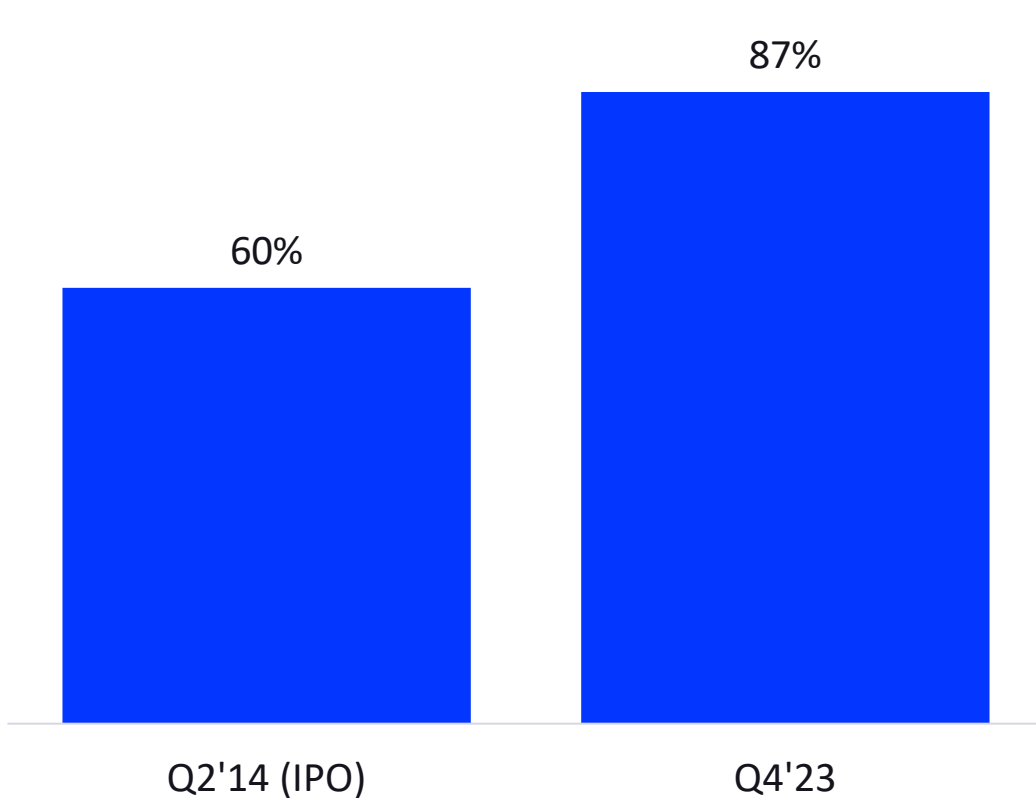
% YoY Enterprise Subscription Revenue Growth (LTM)



# Executing on Enterprise Opportunity (cont'd)

Enterprise as a % of Total Revenue (LTM)

Enterprise Customers \$1M+ ARR (Q4'23 Ann.)



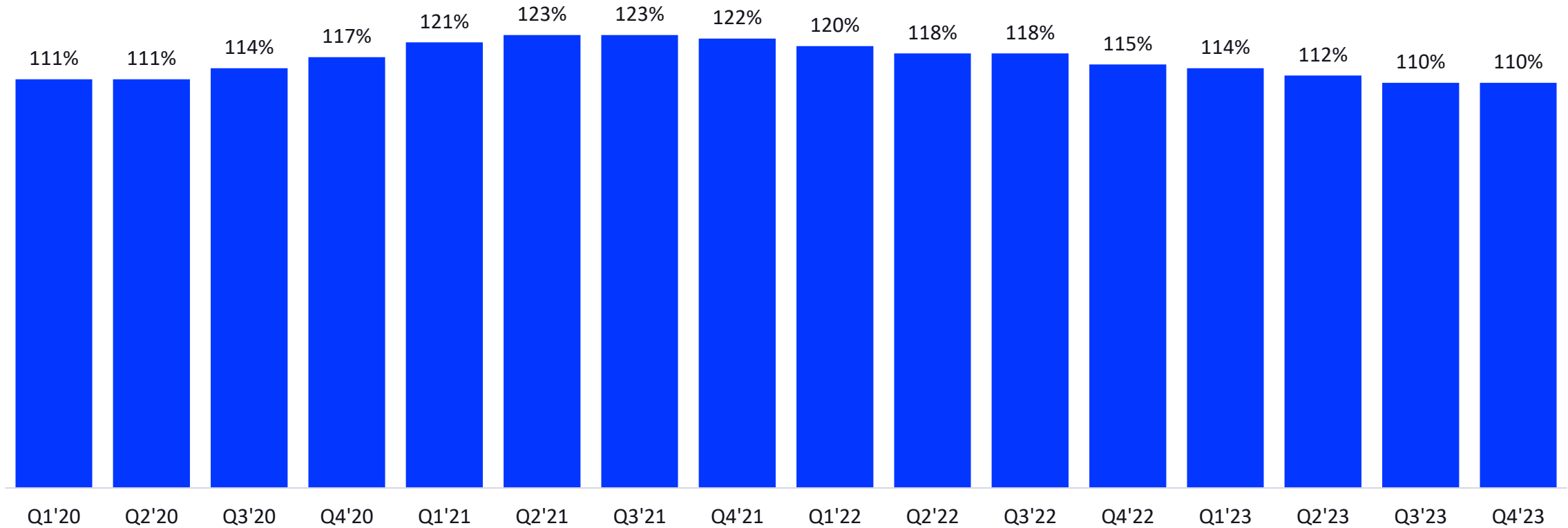
Note: Historical results prior to 2018 based on ASC 605; \$1M+ ARR based on Q4'23 annualized





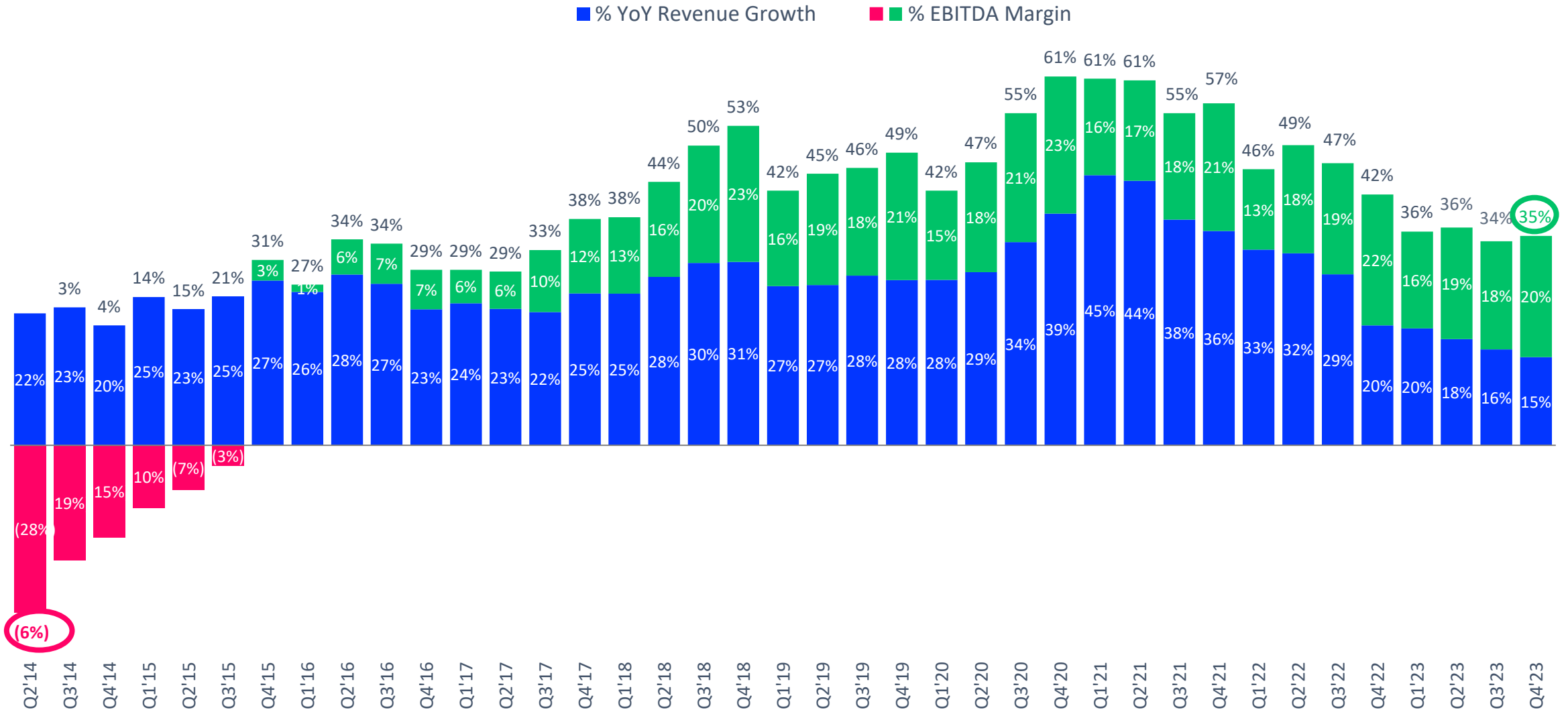
# High Customer Retention

**% Annual Dollar Based Retention Rate (DBRR)**



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

# Continuing to Drive Balanced Growth



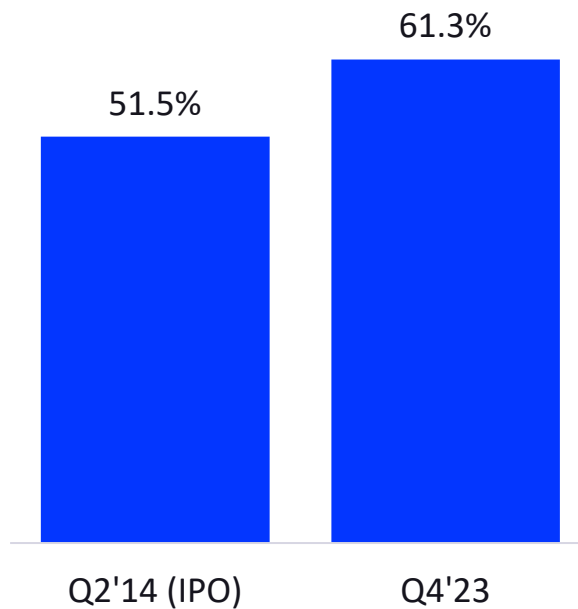
Note: ASC 605 for periods prior to 2018

# Robust Margin Expansion and Operating Leverage

Non-GAAP

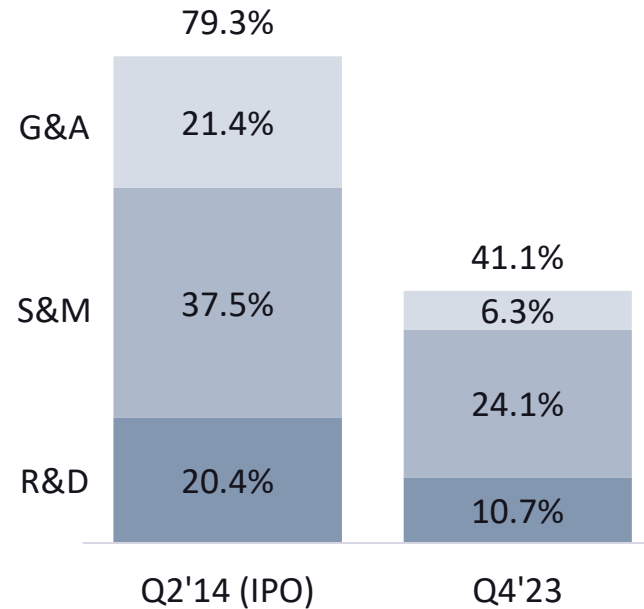
## Adj. Gross Margin

9.8% expansion



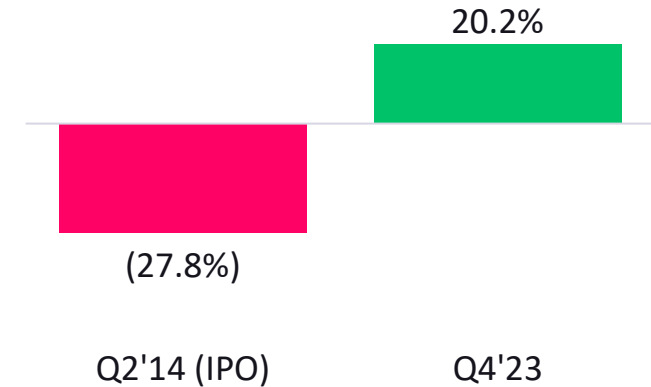
## Non-GAAP Opex (% of revenue)

38.2% improvement



## Adj. EBITDA Margin

48.0% expansion

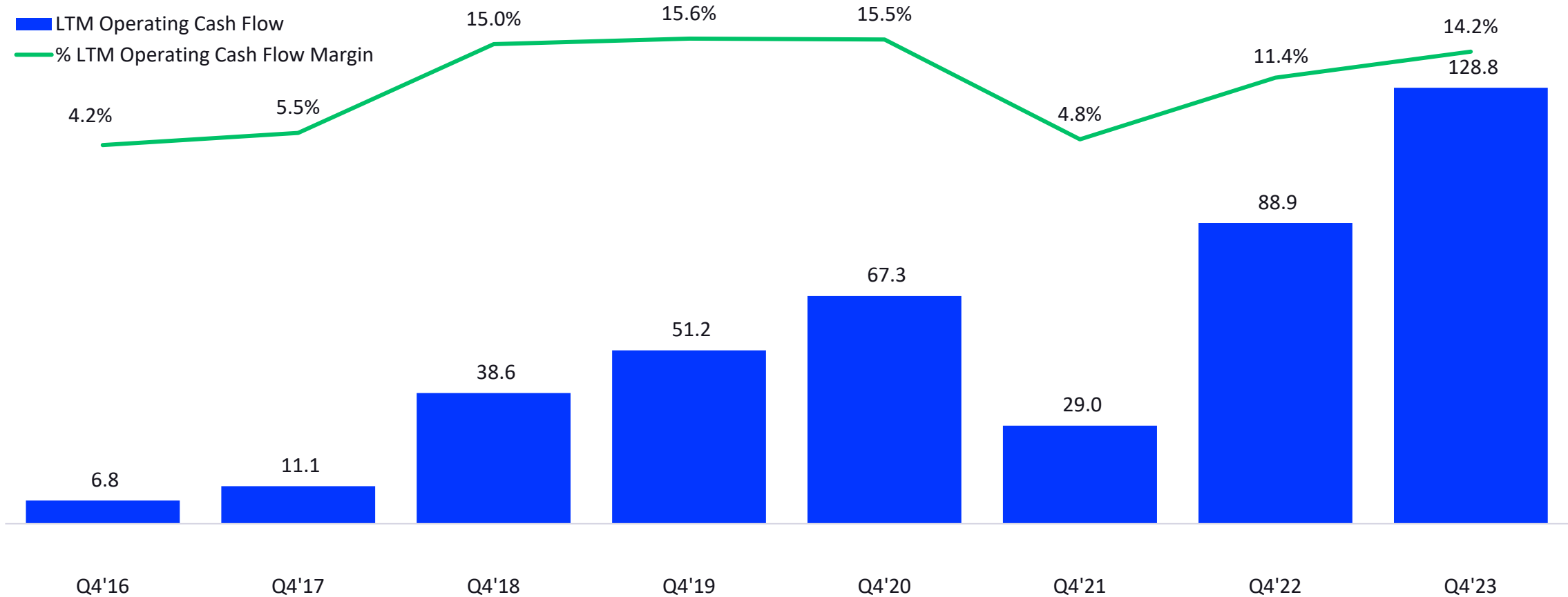


Note: Non-GAAP metrics exclude depreciation, intangibles amortization, stock-based compensation and unusual transactions. Q2'14 metrics based on ASC 605. See appendix for reconciliation of non-GAAP measures to most comparable GAAP measure

# Operating Cash Flow and Margin

## LTM Operating Cash Flow (\$M)

*DSO of 32 days in Q4'23*



Note: Historical operating cash flow margin prior to 2018 based on ASC 605 revenue

# Balance Sheet Summary

\$ in Millions	Quarter Ended	
	December 31, 2023	December 31, 2022
Cash, cash equivalents and marketable investments	\$730.3	\$615.1
Working capital	756.8	627.9
Total assets	1,494.6	1,244.5
Total debt	742.1	738.5
Total stockholders' equity	538.1	310.0

# Q1'24 and 2024 Guidance

	Q1'24	2024
Revenue	\$239.0M - \$240.0M	\$1.053B - \$1.057B
GAAP Net Loss Per Basic Share	(\$0.34) – (\$0.28)	(\$0.61) – (\$0.53)
Non-GAAP Net Income Per Diluted Share	\$0.37 - \$0.39	\$2.14 - \$2.18
Basic Shares	73.6M	74.6M
Diluted Shares	74.7M	75.9M
Taxes	\$850K	\$3.9M
Purchase of PP&E	\$13M - \$14M	\$57M - \$59M

Note: Refer to the “GAAP to Non-GAAP Net Income (Loss) Reconciliation – Guidance” table in the appendix for more details, including important assumptions upon which such guidance is based.

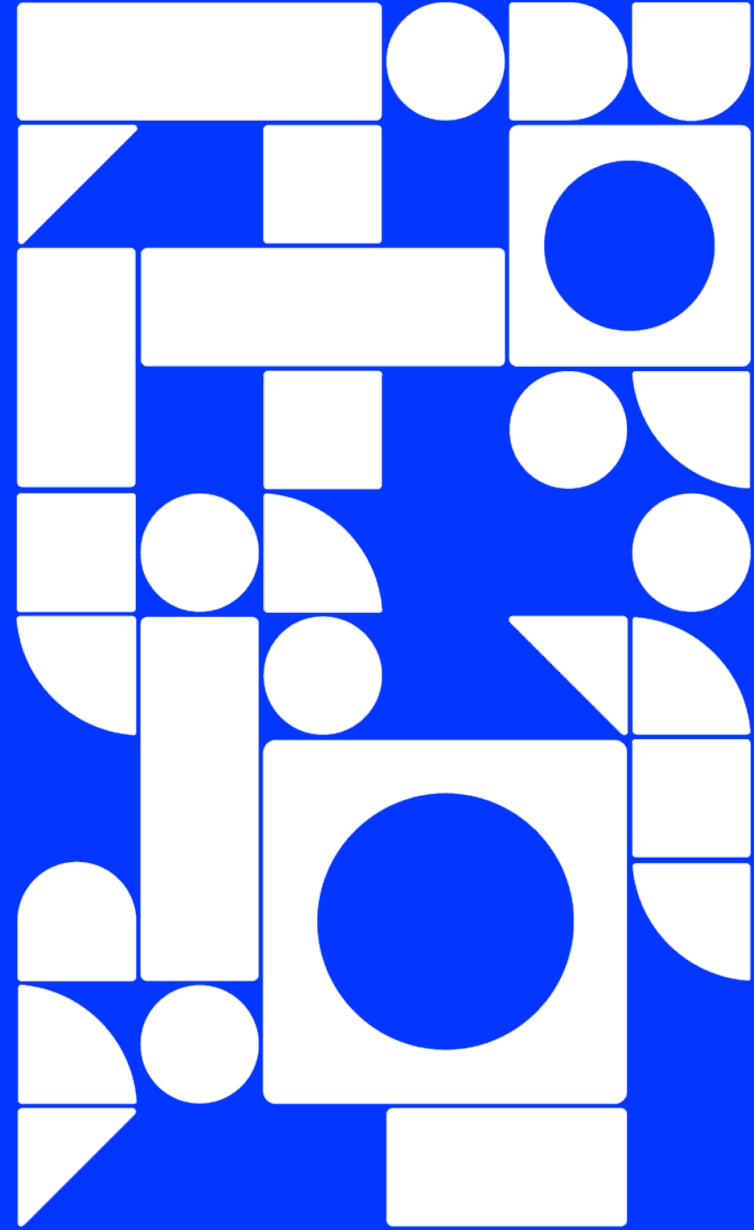
# Long-Term Operating Model

Non-GAAP

<b>% of Revenue</b>	<b>Today Q4'23</b>		<b>Long-Term Model 2027</b>	
Revenue	\$239M		Continued growth in Enterprise subscriptions	\$2.4B
Adj. Gross Margin	61%		Subscription margin expansion and increasing subscription mix	70%+
S&M	24%		Continued investments in GTM in line with revenue growth	26% - 30%
R&D	11%		Continued investments in innovation	12% - 14%
G&A	6%		Economies of scale	5% - 7%
Adj. EBITDA	20%			23%+

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

# Appendix





# GAAP to Adjusted Gross Profit Reconciliation

## Q2'14 – Q4'17

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

Note: Historical results prior to 2018 based on ASC 605

# GAAP to Adjusted Gross Profit Reconciliation

Q1'18 – Q4'21

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

# GAAP to Adjusted Gross Profit Reconciliation

## Q1'22 – Q4'23

	Quarter Ended							
	Q1'22	Q2'22	Q3'22	Q4'22	Q1'23	Q2'23	Q3'23	Q4'23
GAAP gross profit	\$ 93,910	\$ 101,153	\$ 104,231	\$ 112,051	\$ 113,683	\$ 118,521	\$ 119,025	\$ 126,569
<i>% GAAP gross margin</i>	51.4 %	53.4 %	52.6 %	53.8 %	52.0 %	53.0 %	51.7 %	52.9 %
Depreciation & amortization	8,500	8,747	8,904	8,803	8,907	9,269	10,075	10,308
Stock-based compensation	7,793	8,538	8,329	8,638	9,333	9,888	9,856	9,182
One-time integration costs	48	80	187	86	34	—	—	—
Reversal of accrued federal fees	—	—	—	—	—	—	—	—
Out of period adj. for accrued federal fees	—	—	—	—	—	—	—	—
Exit costs related to closure and relocation of Russian operations	380	3	96	219	23	51	18	12
Lease amortization for finance leases	—	—	—	—	—	—	492	449
COVID-19 relief bonus for employees	—	—	—	—	—	—	—	—
Refund for prior year overpayment of USF fees	—	(3,511)	—	—	—	—	—	—
Adjusted gross profit	\$ 110,631	\$ 115,010	\$ 121,747	\$ 129,797	\$ 131,980	\$ 137,729	\$ 139,466	\$ 146,520
<i>% adjusted gross margin</i>	60.5 %	60.7 %	61.4 %	62.3 %	60.4 %	61.8 %	60.6 %	61.3 %

# GAAP to Adjusted Gross Profit Reconciliation

2014 – 2023

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

Note: Historical results prior to 2018 based on ASC 605

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

## Q2'14 – Q4'17

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

Note: Historical results prior to 2018 based on ASC 605

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

Q1'18 – Q4'21

	Quarter Ended															
	Q1'18	Q2'18	Q3'18	Q4'18	Q1'19	Q2'19	Q3'19	Q4'19	Q1'20	Q2'20	Q3'20	Q4'20	Q1'21	Q2'21	Q3'21	Q4'21
GAAP net income (loss)	\$ (607)	\$ (2,042)	\$ (1,305)	\$ 3,733	\$ (1,924)	\$ (1,860)	\$ (1,604)	\$ 836	\$ (7,437)	\$ (16,052)	\$ (11,431)	\$ (7,210)	\$ (12,332)	\$ (16,530)	\$ (20,537)	\$ (3,601)
Non-GAAP adjustments:																
Depreciation and amortization	2,320	2,449	2,667	2,838	3,192	3,361	3,497	4,324	4,970	6,243	6,537	7,337	8,763	9,651	9,780	10,538
Stock-based compensation	5,325	6,797	8,869	7,493	8,866	10,436	11,075	11,868	13,794	16,791	17,286	16,876	20,908	24,901	27,395	35,601
Interest expense	810	2,378	3,595	3,462	3,396	3,406	3,486	3,506	3,484	5,734	9,649	9,481	1,938	2,118	1,947	2,024
Interest income and other	(398)	(206)	(1,352)	(1,359)	(1,745)	(1,490)	(1,460)	(1,384)	(1,072)	(830)	(631)	(501)	(175)	353	(213)	43
Provision for (benefit from) income taxes	45	64	41	150	(49)	29	50	74	69	(2,876)	346	8	(517)	(135)	(188)	(10,445)
Extinguishment of debt	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Reversal of accrued federal fees	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Legal settlement	—	—	—	—	—	420	—	—	—	—	—	—	—	—	—	—
Legal and indemnification fees related to settlement	—	241	258	93	292	64	—	—	—	—	—	—	—	—	—	—
Acquisition-related transaction costs and one-time integration costs	—	—	—	—	—	—	—	338	329	1,637	2,030	2,339	1,094	973	9,158	2,351
Exit costs related to closure and relocation of Russian operations	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
COVID-19 relief bonus for employees	—	—	—	—	—	—	—	—	—	1,817	—	—	—	—	—	—
Loss on early extinguishment of debt	—	—	—	—	—	—	—	—	—	5,795	282	887	—	—	—	—
Contingent consideration expense	—	—	—	—	—	—	—	—	—	—	—	—	2,500	2,700	60	380
Refund for prior year overpayment of USF fees	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Change in fair value of convertible preferred and common stock warrant liabilities	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Reversal of contingent sales tax liability (G&A)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Reversal of interest and penalties on accrued federal fees (G&A)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Accrued FCC charge (G&A)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Out of period adj. for accrued federal fees (COR)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Out of period adj. for sales tax liability (G&A)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Adjusted EBITDA	\$ 7,495	\$ 9,681	\$ 12,773	\$ 16,410	\$ 11,848	\$ 14,366	\$ 15,044	\$ 19,562	\$ 14,137	\$ 18,259	\$ 24,068	\$ 29,217	\$ 22,179	\$ 24,031	\$ 27,402	\$ 36,891
% adjusted EBITDA margin	12.7 %	15.8 %	19.6 %	22.7 %	15.9 %	18.6 %	18.0 %	21.2 %	14.9 %	18.3 %	21.5 %	22.8 %	16.1 %	16.7 %	17.8 %	21.3 %

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

Q1'22 – Q4'23

	Quarter Ended							
	Q1'22	Q2'22	Q3'22	Q4'22	Q1'23	Q2'23	Q3'23	Q4'23
GAAP net income (loss)	\$ (34,120)	\$ (23,670)	\$ (23,207)	\$ (13,653)	\$ (27,248)	\$ (21,739)	\$ (20,419)	\$ (12,358)
Non-GAAP adjustments:								
Depreciation and amortization	10,795	11,640	11,215	11,021	11,347	11,724	12,482	12,962
Stock-based compensation	39,394	44,786	44,503	43,824	50,743	53,367	52,611	49,571
Interest expense	1,870	1,857	1,879	1,887	1,845	1,866	1,972	1,963
Interest income and other	(845)	(280)	(982)	(2,706)	(4,121)	(6,123)	(8,233)	(8,322)
Provision for (benefit from) income taxes	2,256	332	579	1,221	527	753	942	119
Extinguishment of debt	—	—	—	—	—	—	—	—
Reversal of accrued federal fees	—	—	—	—	—	—	—	—
Legal settlement	—	—	—	—	—	—	—	—
Legal and indemnification fees related to settlement	—	—	—	—	—	—	—	—
Acquisition-related transaction costs and one-time integration costs	1,638	1,714	1,944	1,605	1,455	877	778	3,670
Exit costs related to closure and relocation of Russian operations	3,227	214	774	2,975	596	815	659	243
Lease amortization for finance leases	—	—	—	—	—	—	492	449
COVID-19 relief bonus for employees	—	—	—	—	—	—	—	—
Loss on early extinguishment of debt	—	—	—	—	—	—	—	—
Contingent consideration expense	260	—	—	—	—	—	—	—
Refund for prior year overpayment of USF fees	—	(3,511)	—	—	—	—	—	—
Change in fair value of convertible preferred and common stock warrant liabilities	—	—	—	—	—	—	—	—
Reversal of contingent sales tax liability (G&A)	—	—	—	—	—	—	—	—
Reversal of interest and penalties on accrued federal fees (G&A)	—	—	—	—	—	—	—	—
Accrued FCC charge (G&A)	—	—	—	—	—	—	—	—
Out of period adj. for accrued federal fees (COR)	—	—	—	—	—	—	—	—
Out of period adj. for sales tax liability (G&A)	—	—	—	—	—	—	—	—
Adjusted EBITDA	\$ 24,475	\$ 33,082	\$ 36,705	\$ 46,174	\$ 35,144	\$ 41,540	\$ 41,284	\$ 48,297
% adjusted EBITDA margin	13.4 %	17.5 %	18.5 %	22.2 %	16.1 %	18.6 %	17.9 %	20.2 %

# GAAP Net Loss to Adjusted EBITDA Reconciliation

2014 – 2023

	Year Ended											
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023		
GAAP net income (loss)	\$ (37,786)	\$ (25,838)	\$ (11,860)	\$ (8,969)	\$ (221)	\$ (4,552)	\$ (42,130)	\$ (53,000)	\$ (94,650)	\$ (81,764)		
Non-GAAP adjustments:												
Depreciation and amortization	6,463	7,388	8,390	8,314	10,274	14,374	25,087	38,732	44,671	48,515		
Stock-based compensation	6,753	7,730	9,643	15,343	28,484	42,065	64,747	108,805	172,507	206,292		
Interest expense	4,161	4,727	4,226	3,471	10,245	13,794	28,348	8,027	7,493	7,646		
Interest income and other	(245)	(100)	13	(490)	(3,315)	(6,079)	(3,034)	8	(4,813)	(26,799)		
Provision for (benefit from) income taxes	85	61	54	268	300	104	(2,453)	(11,285)	4,388	2,341		
Extinguishment of debt	—	—	1,026	—	—	—	—	—	—	—		
Reversal of accrued federal fees	—	—	(3,114)	—	—	—	—	—	—	—		
Legal settlement	—	—	—	1,700	—	420	—	—	—	—		
Legal and indemnification fees related to	—	—	—	135	592	356	—	—	—	—		
Acquisition-related transaction costs and one-time integration costs	—	—	—	—	—	338	6,335	13,576	6,901	6,780		
Exit costs related to closure and relocation of Russian operations	—	—	—	—	—	—	—	—	7,190	2,313		
COVID-19 relief bonus for employees	—	—	—	—	—	—	1,817	—	—	—		
Loss on early extinguishment of debt	—	—	—	—	—	—	6,964	—	—	—		
Contingent consideration expense	—	—	—	—	—	—	—	5,640	260	—		
Change in fair value of convertible preferred and common stock warrant liabilities	(1,745)	—	—	—	—	—	—	—	—	—		
Refund for prior year overpayment of USF	—	—	—	—	—	—	—	—	(3,511)	—		
Reversal of contingent sales tax liability	(2,766)	—	—	—	—	—	—	—	—	—		
Reversal of interest and penalties on accrued federal fees (G&A)	—	—	—	(2,133)	—	—	—	—	—	—		
Accrued FCC charge (G&A)	2,000	—	—	—	—	—	—	—	—	—		
Out of period adj. for accrued federal fees	235	—	—	—	—	—	—	—	—	—		
Out of period adj. for sales tax liability (G&A)	183	765	—	—	—	—	—	—	—	—		
Lease amortization for finance leases	—	—	—	—	—	—	—	—	—	941		
Adjusted EBITDA	\$ (22,662)	\$ (5,267)	\$ 8,378	\$ 17,639	\$ 46,359	\$ 60,820	\$ 85,681	\$ 110,503	\$ 140,436	\$ 166,265		
% adjusted EBITDA margin	(22.0)%	(4.1)%	5.2%	8.8%	18.0%	18.5%	19.7%	18.1%	18.0%	18.3%		

Note: Historical results prior to 2018 based on ASC 605



# GAAP to Non-GAAP COR and OpEx Reconciliation

Q2'14 – Q4'17

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

Note: Historical results prior to 2018 based on ASC 605

# GAAP to Non-GAAP OpEx Reconciliation

Q2'14 – Q4'17

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

Note: Historical results prior to 2018 based on ASC 605

# GAAP to Non-GAAP OpEx Reconciliation

Q2'14 – Q4'17

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

Note: Historical results prior to 2018 based on ASC 605

# GAAP to Non-GAAP COR and OpEx Reconciliation

Q1'18 – Q4'21

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

# GAAP to Non-GAAP COR and OpEx Reconciliation

Q1'22 – Q4'23

	Quarter Ended							
	Q1'22	Q2'22	Q3'22	Q4'22	Q1'23	Q2'23	Q3'23	Q4'23
<b>GAAP COR</b>	\$ 88,867	\$ 88,229	\$ 94,111	\$ 96,294	\$ 104,756	\$ 104,361	\$ 111,080	\$ 112,493
% of revenue	48.6 %	46.6 %	47.4 %	46.2 %	48.0 %	46.8 %	48.3 %	47.1 %
Depreciation & amortization	(8,500)	(8,747)	(8,904)	(8,803)	(8,907)	(9,269)	(10,075)	(10,308)
Stock-based compensation	(7,793)	(8,538)	(8,329)	(8,638)	(9,333)	(9,888)	(9,856)	(9,182)
Acquisition-related transaction costs and one-time integration costs	(48)	(80)	(187)	(86)	(34)	—	—	(63)
Reversal of accrued federal fees	—	—	—	—	—	—	—	—
Out of period adj. for accrued federal fees	—	—	—	—	—	—	—	—
Exit costs related to closure and relocation of Russian operations	(380)	(3)	(96)	(219)	(23)	(51)	(18)	(12)
Lease amortization for finance leases	—	—	—	—	—	—	(492)	(449)
COVID-19 relief bonus for employees	—	—	—	—	—	—	—	—
Refund for prior year overpayment of USF fees	—	3,511	—	—	—	—	—	—
<b>Non-GAAP COR</b>	\$ 72,146	\$ 74,372	\$ 76,595	\$ 78,548	\$ 86,459	\$ 85,153	\$ 90,639	\$ 92,479
% of revenue	39.5 %	39.3 %	38.6 %	37.7 %	39.6 %	38.2 %	39.4 %	38.7 %
<b>GAAP R&amp;D</b>	\$ 35,824	\$ 34,992	\$ 34,113	\$ 36,865	\$ 38,108	\$ 39,210	\$ 40,391	\$ 38,873
% of revenue	19.6 %	18.5 %	17.2 %	17.7 %	17.4 %	17.6 %	17.6 %	16.3 %
Depreciation & amortization	(825)	(804)	(768)	(768)	(872)	(868)	(831)	(1,012)
Stock-based compensation	(10,145)	(11,818)	(10,603)	(11,799)	(12,382)	(13,013)	(12,980)	(12,055)
Acquisition-related transaction costs and one-time integration costs	(656)	(1,307)	(1,654)	(1,449)	(1,423)	—	—	(12)
Exit costs related to closure and relocation of Russian operations	(2,629)	(59)	(557)	(2,615)	(475)	(542)	(503)	(197)
COVID-19 relief bonus for	—	—	—	—	—	—	—	—
<b>Non-GAAP R&amp;D</b>	\$ 21,569	\$ 21,004	\$ 20,531	\$ 20,234	\$ 22,956	\$ 24,787	\$ 26,077	\$ 25,597
% of revenue	11.8 %	11.1 %	10.4 %	9.7 %	10.5 %	11.1 %	11.3 %	10.7 %

# GAAP to Non-GAAP OpEx Reconciliation

Q1'18 – Q4'21

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

# GAAP to Non-GAAP OpEx Reconciliation

Q1'22 – Q4'23

	Quarter Ended							
	Q1'22	Q2'22	Q3'22	Q4'22	Q1'23	Q2'23	Q3'23	Q4'23
GAAP S&M	\$ 64,611	\$ 64,098	\$ 67,353	\$ 65,928	\$ 76,314	\$ 74,077	\$ 73,366	\$ 72,956
% of revenue	35.3 %	33.8 %	34.0 %	31.6 %	34.9 %	33.2 %	31.9 %	30.5 %
Depreciation & amortization	(1)	(1)	(1)	(1)	(1)	(1)	(36)	(27)
Stock-based compensation	(13,424)	(14,963)	(15,761)	(15,152)	(17,045)	(17,391)	(16,404)	(15,389)
Acquisition-related transaction costs and one-time integration costs	(46)	(23)	—	—	—	—	—	—
Exit costs related to closure and relocation of Russian operations	—	—	—	—	—	—	—	—
COVID-19 relief bonus for	—	—	—	—	—	—	—	—
Non-GAAP S&M	\$ 51,140	\$ 49,111	\$ 51,591	\$ 50,775	\$ 59,268	\$ 56,685	\$ 56,926	\$ 57,540
% of revenue	28.0 %	25.9 %	26.0 %	24.4 %	27.1 %	25.4 %	24.7 %	24.1 %

# GAAP to Non-GAAP OpEx Reconciliation

Q1'18 – Q4'21

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



# GAAP to Non-GAAP OpEx Reconciliation

Q1'22 – Q4'23

	Quarter Ended							
	Q1'22	Q2'22	Q3'22	Q4'22	Q1'23	Q2'23	Q3'23	Q4'23
GAAP G&A	\$ 24,314	\$ 23,824	\$ 24,496	\$ 22,509	\$ 28,258	\$ 30,477	\$ 31,006	\$ 33,338
% of revenue	13.3 %	12.6 %	12.4 %	10.8 %	12.9 %	13.7 %	13.5 %	13.9 %
Depreciation & amortization	(1,469)	(2,088)	(1,542)	(1,449)	(1,567)	(1,586)	(1,540)	(1,615)
Stock-based compensation	(8,032)	(9,467)	(9,810)	(8,235)	(11,983)	(13,075)	(13,371)	(12,945)
Legal settlement	—	—	—	—	—	—	—	—
Legal and indemnification fees related to settlement	—	—	—	—	—	—	—	—
Acquisition and related transaction costs and one-time integration costs	(888)	(304)	(103)	(70)	2	(877)	(778)	(3,595)
Exit costs related to closure and relocation of Russian operations	(218)	(152)	(121)	(141)	(98)	(222)	(138)	(34)
COVID-19 relief bonus for employees	—	—	—	—	—	—	—	—
Contingent consideration expense	(260)	—	—	—	—	—	—	—
Reversal of contingent sales tax liability	—	—	—	—	—	—	—	—
Reversal of interest & penalties on accrued fed. fees	—	—	—	—	—	—	—	—
Accrued FCC charge	—	—	—	—	—	—	—	—
Out of period adj. for sales tax liability	—	—	—	—	—	—	—	—
Non-GAAP G&A	\$ 13,447	\$ 11,813	\$ 12,920	\$ 12,614	\$ 14,612	\$ 14,717	\$ 15,179	\$ 15,149
% of revenue	7.4 %	6.2 %	6.5 %	6.1 %	6.7 %	6.6 %	6.6 %	6.3 %

# GAAP to Non-GAAP COR and OpEx Reconciliation

2014 – 2023

	Year Ended										
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	
GAAP COR	\$ 54,661	\$ 59,495	\$ 66,934	\$ 83,104	\$ 104,034	\$ 134,511	\$ 180,284	\$ 271,099	\$ 367,501	\$ 432,690	
% of revenue	53.0 %	46.2 %	41.3 %	41.5 %	40.4 %	41.0 %	41.5 %	44.5 %	47.2 %	47.5 %	
Depreciation & amortization	(5,138)	(5,950)	(6,573)	(6,300)	(7,808)	(10,856)	(20,179)	(30,870)	(34,955)	(38,559)	
Stock-based compensation	(542)	(866)	(1,375)	(2,202)	(3,333)	(6,334)	(9,422)	(17,734)	(33,297)	(38,259)	
Acquisition and related transaction costs and one-time integration costs	—	—	—	—	—	—	—	(112)	(401)	(97)	
Exit costs related to closure and relocation of Russian operations	—	—	—	—	—	—	—	—	(698)	(104)	
Refund for prior year overpayment of USF fees	—	—	—	—	—	—	—	—	3,511	—	
Lease amortization for finance	—	—	—	—	—	—	—	—	—	(941)	
Reversal of accrued federal fees	—	—	3,114	—	—	—	—	—	—	—	
Out of period adj. for accrued federal fees	(235)	—	—	—	—	—	—	—	—	—	
COVID-19 relief bonus for	—	—	—	—	—	—	(618)	—	—	—	
Non-GAAP COR	\$ 48,746	\$ 52,679	\$ 62,100	\$ 74,602	\$ 92,893	\$ 117,321	\$ 150,065	\$ 222,383	\$ 301,661	\$ 354,730	
% of revenue	47.3 %	40.9 %	38.3 %	37.3 %	36.1 %	35.8 %	34.5 %	36.5 %	38.7 %	39.0 %	
GAAP R&D	\$ 22,110	\$ 22,659	\$ 23,878	\$ 27,120	\$ 34,172	\$ 45,190	\$ 68,747	\$ 106,897	\$ 141,794	\$ 156,582	
% of revenue	21.4 %	17.6 %	14.7 %	13.5 %	13.3 %	13.8 %	15.8 %	17.5 %	18.2 %	17.2 %	
Depreciation & amortization	(229)	(455)	(737)	(795)	(1,036)	(1,801)	(1,962)	(3,277)	(3,164)	(3,583)	
Stock-based compensation	(1,931)	(1,790)	(2,059)	(3,042)	(5,303)	(7,658)	(14,041)	(29,179)	(44,367)	(50,430)	
Acquisition and related	—	—	—	—	—	—	(1,019)	(2,125)	(5,066)	(1,435)	
Exit costs related to closure and COVID-19 relief bonus for	—	—	—	—	—	—	(365)	—	—	—	
Non-GAAP R&D	\$ 19,950	\$ 20,414	\$ 21,082	\$ 23,283	\$ 27,833	\$ 35,731	\$ 51,360	\$ 72,316	\$ 83,337	\$ 99,417	
% of revenue	19.3 %	15.8 %	13.0 %	11.6 %	10.8 %	10.9 %	11.8 %	11.9 %	10.7 %	10.9 %	
GAAP S&M	\$ 37,445	\$ 42,042	\$ 52,748	\$ 66,570	\$ 72,001	\$ 95,592	\$ 132,413	\$ 193,929	\$ 261,990	\$ 296,713	
% of revenue	36.3 %	32.6 %	32.5 %	33.2 %	27.9 %	29.1 %	30.4 %	31.8 %	33.6 %	32.6 %	
Depreciation & amortization	(196)	(206)	(221)	(120)	(95)	(6)	(7)	(4)	(4)	(65)	
Stock-based compensation	(1,510)	(1,800)	(2,363)	(4,364)	(6,307)	(11,368)	(20,164)	(35,270)	(59,300)	(66,229)	
Acquisition and related	—	—	—	—	—	—	(240)	(1,003)	(69)	—	
COVID-19 relief bonus for	—	—	—	—	—	—	(596)	—	—	—	
Non-GAAP S&M	\$ 35,739	\$ 40,036	\$ 50,164	\$ 62,086	\$ 65,599	\$ 84,218	\$ 111,406	\$ 157,652	\$ 202,617	\$ 230,419	
% of revenue	34.7 %	31.1 %	30.9 %	31.0 %	25.5 %	25.7 %	25.6 %	25.9 %	26.0 %	25.3 %	

Note: Historical results prior to 2018 based on ASC 605

# GAAP to Non-GAAP OpEx Reconciliation

2014 – 2023

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

Note: Historical results prior to 2018 based on ASC 605

# GAAP to Non-GAAP Net Income (Loss) Reconciliation

	Three Months Ended		Twelve Months Ended	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
GAAP net loss	\$ (12,358)	\$ (13,653)	\$ (81,764)	\$ (94,650)
Non-GAAP adjustments:				
Stock-based compensation	49,571	43,824	206,292	172,507
Intangibles amortization	3,146	2,890	12,019	11,705
Amortization of discount and issuance costs on convertible senior notes	956	947	3,749	3,743
Acquisition and related transaction costs and one-time integration costs	91	3,344	2,796	7,932
Exit costs related to closure and relocation of Russian operations	3,670	1,605	6,780	6,901
Contingent consideration expense	—	—	—	260
Refund for prior year overpayment of USF fees	—	—	—	(3,511)
Tax provision associated with acquired companies	—	—	—	1,830
Non-GAAP net income	<u>\$ 45,076</u>	<u>\$ 38,957</u>	<u>\$ 149,872</u>	<u>\$ 106,717</u>
GAAP net loss per share:				
Basic	<u>\$ (0.17)</u>	<u>\$ (0.19)</u>	<u>\$ (1.13)</u>	<u>\$ (1.35)</u>
Diluted	<u>\$ (0.17)</u>	<u>\$ (0.19)</u>	<u>\$ (1.13)</u>	<u>\$ (1.35)</u>
Non-GAAP net income per share:				
Basic	<u>\$ 0.62</u>	<u>\$ 0.55</u>	<u>\$ 2.08</u>	<u>\$ 1.53</u>
Diluted	<u>\$ 0.61</u>	<u>\$ 0.54</u>	<u>\$ 2.05</u>	<u>\$ 1.50</u>
Shares used in computing GAAP net loss per share:				
Basic	<u>72,926</u>	<u>70,704</u>	<u>72,048</u>	<u>69,920</u>
Diluted	<u>72,926</u>	<u>70,704</u>	<u>72,048</u>	<u>69,920</u>
Shares used in computing non-GAAP net income per share:				
Basic	<u>72,926</u>	<u>70,704</u>	<u>72,048</u>	<u>69,920</u>
Diluted	<u>73,785</u>	<u>71,537</u>	<u>73,011</u>	<u>71,229</u>

# Capital Expenditure and Free Cash Flow (Q1'21 - Q4'23)

\$ in Thousands	Q1'21	Q2'21	Q3'21	Q4'21	12 mo ended 12/31/20 21	Q1'22	Q2'22	Q3'22	Q4'22	12 mo ended 12/31/20 22	Q1'23	Q2'23	Q3'23	Q4'23	12 mo ended 12/31/20 23
<b>Net cash provided by operating activities</b>	\$ 13,765	\$ 11,392	\$ (4,808)	\$ 8,649	\$ 28,998	\$ 28,724	\$ (3,125)	\$ 30,526	\$ 32,740	\$ 88,865	\$ 33,412	\$ 21,852	\$ 37,030	\$ 36,544	\$128,838
<small>(Refer to cash flows from operating activities in cash flow stmt)</small>															
<b>Capital expenditure</b>															
<b>Purchases of property and equipment</b>	8,229	11,248	9,001	13,738	42,216	12,398	22,076	11,554	6,244	52,272	9,928	6,714	3,299	11,293	31,234
<small>(Refer to cash flows from investing activities in cash flow stmt)</small>															
<b>Equipment obtained under capital lease</b>	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
<small>(Refer to non-cash investing and financing activities in cash flow stmt)</small>															
<b>Capitalization of software development costs</b>	—	—	—	—	—	569	823	1,028	1,479	3,899	1,806	1,759	2,255	3,717	9,537
<b>Equipment purchased and unpaid at period-end:</b>															
<b>Beginning balance</b>	7,491	7,515	7,818	13,705	7,491	13,871	22,365	16,141	13,372	13,871	12,332	8,310	5,849	11,419	12,332
<b>Ending balance</b>	7,515	7,818	13,705	13,871	13,871	22,365	16,141	13,372	12,332	12,332	8,310	5,849	11,419	11,243	11,243
<small>(Refer to non-cash investing and financing activities in cash flow stmt)</small>															
<b>Change in equipment purchased and unpaid during period</b>	24	303	5,887	166	6,380	8,494	(6,224)	(2,769)	(1,040)	(1,539)	(4,022)	(2,461)	5,570	(176)	(1,089)
<b>Total capital expenditure</b>	\$ 8,253	\$ 11,551	\$ 14,888	\$ 13,904	\$ 48,596	\$ 21,461	\$ 16,675	\$ 9,813	\$ 6,683	\$ 54,632	\$ 7,712	\$ 6,012	\$ 11,124	\$ 14,834	\$ 39,682
<b>Free cash flow</b>	\$ 5,536	\$ 144	\$ (13,809)	\$ (5,089)	\$ (13,218)	\$ 15,757	\$ (26,024)	\$ 17,944	\$ 25,017	\$ 32,694	\$ 21,678	\$ 13,379	\$ 31,476	\$ 21,534	\$ 88,067
<small>(operating cash flow less capex paid in cash and capitalized software)</small>															

Note 1: Revised original cash flow presentation to include restricted cash, which resulted in the following changes in net cash from operating activities from the originally reported disclosures: (1) Q4'21 changed from \$8,136K to \$8,649K; (2) FY22 changed from \$28,485k to \$28,998k; (3) Q2'22 changed from \$(3,103k) to \$(3,125k); and (4) Q3'22 changed from \$30,504k to \$30,526k.

# GAAP to Non-GAAP Net Income (Loss) Reconciliation

## Guidance<sup>(1)</sup>

	Three Months Ended March 31, 2024		Twelve Months Ended December 31, 2024	
	Low	High	Low	High
GAAP net loss	\$ (25,349)	\$ (20,855)	\$ (45,238)	\$ (39,202)
Non-GAAP adjustments:				
Stock-based compensation <sup>(2)</sup>	46,249	44,249	184,415	182,415
Intangibles amortization	2,643	2,643	10,570	10,570
Amortization of discount and issuance costs on convertible senior notes	938	938	3,808	3,808
Acquisition and related transaction costs and one-time integration costs <sup>(3)</sup>	3,159	2,159	8,817	7,817
Exit costs related to closure and relocation of Russian operations	—	—	—	—
Income tax expense effects <sup>(4)</sup>	—	—	—	—
Non-GAAP net income	\$ 27,640	\$ 29,134	\$ 162,372	\$ 165,408
GAAP net loss per share, basic and diluted	\$ (0.34)	\$ (0.28)	\$ (0.61)	\$ (0.53)
Non-GAAP net income per share:				
Basic	\$ 0.38	\$ 0.40	\$ 2.18	\$ 2.22
Diluted	\$ 0.37	\$ 0.39	\$ 2.14	\$ 2.18
Shares used in computing GAAP net loss per share and non-GAAP net income per share:				
Basic	73,600	73,600	74,600	74,600
Diluted	74,700	74,700	75,900	75,900

(1) Represents guidance discussed on 2/21/2024. Reader shall not construe presentation of this information after 2/21/2024 as an update or reaffirmation of such guidance.

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

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

(4) Non-GAAP adjustments do not have an impact on our federal income tax provision due to past non-GAAP losses, and state taxes are immaterial.

Thank You



