

Q2 2022 Investor Presentation

Five9 (NASDAQ: FIVN)



The Intelligent Cloud Contact Center

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This presentation includes forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, concerning events, trends, expectations and beliefs that may affect our industry or the Company, including potential growth drivers, projections and guidance concerning our future results of operations including our long-term model, our market opportunity and our long-term growth prospects. The Company has based these forward-looking statements on its current expectations and projections about future events and financial and operating trends that it believes may affect its financial condition, results of operations, business strategy, short-term and long-term business operations and objectives, and financial needs. Our actual results may be materially different from what we discuss here and you should not unduly rely on such forward looking statements. Please refer to our most recent Form 10-K and 10-Q under the caption "Risk Factors" and elsewhere in such reports, for detailed information about factors that could cause our results to differ from those set forth in such forward-looking statements, including risks related to adverse economic conditions, the global economic impact of the Russia-Ukraine conflict and the ongoing COVID-19 pandemic. Past performance is not necessarily indicative of future results. We undertake no obligation to update any such forward-looking information.

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.

Q2'22 Highlights

Strong Financial Results

- Record bookings for any second quarter
- Q2'22 revenue was a record \$189.4M, representing 32% YoY
- LTM DBBR of 118%
- Q2'22 adjusted EBITDA margin of 17.5%, delivering disciplined, durable and profitable growth

Upmarket Execution

- Enterprise accounted for 85% of LTM revenue
- LTM Enterprise subscription revenue growth of 41% YoY
- Continued to grow the pipeline to record levels, gain greater leverage from partners and strengthen our international presence with expansion into new markets
- Significant Enterprise wins
 - Fortune 200 Financial Group: \$7.3M in ARR
 - Fortune 100 Financial Services Company: \$4.5M in ARR
 - State Agency, Employment Security Department: \$2.8M in ARR
- \$12M+ ARR expansion of parcel delivery service company, adding the European division, and increasing total anticipated ARR to nearly \$50M

Q2'22 Highlights (cont'd)

Product Leadership and Innovation

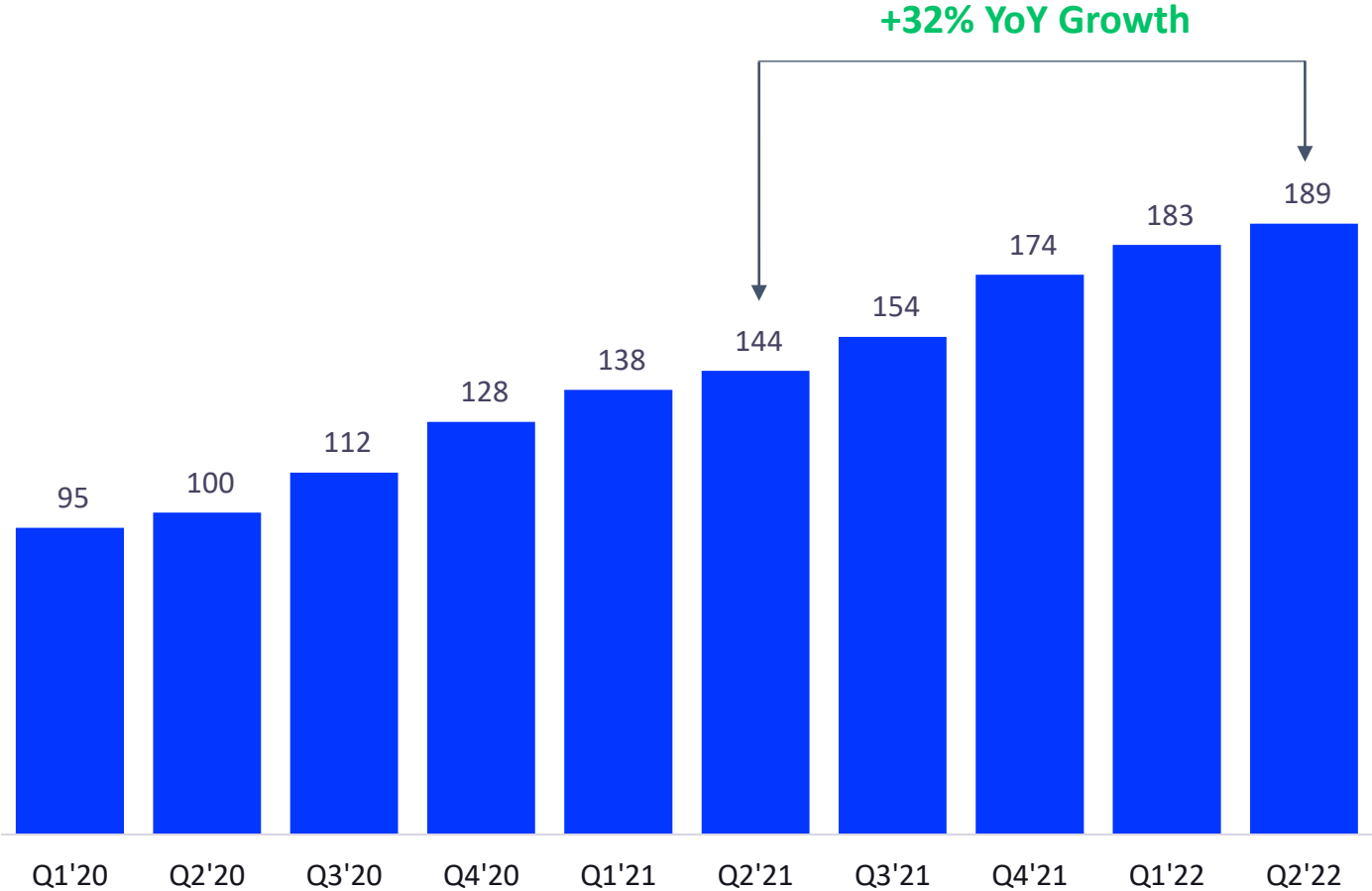
- AI & Automation solutions continue to deliver significant ROIs while improving customer and agent experience
 - Automated resolution of customer calls
 - Improved agent productivity from reduced Average Handle Time
 - Improved customer satisfaction from lower call abandonment rate
- The only CCaaS provider to be named a leader in the 2022 Opus Research “Decision Makers’ Guide to Enterprise Intelligent Assistants”
- Further improved LTM uptime sequentially from 99.995% to 99.998% as a result of the re-architecture, improved processes and disciplines as well as great leadership and team execution

International and Channel Expansion

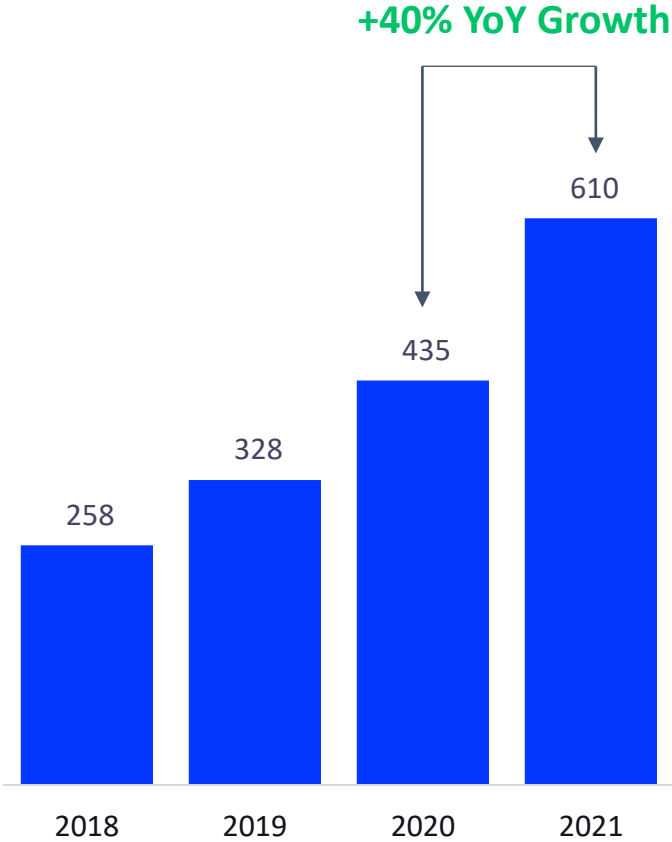
- Q2'22 LTM revenue from non-U.S. companies grew 45% YoY
- Announced two key partnerships with Kyndryl and Worldwide Technologies
- Expanded relationship with Slalom Consulting, gaining traction in several key markets especially in conjunction with our Salesforce partnership
- Enhanced Partner Advisory Board and partner marketplace, and created an all new partner portal

Strong, Consistent Revenue Growth

Quarterly Revenue (\$M)

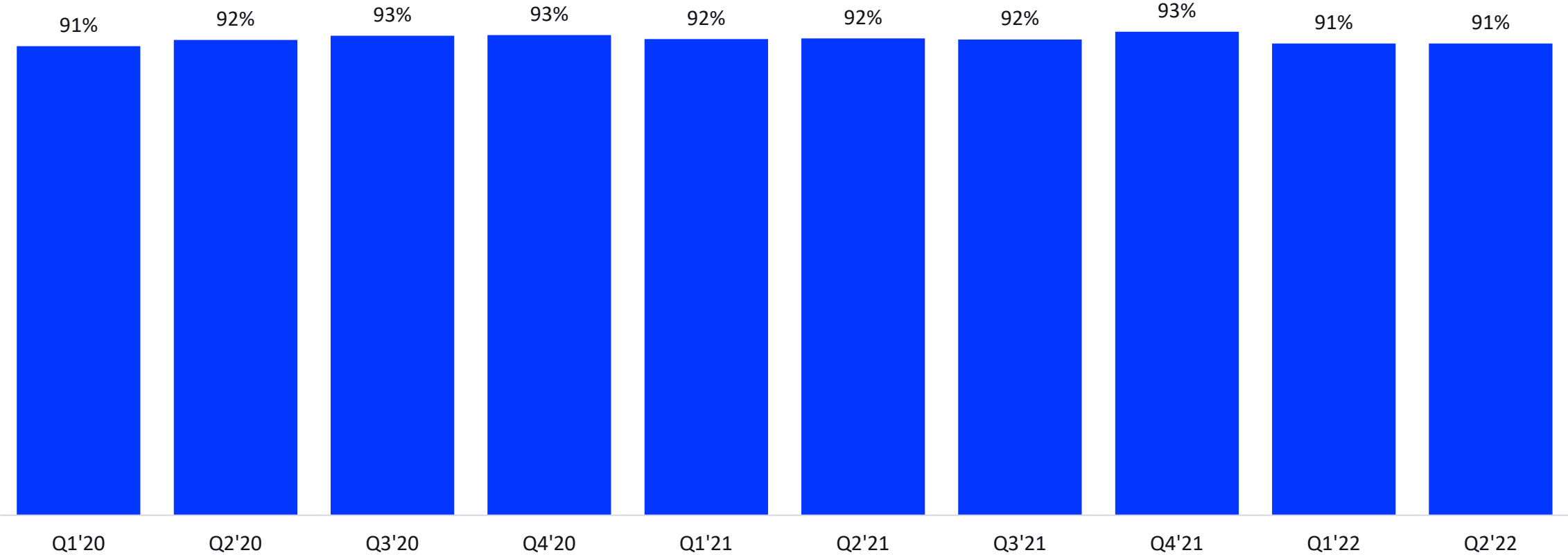


Annual Revenue (\$M)



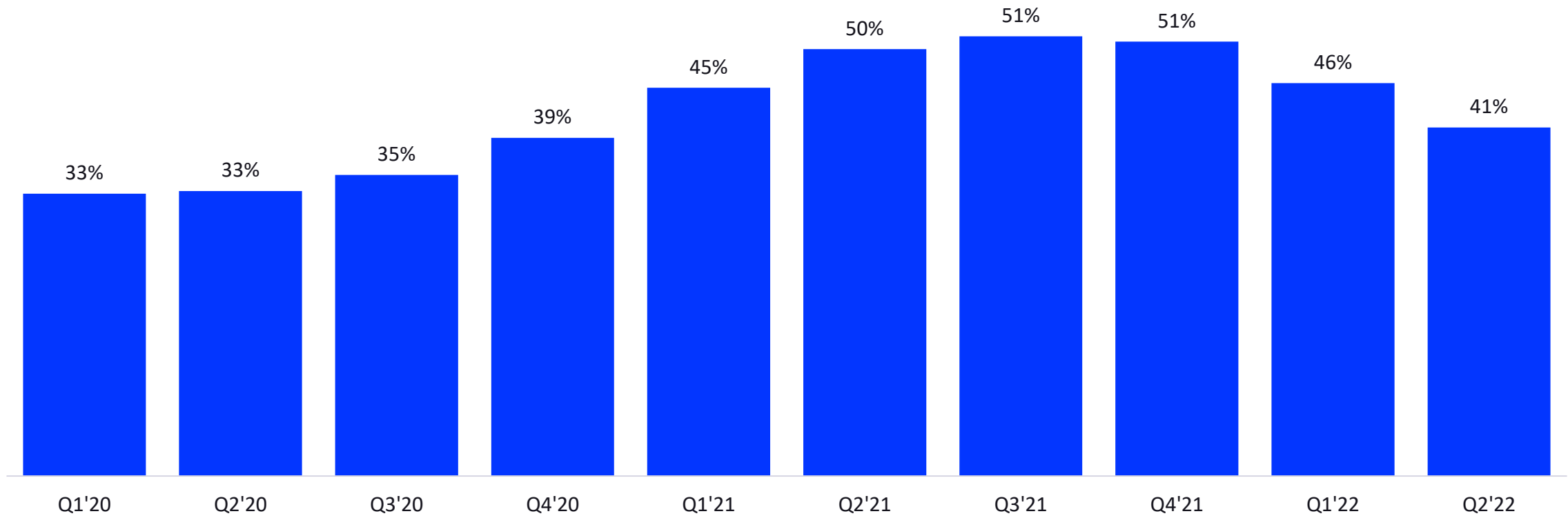
Attractive Revenue Visibility

Recurring as a % of Total Revenue



Executing on Enterprise Opportunity

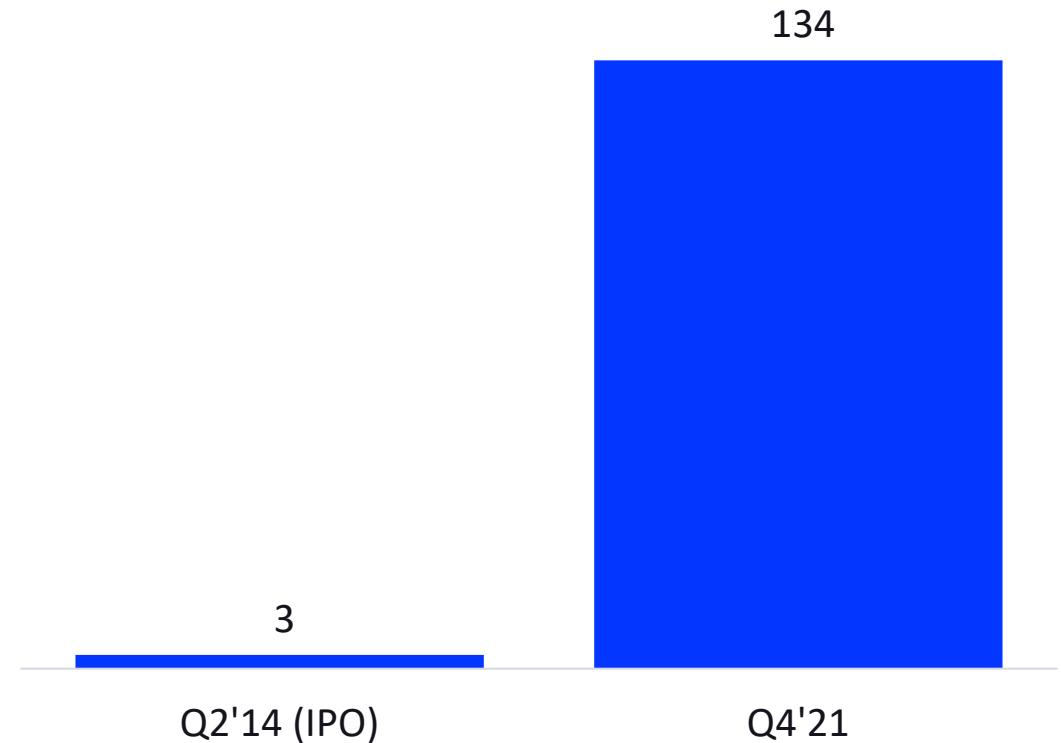
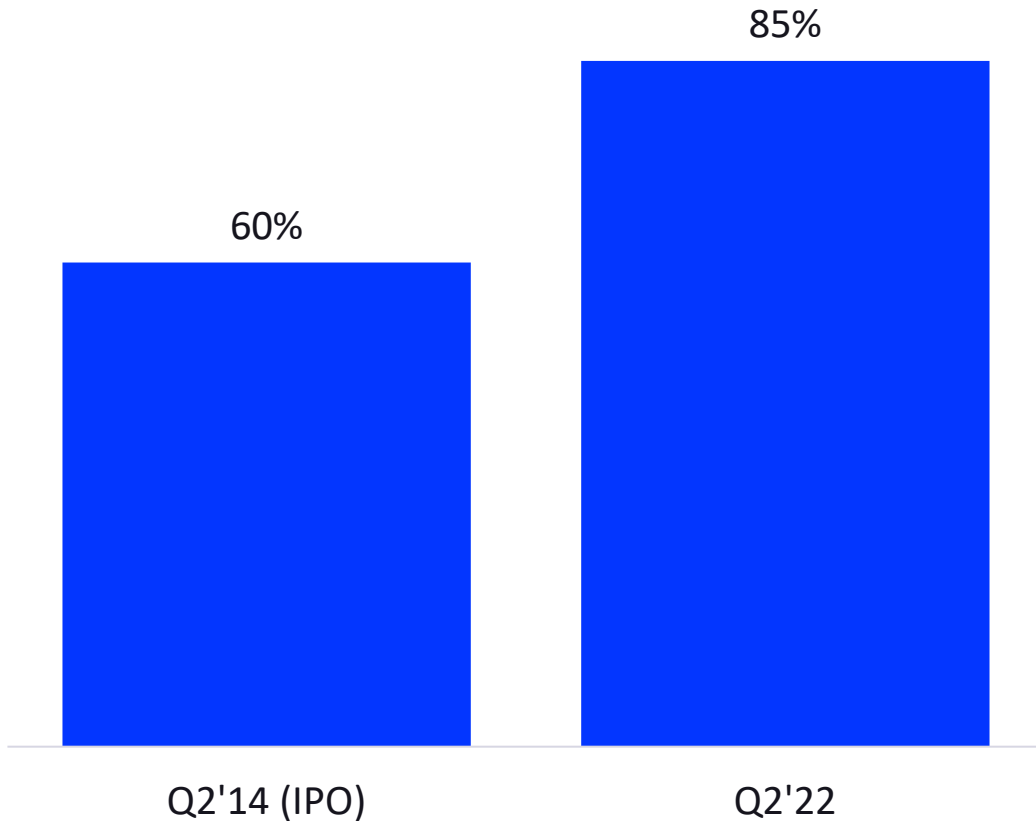
% YoY Enterprise Subscription Revenue Growth (LTM)



Executing on Enterprise Opportunity (cont'd)

Enterprise as a % of Total Revenue (LTM)

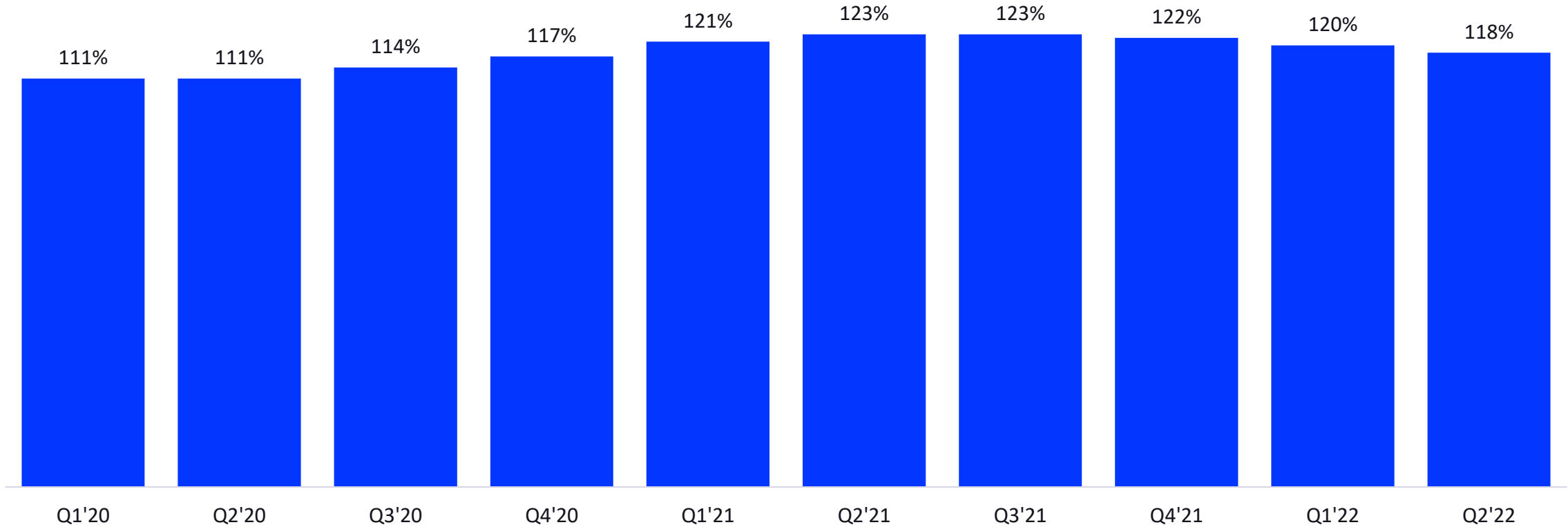
Enterprise Customers \$1M+ ARR (Q4'21 Ann.)



Note: Historical results prior to 2018 based on ASC 605; \$1M+ ARR based on Q4'21 annualized

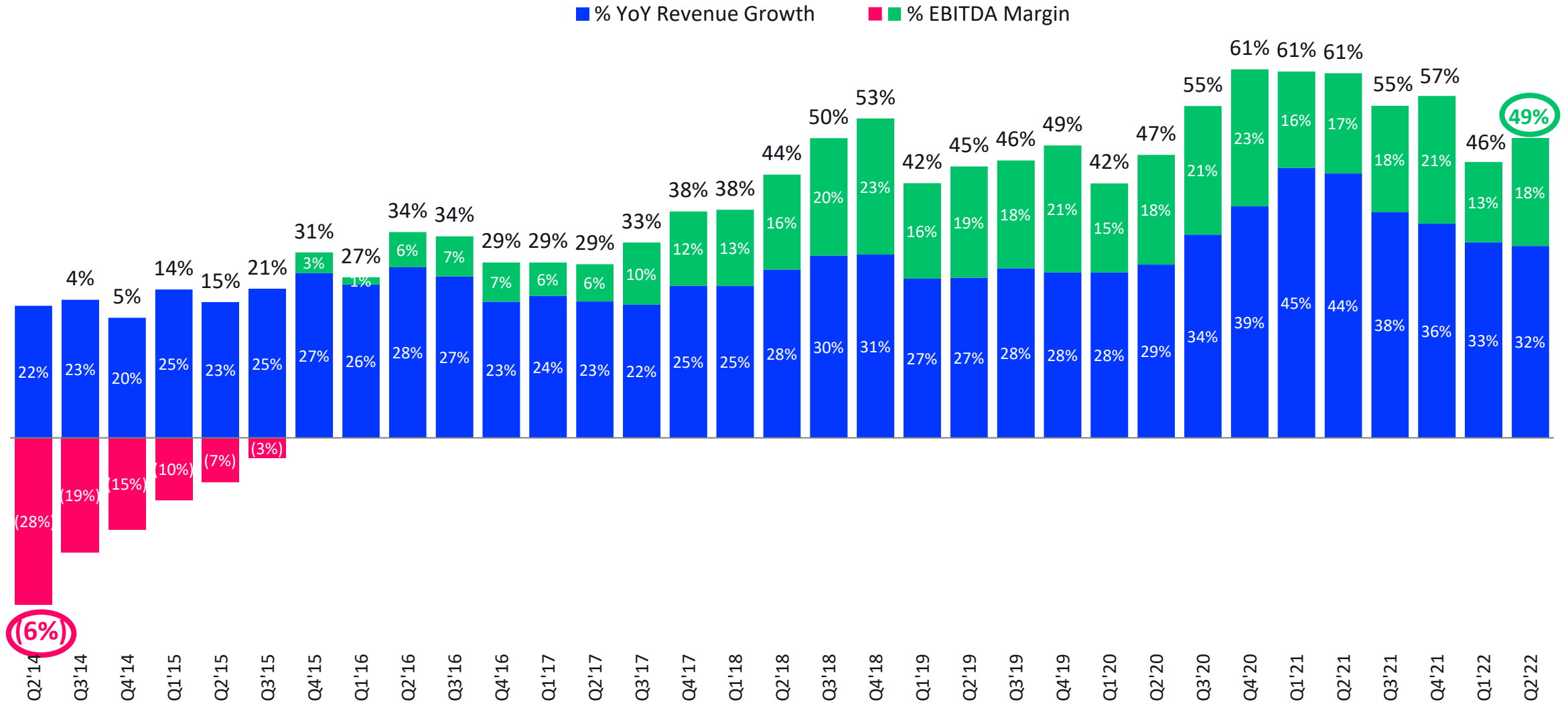
High Customer Retention

% Annual Dollar Based Retention Rate (DBRR)



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

Exceeding “Rule of 40” Despite Increased Investments



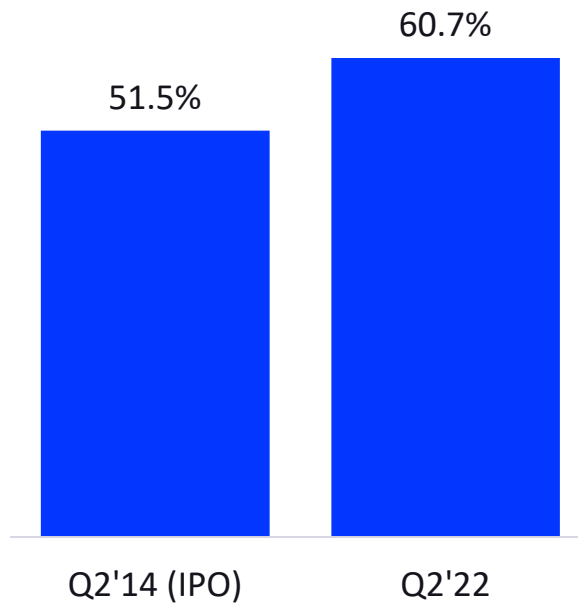
Note: ASC 605 for periods prior to 2018

Robust Margin Expansion and Operating Leverage

Non-GAAP

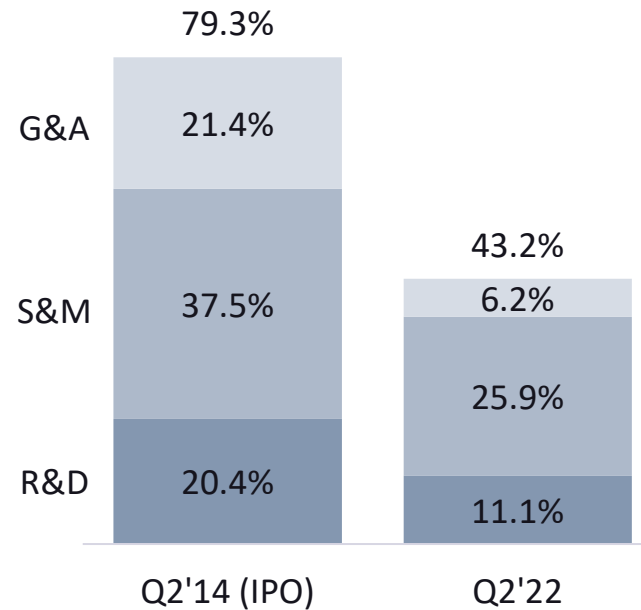
Adj. Gross Margin

9.2% expansion



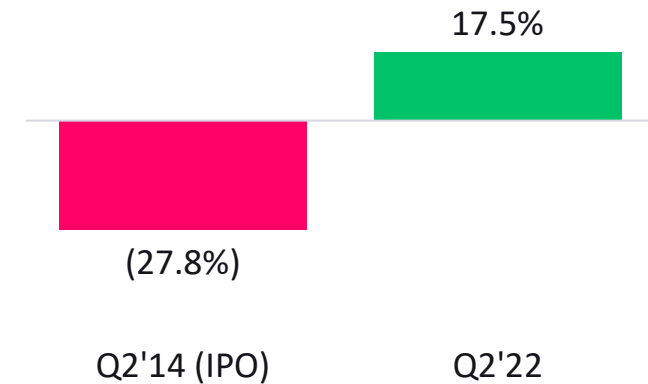
Non-GAAP Opex (% of revenue)

36.1% improvement



Adj. EBITDA Margin

45.3% expansion

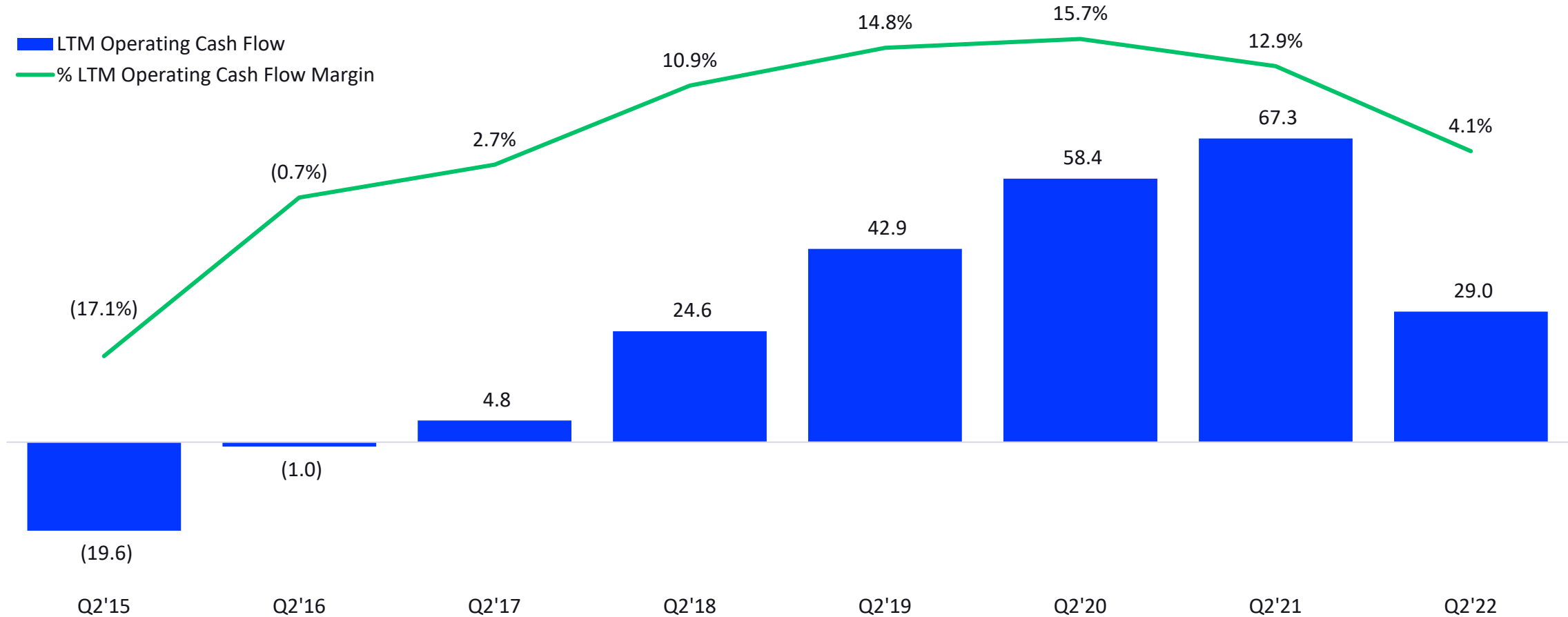


Note: Non-GAAP metrics exclude depreciation, intangibles amortization, stock-based compensation and unusual transactions. Q2'14 metrics based on ASC 605. See appendix for reconciliation of non-GAAP measures to most comparable GAAP measure

Operating Cash Flow and Margin

LTM Operating Cash Flow (\$M)

DSO of 34 days in Q2'22



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

Q3'22 and 2022 Guidance

	Q3'22	2022
Revenue	\$192.5M - \$193.5M	\$780.5M - \$782.5M
Non-GAAP Net Income Per Diluted Share	\$0.31 - \$0.33	\$1.38 - \$1.40
Diluted Shares	73.0M	72.8M
Non-GAAP Taxes	\$500K	\$1.8M
Capital Expenditures	\$15M - \$16M	\$69M - \$71M

Note: 2022 non-GAAP tax guidance excludes \$1.8M tax provision associated with acquired companies.

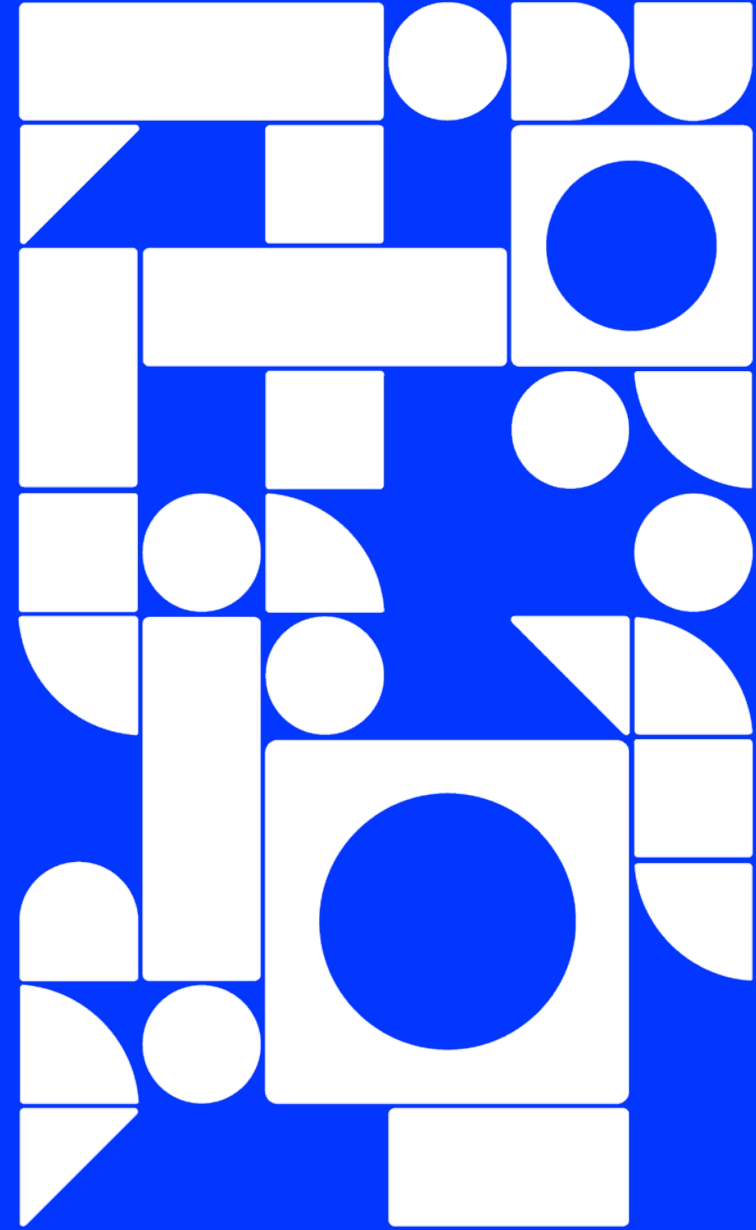
Long-Term Operating Model

Non-GAAP

% of Revenue	Today Q2'22		Long-Term Model 2026	
Revenue	\$189M		Continued growth in Enterprise subscription	\$2.4B
Adj. Gross Margin	61%		Subscription margin expansion and increasing subscription mix	70%+
S&M	26%		Continue to invest 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	17%			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



Balance Sheet Summary

\$ in Millions

June 30, 2022

December 31, 2021

Cash, cash equivalents and marketable investments	\$558.8	\$617.2
Working capital	513.4	459.7
Total assets	1,177.2	1,192.9
Total debt	736.7	768.6
Total stockholders' equity	244.9	211.1

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 – Q2'22

	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	Q1'22	Q2'22
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	\$ 93,910	\$101,153
<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 %	51.4 %	53.4 %
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	8,500	8,747
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	7,793	8,538
One-time integration costs	—	—	—	—	—	—	—	—	—	—	—	—	30	2	37	43	48	80
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
COVID-19 relief bonus for employees	—	—	—	—	—	—	—	—	—	618	—	—	—	—	—	—	—	—
Refund for prior year overpayment of USF fees	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	(3,511)
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	\$110,631	\$115,010
<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 %	60.5 %	60.7 %

GAAP to Adjusted Gross Profit Reconciliation

2014 – 2021

	Year Ended							
	2014	2015	2016	2017	2018	2019	2020	2021
GAAP gross profit	\$ 48,441	\$ 69,373	\$ 95,156	\$ 117,121	\$ 153,630	\$ 193,495	\$ 254,624	\$ 338,492
% GAAP gross margin	47.0 %	53.8 %	58.7 %	58.5 %	59.6 %	59.0 %	58.5 %	55.5 %
Depreciation & amortization	5,138	5,950	6,573	6,300	7,808	10,856	20,179	30,870
Stock-based compensation	542	866	1,375	2,202	3,333	6,334	9,422	17,734
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
Adjusted gross profit	\$ 54,356	\$ 76,189	\$ 99,990	\$ 125,623	\$ 164,771	\$ 210,685	\$ 284,843	\$ 387,208
% adjusted gross margin	52.7 %	59.1 %	61.7 %	62.7 %	63.9 %	64.2 %	65.5 %	63.5 %

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 – Q2'22

	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	Q1'22	Q2'22		
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)	\$ (34,120)	\$ (23,670)		
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	10,795	11,640		
Stock-based compensation	5,325	6,797	8,869	7,493	8,686	10,436	11,075	11,868	13,794	16,791	17,286	16,876	20,908	24,901	27,395	35,601	39,394	44,786		
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	1,870	1,857		
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	(845)	(280)		
Provision for (benefit from) income taxes	45	64	41	150	(49)	29	50	74	69	(2,876)	346	8	(517)	(135)	(188)	(10,445)	2,256	332		
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	1,638	1,714		
Exit costs related to closure and relocation of Russian operations	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	3,227	214		
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	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	\$ 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	\$ 24,475	\$ 33,082		
% 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 %	13.4 %	17.5 %		

GAAP Net Loss to Adjusted EBITDA Reconciliation

2014 – 2021

	Year Ended									
	2014	2015	2016	2017	2018	2019	2020	2021		
GAAP net income (loss)	\$ (37,786)	\$ (25,838)	\$ (11,860)	\$ (8,969)	\$ (221)	\$ (4,552)	\$ (42,130)	\$ (53,000)		
Non-GAAP adjustments:										
Depreciation and amortization	6,463	7,388	8,390	8,314	10,274	14,374	25,087	38,732		
Stock-based compensation	6,753	7,730	9,643	15,343	28,484	42,065	64,747	108,805		
Interest expense	4,161	4,727	4,226	3,471	10,245	13,794	28,348	8,027		
Interest income and other	(245)	(100)	13	(490)	(3,315)	(6,079)	(3,034)	8		
Provision for (benefit from) income taxes	85	61	54	268	300	104	(2,453)	(11,285)		
Extinguishment of debt	—	—	1,026	—	—	—	—	—		
Reversal of accrued federal fees	—	—	(3,114)	—	—	—	—	—		
Legal settlement	—	—	—	1,700	—	420	—	—		
Legal and indemnification fees related to settlement	—	—	—	135	592	356	—	—		
Acquisition-related transaction costs and one-time integration costs	—	—	—	—	—	338	6,335	13,576		
COVID-19 relief bonus for employees	—	—	—	—	—	—	1,817	—		
Loss on early extinguishment of debt	—	—	—	—	—	—	6,964	—		
Contingent consideration expense	—	—	—	—	—	—	—	5,640		
Change in fair value of convertible preferred and common stock warrant liabilities	(1,745)	—	—	—	—	—	—	—		
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	765	—	—	—	—	—	—		
Adjusted EBITDA	\$ (22,662)	\$ (5,267)	\$ 8,378	\$ 17,639	\$ 46,359	\$ 60,820	\$ 85,681	\$ 110,503		
% adjusted EBITDA margin	(22.0)%	(4.1)%	5.2 %	8.8 %	18.0 %	18.5 %	19.7 %	18.1 %		

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	
GAAP COR	\$ 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	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Non-GAAP COR	\$ 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 %	
GAAP R&D	\$ 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	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Non-GAAP R&D	\$ 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-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 – Q2'22

	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	Q1'22	Q2'22
GAAP COR	\$ 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	\$ 88,867	\$ 88,229
% 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 %	48.6 %	46.6 %
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)	(8,500)	(8,747)
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)	(7,793)	(8,538)
Acquisition-related transaction costs and one-time integration costs	—	—	—	—	—	—	—	—	—	—	—	—	(30)	(2)	(37)	(43)	(48)	(80)
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)
COVID-19 relief bonus for employees	—	—	—	—	—	—	—	—	—	(618)	—	—	—	—	—	—	—	—
Refund for prior year overpayment of USF fees	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	3,511
Non-GAAP COR	\$ 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	\$ 72,146	\$ 74,372
% 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 %	39.5 %	39.3 %
GAAP R&D	\$ 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	\$ 35,824	\$ 34,992
% 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 %	19.6 %	18.5 %
Depreciation & amortization	(194)	(233)	(278)	(331)	(440)	(450)	(450)	(461)	(465)	(497)	(512)	(488)	(596)	(729)	(1,004)	(948)	(825)	(804)
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)	(10,145)	(11,818)
Acquisition-related transaction costs and one-time integration costs	—	—	—	—	—	—	—	—	—	(248)	(439)	(332)	(337)	(666)	(660)	(462)	(656)	(1,307)
Exit costs related to closure and relocation of Russian operations	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	(2,629)	(59)
COVID-19 relief bonus for employees	—	—	—	—	—	—	—	—	—	(365)	—	—	—	—	—	—	—	—
Non-GAAP R&D	\$ 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	\$ 21,569	\$ 21,004
% 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 %	11.8 %	11.1 %

GAAP to Non-GAAP OpEx Reconciliation

Q1'18 – Q2'22

	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	Q1'22	Q2'22
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	\$ 64,611	\$ 64,098
% 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 %	35.3 %	33.8 %
Depreciation & amortization	(29)	(30)	(30)	(6)	(1)	(1)	(2)	(2)	(2)	(2)	(1)	(2)	(1)	(1)	(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)	(13,424)	(14,963)
Acquisition-related transaction costs and one-time integration costs	—	—	—	—	—	—	—	—	—	(169)	(28)	(43)	(11)	(28)	(322)	(642)	(46)	(23)
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	\$ 51,140	\$ 49,111
% 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 %	28.0 %	25.9 %

GAAP to Non-GAAP OpEx Reconciliation

Q1'18 – Q2'22

	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	Q1'22	Q2'22
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	\$ 24,314	\$ 23,824
% 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 %	13.3 %	12.6 %
Depreciation & amortization	(303)	(322)	(338)	(372)	(385)	(406)	(443)	(477)	(563)	(624)	(853)	(899)	(1,079)	(1,096)	(1,117)	(1,288)	(1,469)	(2,088)
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)	(8,032)	(9,467)
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)	(1,220)	(1,563)	(1,964)	(716)	(278)	(8,139)	(1,204)	(888)	(304)
Exit costs related to closure and relocation of Russian operations	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	(218)	(152)
COVID-19 relief bonus for employees	—	—	—	—	—	—	—	—	—	(238)	—	—	—	—	—	—	—	—
Contingent consideration expense	—	—	—	—	—	—	—	—	—	—	—	—	(2,500)	(2,700)	(60)	(380)	(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	\$ 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	\$ 13,447	\$ 11,813
% 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 %	7.4 %	6.2 %

GAAP to Non-GAAP COR and OpEx Reconciliation

2014 – 2021

	Year Ended															
	2014	2015	2016	2017	2018	2019	2020	2021								
GAAP COR	\$	54,661	\$	59,495	\$	66,934	\$	83,104	\$	104,034	\$	134,511	\$	180,284	\$	271,099
% of revenue		53.0 %		46.2 %		41.3 %		41.5 %		40.4 %		41.0 %		41.5 %		44.5 %
Depreciation & amortization		(5,138)		(5,950)		(6,573)		(6,300)		(7,808)		(10,856)		(20,179)		(30,870)
Stock-based compensation		(542)		(866)		(1,375)		(2,202)		(3,333)		(6,334)		(9,422)		(17,734)
Acquisition-related transaction costs and one-time integration costs		—		—		—		—		—		—		—		(112)
Reversal of accrued federal fees		—		—		3,114		—		—		—		—		—
Out of period adj. for accrued federal fees		(235)		—		—		—		—		—		—		—
COVID-19 relief bonus for employees		—		—		—		—		—		—		(618)		—
Non-GAAP COR	\$	48,746	\$	52,679	\$	62,100	\$	74,602	\$	92,893	\$	117,321	\$	150,065	\$	222,383
% of revenue		47.3 %		40.9 %		38.3 %		37.3 %		36.1 %		35.8 %		34.5 %		36.5 %
GAAP R&D	\$	22,110	\$	22,659	\$	23,878	\$	27,120	\$	34,172	\$	45,190	\$	68,747	\$	106,897
% of revenue		21.4 %		17.6 %		14.7 %		13.5 %		13.3 %		13.8 %		15.8 %		17.5 %
Depreciation & amortization		(229)		(455)		(737)		(795)		(1,036)		(1,801)		(1,962)		(3,277)
Stock-based compensation		(1,931)		(1,790)		(2,059)		(3,042)		(5,303)		(7,658)		(14,041)		(29,179)
Acquisition-related transaction costs and COVID-19 relief bonus for employees		—		—		—		—		—		—		(1,019)		(2,125)
Non-GAAP R&D	\$	19,950	\$	20,414	\$	21,082	\$	23,283	\$	27,833	\$	35,731	\$	51,360	\$	72,316
% of revenue		19.3 %		15.8 %		13.0 %		11.6 %		10.8 %		10.9 %		11.8 %		11.9 %
GAAP S&M	\$	37,445	\$	42,042	\$	52,748	\$	66,570	\$	72,001	\$	95,592	\$	132,413	\$	193,929
% of revenue		36.3 %		32.6 %		32.5 %		33.2 %		27.9 %		29.1 %		30.4 %		31.8 %
Depreciation & amortization		(196)		(206)		(221)		(120)		(95)		(6)		(7)		(4)
Stock-based compensation		(1,510)		(1,800)		(2,363)		(4,364)		(6,307)		(11,368)		(20,164)		(35,270)
Acquisition-related transaction costs and COVID-19 relief bonus for employees		—		—		—		—		—		—		(240)		(1,003)
Non-GAAP S&M	\$	35,739	\$	40,036	\$	50,164	\$	62,086	\$	65,599	\$	84,218	\$	111,406	\$	157,652
% of revenue		34.7 %		31.1 %		30.9 %		31.0 %		25.5 %		25.7 %		25.6 %		25.9 %

Note: Historical results prior to 2018 based on ASC 605

GAAP to Non-GAAP OpEx Reconciliation

2014 – 2021

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

Note: Historical results prior to 2018 based on ASC 605

GAAP to Non-GAAP Net Income (Loss) Reconciliation

	Three Months Ended		Six Months Ended	
	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
GAAP net loss	\$ (23,670)	\$ (16,530)	\$ (57,790)	\$ (28,862)
Non-GAAP adjustments:				
Stock-based compensation	44,786	24,901	84,179	45,809
Intangibles amortization	2,935	2,947	5,882	5,894
Amortization of discount and issuance costs on convertible senior notes	922	985	1,852	1,959
Acquisition-related transaction costs and one-time integration costs	1,714	973	3,352	2,067
Exit costs related to closure and relocation of Russian operations	1,125	—	3,874	—
Contingent consideration expense	—	2,700	260	5,200
Refund for prior year overpayment of USF fees	(3,511)	—	(3,511)	—
Tax provision associated with acquired companies	—	—	1,830	—
Non-GAAP net income	\$ 24,301	\$ 15,976	\$ 39,928	\$ 32,067
GAAP net loss per share:				
Basic	\$ (0.34)	\$ (0.25)	\$ (0.83)	\$ (0.43)
Diluted	\$ (0.34)	\$ (0.25)	\$ (0.83)	\$ (0.43)
Non-GAAP net income per share:				
Basic	\$ 0.35	\$ 0.24	\$ 0.58	\$ 0.48
Diluted	\$ 0.34	\$ 0.23	\$ 0.56	\$ 0.45
Shares used in computing GAAP net loss per share:				
Basic	69,748	67,292	69,363	67,008
Diluted	69,748	67,292	69,363	67,008
Shares used in computing non-GAAP net income per share:				
Basic	69,748	67,292	69,363	67,008
Diluted	71,083	70,774	70,869	70,640

Capital Expenditure and Free Cash Flow

\$ in Thousands	Q1'20	Q2'20	Q3'20	Q4'20	12 mo	Q1'21	Q2'21	Q3'21	Q4'21	12 mo	Q1'22	Q2'22
					ended					ended		
					12/31/2020					12/31/2021		
Net cash provided by operating activities (Refer to cash flows from operating activities in cash)	\$ 10,394	\$ 14,765	\$ 22,831	\$ 19,312	\$ 67,302	\$ 13,765	\$ 11,392	\$ (4,808)	\$ 8,136	\$ 28,485	\$ 28,724	\$ (3,103)
Capital expenditure												
Purchases of property and equipment (Refer to cash flows from investing activities in cash)	6,045	8,846	5,521	10,010	30,422	8,229	11,248	9,001	13,738	42,216	12,398	22,076
Equipment obtained under capital lease (Refer to non-cash investing and financing activities in)	—	—	—	—	—	—	—	—	—	—	—	—
Capitalization of software development costs	—	—	—	—	—	—	—	—	—	—	569	823
Equipment purchased and unpaid at period-end:												
Beginning balance	2,890	2,280	2,838	3,721	2,890	7,491	7,515	7,818	13,705	7,491	13,871	22,365
Ending balance	2,280	2,838	3,721	7,491	7,491	7,515	7,818	13,705	13,871	13,871	22,365	16,141
(Refer to non-cash investing and financing activities)												
Change in equipment purchased and unpaid during period	(610)	558	883	3,770	4,601	24	303	5,887	166	6,380	8,494	(6,224)
Total capital expenditure	\$ 5,435	\$ 9,404	\$ 6,404	\$ 13,780	\$ 35,023	\$ 8,253	\$ 11,551	\$ 14,888	\$ 13,904	\$ 48,596	\$ 21,461	\$ 16,675
Free cash flow												
(operating cash flow less capex paid in cash)	\$ 4,349	\$ 5,919	\$ 17,310	\$ 9,302	\$ 36,880	\$ 5,536	\$ 144	\$ (13,809)	\$ (5,602)	\$ (13,731)	\$ 15,757	\$ (26,002)

Note: Q4'20 ending balance of equipment purchased and unpaid at period-end was revised from \$8,114K to \$7,491K

Thank You