

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549**

**FORM 10-Q**

**QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended **June 30, 2025**

OR

**TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from \_\_\_\_\_ to \_\_\_\_\_  
Commission file number **001-36720**



**UPLAND SOFTWARE, INC.**

(Exact name of registrant as specified in its charter)

**Delaware**

(State or other jurisdiction of  
incorporation or organization)

**27-2992077**

(I.R.S. Employer  
Identification No.)

**900 S. Capital of Texas Highway, Las Cimas IV Suite 300  
Austin, Texas 78746**

(Address, including zip code, of registrant's principal executive offices)

**(512) 960-1010**

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of each class</u>	<u>Trading Symbol</u>	<u>Name of each exchange on which registered</u>
Common Stock, par value \$0.0001 per share	UPLD	The Nasdaq Global Market
Preferred Stock Purchase Rights	-	The Nasdaq Global Market

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input checked="" type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
	(Do not check if a smaller reporting company)	Emerging growth company	<input type="checkbox"/>

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

As of July 29, 2025, 28,772,095 shares of the registrant's Common Stock were outstanding.

**Upland Software, Inc.**

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**Upland Software, Inc.**  
**Condensed Consolidated Balance Sheets**  
*(in thousands, except for share and per share amounts)*

**Item 1. Financial Statements**

	June 30, 2025 (unaudited)	December 31, 2024
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 41,011	\$ 56,426
Restricted cash	626	626
Accounts receivable (net of allowance of \$155 and \$446 at June 30, 2025, and December 31, 2024, respectively)	20,129	38,647
Deferred commissions, current	6,382	8,361
Unbilled receivables	4,810	3,441
Income tax receivable, current	2,510	762
Prepaid expenses and other current assets	7,919	10,129
Total current assets	83,387	118,392
Tax credits receivable	1,040	951
Property and equipment, net	1,968	1,518
Operating lease right-of-use asset	2,053	1,364
Intangible assets, net	76,513	123,903
Goodwill	260,705	260,976
Deferred commissions, noncurrent	7,839	12,147
Interest rate swap assets	5,094	9,742
Other assets	3,123	529
Total assets	\$ 441,722	\$ 529,522
<b>LIABILITIES, CONVERTIBLE PREFERRED STOCK AND STOCKHOLDERS' DEFICIT</b>		
Current liabilities:		
Accounts payable	\$ 3,058	\$ 9,388
Accrued compensation	6,708	6,226
Accrued expenses and other current liabilities	3,518	6,876
Deferred revenue	72,307	93,706
Operating lease liabilities, current	805	1,000
Current maturities of notes payable (includes unamortized discount of \$2,160 and \$2,176 at June 30, 2025, and December 31, 2024, respectively)	3,240	3,224
Total current liabilities	89,636	120,420
Notes payable, less current maturities (includes unamortized discount of \$217 and \$1,280 at June 30, 2025, and December 31, 2024, respectively)	252,458	286,970
Deferred revenue, noncurrent	4,652	4,670
Operating lease liabilities, noncurrent	2,169	762
Noncurrent deferred tax liability, net	8,617	11,347
Other long-term liabilities	457	428
Total liabilities	357,989	424,597
Mezzanine equity:		
Series A Convertible Preferred stock, \$0.0001 par value; 5,000,000 shares authorized; 115,000 shares issued and outstanding as of June 30, 2025, and December 31, 2024, respectively	126,122	123,230
Stockholders' deficit:		
Common stock, \$0.0001 par value; 75,000,000 shares authorized; 28,708,922 and 28,168,267 shares issued and outstanding as of June 30, 2025, and December 31, 2024, respectively	3	3
Additional paid-in capital	607,463	605,286
Accumulated other comprehensive loss	(9,374)	(21,990)
Accumulated deficit	(640,481)	(601,604)
Total stockholders' deficit	(42,389)	(18,305)
Total liabilities, convertible preferred stock and stockholders' deficit	\$ 441,722	\$ 529,522

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

**Upland Software, Inc.**  
**Condensed Consolidated Statements of Operations**  
**(unaudited)**  
*(in thousands, except for share and per share amounts)*

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
<b>Revenue:</b>				
Subscription and support	\$ 50,467	\$ 65,504	\$ 110,649	\$ 132,582
Perpetual license	1,199	1,730	2,807	3,200
Total product revenue	51,666	67,234	113,456	135,782
Professional services	1,717	2,105	3,582	4,293
Total revenue	53,383	69,339	117,038	140,075
<b>Cost of revenue:</b>				
Subscription and support	12,412	19,247	29,362	39,076
Professional services and other	1,023	1,227	2,121	2,447
Total cost of revenue	13,435	20,474	31,483	41,523
Gross profit	39,948	48,865	85,555	98,552
<b>Operating expenses:</b>				
Sales and marketing	10,771	16,791	24,527	33,809
Research and development	9,781	12,185	21,323	24,640
General and administrative	10,219	13,880	21,840	27,112
Depreciation and amortization	6,864	11,380	14,859	22,776
Divestiture-related expenses	6,879	—	8,624	—
Impairment of goodwill and other intangibles	2,469	—	2,469	87,227
Total operating expenses	46,983	54,236	93,642	195,564
Loss from operations	(7,035)	(5,371)	(8,087)	(97,012)
<b>Other expense:</b>				
Interest expense, net	(4,136)	(5,056)	(6,579)	(10,014)
Loss on divestitures of businesses	(434)	—	(23,891)	—
Other income (expense), net	(1,595)	198	(1,836)	120
Total other expense	(6,165)	(4,858)	(32,306)	(9,894)
Loss before benefit from (provision for) income taxes	(13,200)	(10,229)	(40,393)	(106,906)
Benefit from (provision for) income taxes	171	(1,210)	1,516	(663)
Net loss	\$ (13,029)	\$ (11,439)	\$ (38,877)	\$ (107,569)
Preferred stock dividends	(1,454)	(1,390)	(2,892)	(2,765)
Net loss attributable to common stockholders	\$ (14,483)	\$ (12,829)	\$ (41,769)	\$ (110,334)
<b>Net loss per common share:</b>				
Net loss per common share, basic and diluted	\$ (0.51)	\$ (0.47)	\$ (1.47)	\$ (3.92)
Weighted-average common shares outstanding, basic and diluted	28,518,839	27,348,672	28,370,711	28,133,285

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

**Upland Software, Inc.**  
**Condensed Consolidated Statements of Comprehensive Income (Loss)**  
(unaudited)  
*(in thousands)*

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Net loss	\$ (13,029)	\$ (11,439)	\$ (38,877)	\$ (107,569)
Other comprehensive income (loss):				
Unrealized foreign currency translation adjustment	4,851	(208)	7,115	(2,819)
Realized foreign currency (loss) gain	(1,292)	—	4,423	—
Unrealized translation gain (loss) on foreign currency denominated intercompany loans, net of taxes	4,732	(258)	6,230	(1,670)
Interest rate swaps, net of reclassifications into earnings	(1,262)	(2,441)	(5,152)	(2,279)
Other comprehensive income (loss):	<u>\$ 7,029</u>	<u>\$ (2,907)</u>	<u>\$ 12,616</u>	<u>\$ (6,768)</u>
Comprehensive loss	<u>\$ (6,000)</u>	<u>\$ (14,346)</u>	<u>\$ (26,261)</u>	<u>\$ (114,337)</u>

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

**Upland Software, Inc.**  
**Condensed Consolidated Statements of Stockholders' Deficit**  
(unaudited)  
*(in thousands, except share amounts)*

**Three Months Ended June 30, 2025**

	Preferred Stock		Common Stock		Additional Paid-In Capital	Accumulated Other Comprehensive Income (Loss)	Accumulated Deficit	Total Stockholders' Equity (Deficit)
	Shares	Amount	Shares	Amount				
Balance at March 31, 2025	115,000	\$ 124,668	28,484,279	\$ 3	\$ 606,029	\$ (16,403)	\$ (627,452)	\$ (37,823)
Dividends accrued - Convertible Preferred Stock	—	1,454	—	—	(1,454)	—	—	(1,454)
Issuance of stock under Company plans, net of shares withheld for tax	—	—	224,643	—	(186)	—	—	(186)
Stock-based compensation	—	—	—	—	3,074	—	—	3,074
Unrealized foreign currency translation adjustment	—	—	—	—	—	4,851	—	4,851
Realized foreign currency translation from divestitures of businesses	—	—	—	—	—	(1,292)	—	(1,292)
Unrealized translation gain (loss) on intercompany loans with foreign subsidiaries	—	—	—	—	—	4,732	—	4,732
Interest rate swaps	—	—	—	—	—	(1,262)	—	(1,262)
Net loss	—	—	—	—	—	—	(13,029)	(13,029)
Balance at June 30, 2025	115,000	\$ 126,122	28,708,922	\$ 3	\$ 607,463	\$ (9,374)	\$ (640,481)	\$ (42,389)

**Three Months Ended June 30, 2024**

	Preferred Stock		Common Stock		Additional Paid-In Capital	Accumulated Other Comprehensive Income (Loss)	Accumulated Deficit	Total Stockholders' Equity (Deficit)
	Shares	Amount	Shares	Amount				
Balance at March 31, 2024	115,000	\$ 119,013	27,996,656	\$ 3	\$ 602,813	\$ 2,307	\$ (585,002)	\$ 20,121
Dividends accrued - Convertible Preferred Stock	—	1,390	—	—	(1,390)	—	—	(1,390)
Issuance of stock under Company plans, net of shares withheld for tax	—	—	235,141	—	(232)	—	—	(232)
Stock repurchases and retirements	—	—	(966,051)	—	(2,798)	—	—	(2,798)
Stock-based compensation	—	—	—	—	5,133	—	—	5,133
Foreign currency translation adjustment	—	—	—	—	—	(208)	—	(208)
Unrealized translation gain (loss) on intercompany loans with foreign subsidiaries	—	—	—	—	—	(258)	—	(258)
Interest rate swaps	—	—	—	—	—	(2,441)	—	(2,441)
Net loss	—	—	—	—	—	—	(11,439)	(11,439)
Balance at June 30, 2024	115,000	\$ 120,403	27,265,746	\$ 3	\$ 603,526	\$ (600)	\$ (596,441)	\$ 6,488

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

**Upland Software, Inc.**  
**Condensed Consolidated Statements of Deficit - continued**  
**(unaudited)**  
*(in thousands, except share amounts)*

**Six Months Ended June 30, 2025**

	Preferred Stock		Common Stock		Additional Paid-In Capital	Accumulated Other Comprehensive Income (Loss)	Accumulated Deficit	Total Stockholders' Equity (Deficit)
	Shares	Amount	Shares	Amount				
Balance at December 31, 2024	115,000	\$ 123,230	28,168,267	\$ 3	\$ 605,286	\$ (21,990)	\$ (601,604)	\$ (18,305)
Dividends accrued - Convertible Preferred Stock	—	2,892	—	—	\$ (2,892)	—	—	(2,892)
Issuance of stock under Company plans, net of shares withheld for tax	—	—	540,655	—	(680)	—	—	(680)
Stock-based compensation	—	—	—	—	5,749	—	—	5,749
Unrealized foreign currency translation adjustment	—	—	—	—	—	7,115	—	7,115
Realized foreign currency translation from divestitures of businesses	—	—	—	—	—	4,423	—	4,423
Unrealized translation gain (loss) on intercompany loans with foreign subsidiaries	—	—	—	—	—	6,230	—	6,230
Interest rate swaps	—	—	—	—	—	(5,152)	—	(5,152)
Net loss	—	—	—	—	—	—	(38,877)	(38,877)
Balance at June 30, 2025	<u>115,000</u>	<u>\$ 126,122</u>	<u>28,708,922</u>	<u>\$ 3</u>	<u>\$ 607,463</u>	<u>\$ (9,374)</u>	<u>\$ (640,481)</u>	<u>\$ (42,389)</u>

**Six Months Ended June 30, 2024**

	Preferred Stock		Common Stock		Additional Paid-In Capital	Accumulated Other Comprehensive Income (Loss)	Accumulated Deficit	Total Stockholders' Equity (Deficit)
	Shares	Amount	Shares	Amount				
Balance at December 31, 2023	115,000	\$ 117,638	29,908,407	\$ 3	\$ 608,995	\$ 6,168	\$ (488,872)	\$ 126,294
Dividends accrued - Convertible Preferred Stock	—	2,765	—	—	(2,765)	—	—	(2,765)
Issuance of stock under Company plans, net of shares withheld for tax	—	—	566,044	—	(563)	—	—	(563)
Stock repurchases and retirements	—	—	(3,208,705)	—	(10,796)	—	—	(10,796)
Stock-based compensation	—	—	—	—	8,655	—	—	8,655
Foreign currency translation adjustment	—	—	—	—	—	(2,819)	—	(2,819)
Unrealized translation gain (loss) on intercompany loans with foreign subsidiaries, net of taxes	—	—	—	—	—	(1,670)	—	(1,670)
Interest rate swaps	—	—	—	—	—	(2,279)	—	(2,279)
Net loss	—	—	—	—	—	—	(107,569)	(107,569)
Balance at June 30, 2024	<u>115,000</u>	<u>\$ 120,403</u>	<u>27,265,746</u>	<u>\$ 3</u>	<u>\$ 603,526</u>	<u>\$ (600)</u>	<u>\$ (596,441)</u>	<u>\$ 6,488</u>

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

**Upland Software, Inc.**  
**Condensed Consolidated Statements of Cash Flows**  
(unaudited)  
(in thousands)

	<b>Six Months Ended June 30,</b>	
	<b>2025</b>	<b>2024</b>
<b>Operating activities</b>		
Net loss	\$ (38,877)	\$ (107,569)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation and amortization	17,816	27,599
Deferred income taxes	(3,532)	(1,176)
Amortization of deferred costs	4,653	6,076
Foreign currency re-measurement (gain) loss	1,355	(694)
Non-cash interest, net and other income, net	(621)	(1,776)
Non-cash stock-based compensation expense	5,749	8,655
Non-cash loss on impairment of goodwill and other intangibles	2,469	87,227
Non-cash loss on divestitures of businesses	23,891	—
Non-cash loss on retirement of fixed assets	52	18
Changes in operating assets and liabilities:		
Accounts receivable	11,258	8,362
Prepaid expenses and other current assets	(727)	(3,603)
Other assets	(3,189)	(4,907)
Accounts payable	(4,994)	(613)
Accrued expenses and other liabilities	1,072	706
Deferred revenue	(4,781)	(7,714)
Net cash provided by operating activities	11,594	10,591
<b>Investing activities</b>		
Purchase of property and equipment	(1,058)	(457)
Proceeds from the divestitures of businesses, net of cash transferred	9,063	—
Net cash provided by (used in) investing activities	8,005	(457)
<b>Financing activities</b>		
Payments of debt costs	(7)	(77)
Payments on notes payable	(35,575)	(2,700)
Stock repurchases and retirement	—	(10,958)
Taxes paid related to net share settlement of equity awards	(680)	(563)
Net cash used in financing activities	(36,262)	(14,298)
Effect of exchange rate fluctuations on cash, cash equivalents and restricted cash	1,248	(20)
Change in cash, cash equivalents and restricted cash	(15,415)	(4,184)
Cash, cash equivalents and restricted cash, beginning of period	57,052	236,559
Cash, cash equivalents and restricted cash, end of period	\$ 41,637	\$ 232,375
<b>Supplemental disclosures of cash flow information:</b>		
Cash paid for interest, net of interest rate swaps	\$ 8,048	\$ 17,565
Cash paid for taxes, net of refunds	\$ 5,148	\$ 3,162
<b>Non-cash investing and financing activities:</b>		
Note receivable from divestiture of product lines, net of discount	\$ 4,881	\$ —

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

**Upland Software, Inc.**  
**Notes to Unaudited Condensed Consolidated Financial Statements**  
**(unaudited)**

**1. Organization and Nature of Operations**

Upland Software, Inc., together with its wholly owned subsidiaries (“Upland,” “we,” “us,” “our,” or the “Company”), a Delaware corporation headquartered in Austin, Texas, is a leader in AI-powered knowledge and content management software. Our solutions help enterprises unlock critical knowledge, automate content workflows, and drive measurable ROI—enhancing customer and employee experiences while supporting regulatory compliance. More than 1,100 enterprise customers rely on Upland to solve complex challenges and provide a trusted path for AI adoption. The Company’s customers operate in a wide variety of industries, including financial services, consulting services, technology, manufacturing, media, telecommunications, government, insurance, non-profit, healthcare, life sciences, retail, and hospitality.

**2. Basis of Presentation and Summary of Significant Accounting Policies**

**Basis of Presentation**

These condensed consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States (“GAAP”). The condensed consolidated financial statements include the accounts of Upland Software, Inc. and its wholly owned subsidiaries. All intercompany accounts and transactions have been eliminated in consolidation. No material changes have been made to the Company’s significant accounting policies disclosed in Note 2, *Basis of Presentation and Summary of Significant Accounting Policies*, in our Annual Report.

The accompanying unaudited interim condensed consolidated financial statements have been prepared pursuant to the rules and regulations of the Securities and Exchange Commission (the “SEC”) for interim financial reporting. In the opinion of management of the Company, the unaudited interim condensed consolidated financial statements have been prepared on the same basis as the audited consolidated financial statements, in all material respects, and include all adjustments of a normal recurring nature necessary for a fair presentation. The results of operations for the six months ended June 30, 2025 are not necessarily indicative of the results to be expected for the year ending December 31, 2025 or for any other period.

The financial statements should be read in conjunction with the consolidated financial statements and notes thereto included in the Company’s 2024 Annual Report on Form 10-K.

**Use of Estimates**

The preparation of the accompanying condensed consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the condensed consolidated financial statements, and the reported amounts of revenues and expenses. Significant items subject to such estimates include those related to revenue recognition, deferred commissions, allowance for credit losses, stock-based compensation, contingent consideration, acquired intangible assets, impairment of goodwill, intangibles and long-lived assets, the useful lives of intangible assets and property and equipment, the fair value of the Company’s interest rate swaps and income taxes. In accordance with GAAP, management bases its estimates on historical experience and on various other assumptions that management believes are reasonable under the circumstances. Management regularly evaluates its estimates and assumptions using historical experience and other factors; however, actual results could differ from those estimates.

Upland is not aware of any specific event or circumstance that would require an update to its estimates or judgments or a revision of the carrying value of its assets or liabilities as of July 31, 2025, the date of issuance of this Quarterly Report on Form 10-Q. These estimates may change as new events occur and additional information is obtained. Actual results could differ materially from these estimates under different assumptions or conditions.

**Restricted Cash**

The Company is required to maintain a letter of credit as collateral during the term of an operating lease for office space. As of June 30, 2025 and December 31, 2024, we had \$0.6 million of restricted cash deposited in a restricted account as collateral for the letter of credit. The following table provides a reconciliation of cash, cash equivalents and restricted cash reported within the condensed consolidated balance sheets that sum to the total of the same amounts shown in the condensed consolidated statements of cash flows (in thousands):

	6/30/2025	12/31/2024
Cash and cash equivalents	\$ 41,011	\$ 56,426
Restricted cash	626	626
<b>Total cash, cash equivalents and restricted cash</b>	<b>\$ 41,637</b>	<b>\$ 57,052</b>

## Concentrations of Credit Risk and Significant Customers

Financial instruments that potentially subject the Company to credit risk consist of cash and cash equivalents, accounts receivable, other assets and the Company's interest rate swaps. The Company's cash and cash equivalents are placed with high quality financial institutions, which, at times, may exceed federally insured limits. The Company has not experienced any losses in these accounts, and the Company does not believe it is exposed to any significant credit risk related to cash and cash equivalents. The Company provides credit, in the normal course of business, to a number of its customers and generally does not require collateral. To manage accounts receivable credit risk, the Company performs periodic credit evaluations of its customers and maintains current expected credit losses which considers such factors as historical loss information, geographic location of customers, current market conditions, and reasonable and supportable forecasts.

No individual customer represented more than 10% of total revenues for the six months ended June 30, 2025, or more than 10% of accounts receivable as of June 30, 2025 or December 31, 2024.

## Recent Accounting Pronouncements

### *Recently issued accounting pronouncements - Not Adopted*

In November 2024, the FASB, issued ASU 2024-04, *Debt-Debt with Conversions and Other Options*. ASU 2024-04 is intended to clarify requirements for determining whether certain settlements of convertible debt instruments, including convertible debt instruments with cash conversion features or convertible debt instruments that are not currently convertible, should be accounted for as an induced conversion. This ASU is effective for all entities for annual reporting periods beginning after December 15, 2025, and interim reporting periods within those annual reporting periods, with early adoption permitted. The Company is currently evaluating the potential impact of this guidance on its disclosures.

In November 2024, the FASB, issued ASU 2024-03, *Income Statement-Reporting Comprehensive Income-Expense Disaggregation Disclosures*. ASU 2024-03 is intended to improve disclosures about a public business entity's expense and provide more detailed information to investors about the types of expenses in commonly presented expense captions. This ASU is effective for public companies with annual periods beginning after December 15, 2026, and interim reporting periods beginning after December 15, 2027, with early adoption permitted. The Company is currently evaluating the effects of adoption of this guidance will have on its consolidated financial statements.

In December 2023, the FASB issued ASU 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures*, which requires public entities, on an annual basis, to provide disclosure of specific categories in the rate reconciliation, as well as disclosure of income taxes paid disaggregated by jurisdiction. The ASU is effective for public business entities for annual periods beginning after December 15, 2024, with early adoption permitted. The Company is currently evaluating the impact of the new standard on its income tax disclosures and expects to adopt the standard for the fiscal year ending December 31, 2025. The Company does not expect the adoption of ASU 2023-09 to have a material impact on its consolidated financial statements but anticipates expanded disclosures in its annual reporting.

## 3. Fair Value Measurements

The Company recognizes financial instruments in accordance with the authoritative guidance on fair value measurements and disclosures for financial assets and liabilities. This guidance defines fair value, establishes a framework for measuring fair value in accordance with GAAP, and expands disclosures about fair value measurements. The guidance also establishes a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value.

These tiers include Level 1, defined as observable inputs, such as quoted prices in active markets; Level 2, defined as inputs other than quoted prices in active markets that are either directly or indirectly observable; and Level 3, defined as unobservable inputs in which little or no market data exists, therefore, requiring an entity to develop its own assumptions.

The Company's financial instruments consist principally of cash and cash equivalents, money market funds, accounts receivable, accounts payable, interest rate swaps, and debt. The carrying value of cash and cash equivalents, accounts receivable, and accounts payable approximate fair value, primarily due to short maturities.

Assets measured at fair value on a recurring basis are summarized below (in thousands):

<b>Fair Value Measurements at June 30, 2025</b>				
<i>(unaudited)</i>				
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Assets:</b>				
Cash equivalents - money market funds	\$ 21,573	\$ —	\$ —	\$ 21,573
Interest rate swaps	—	5,094	—	5,094
Total	<u>\$ 21,573</u>	<u>\$ 5,094</u>	<u>\$ —</u>	<u>\$ 26,667</u>

<b>Fair Value Measurements at December 31, 2024</b>				
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Assets:</b>				
Cash equivalents - money market funds	\$ 40,428	\$ —	\$ —	\$ 40,428
Interest rate swaps	—	9,742	—	9,742
Total	<u>\$ 40,428</u>	<u>\$ 9,742</u>	<u>\$ —</u>	<u>\$ 50,170</u>

Money market funds included in cash and cash equivalents are highly-liquid investments and are measured at fair value using quoted market prices and active markets, therefore are categorized as Level 1.

The fair value of the Company's interest rate swaps are measured at the end of each interim reporting period based on the then assessed fair value. As the fair value measure is based on the market approach, they are categorized as Level 2.

The Company believes the carrying value of its long-term debt at June 30, 2025 approximates its fair value based on its variable interest rate feature and interest rates currently available to the Company. The estimated fair value of the Company's debt, before debt discount, at June 30, 2025 and December 31, 2024 was \$258.1 million and \$293.7 million, respectively, based on valuation methodologies using interest rates currently available to the Company which are Level 2 inputs.

The Company's non-financial assets, such as property and equipment, goodwill and intangible assets, are recorded at fair value upon a business combination and are remeasured at fair value only if an impairment charge is recognized. The Company uses unobservable inputs to the valuation methodologies that are significant to the fair value measurements, and the valuations require management's judgment due to the absence of quoted market prices. The Company determines the fair value of its held and used assets, goodwill and intangible assets using an income, cost or market approach as determined reasonable. As the fair value measures are based on unobservable inputs, they are categorized as Level 3.

#### 4. Goodwill and Other Intangible Assets

Changes in the Company's goodwill balance for the six months ended June 30, 2025 are summarized in the table below (in thousands):

Balance at December 31, 2024	\$ 260,976
Divestitures of businesses	(8,633)
Foreign currency translation adjustment	8,362
Balance at June 30, 2025	<u>\$ 260,705</u>

The Company reviews its goodwill for impairment annually in the fourth quarter of the fiscal year and whenever events or changes in circumstances indicate that the carrying value of goodwill might not be recoverable.

Intangible assets, net include the estimated acquisition-date fair values of customer relationships, marketing-related assets, and developed technology that the Company recorded as part of its business acquisitions. The following is a summary of the Company's intangible assets, net (in thousands):

	Estimated Useful Life (Years)	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
<b>June 30, 2025:</b>				
			<i>(unaudited)</i>	
Customer relationships	2-10	\$ 226,776	\$ 159,393	\$ 67,383
Trade name	1.5-10	6,357	5,936	421
Developed technology	4-9	62,571	53,983	8,588
Favorable Leases	6.3	270	149	121
Total intangible assets		<u>\$ 295,974</u>	<u>\$ 219,461</u>	<u>\$ 76,513</u>
<b>December 31, 2024:</b>				
Customer relationships	1-10	\$ 348,524	\$ 239,563	\$ 108,961
Trade name	1.5-10	9,329	7,949	1,380
Developed technology	4-9	85,558	72,132	13,426
Favorable Leases	6.3	258	122	136
Total intangible assets		<u>\$ 443,669</u>	<u>\$ 319,766</u>	<u>\$ 123,903</u>

During the three and six months ended June 30, 2025, the Company divested certain product lines and their related intangible assets which resulted in a reduction of \$31.9 million in the net carrying value of intangible assets. See Note 12. *Divestitures*.

The Company periodically reviews the estimated useful lives of its identifiable intangible assets, taking into consideration any events or circumstances that might result in either a diminished fair value or revised useful life. During the three months ended June 30, 2025, the Company identified a triggering event related to certain intangible assets associated with Sunset Assets and performed a valuation of certain long-lived assets in accordance with ASC 360 *Impairment and Disposal of Long-Lived Assets*. The Company used a discounted cash flow analysis to estimate the fair value of the long-lived asset group. As a result of the valuation, during the three months ended June 30, 2025 the Company recorded a \$2.5 million of impairment charge related to intangible assets associated with certain Sunset Assets. No impairments of intangibles were recorded during the three and six months ended June 30, 2024.

Total amortization expense was \$7.9 million and \$17.3 million during the three and six months ended June 30, 2025, respectively, and \$13.5 million and \$27.0 million for the three and six months ended June 30, 2024, respectively.

## 5. Income Taxes

The Company's income tax provision for the three and six months ended June 30, 2025 and June 30, 2024 reflects its estimate of the effective tax rates expected to be applicable for the full years, adjusted for any discrete events that are recorded in the period in which they occur. The estimates are re-evaluated each quarter based on the estimated tax expense for the full year.

The income tax benefit of \$0.2 million and \$1.5 million for the three and six months ended June 30, 2025, respectively, is primarily related to the deferred tax benefit due to the divestitures of businesses during the periods. This tax benefit is offset by income taxes associated with U.S. and non-U.S. operations.

The income tax provision of \$1.2 million and \$0.7 million for the three and six months ended June 30, 2024, respectively, is largely comprised of foreign income taxes associated with our combined non-U.S. operations which is partially offset by the non-cash deferred tax impacts of the goodwill impairment booked during the first quarter of 2024.

The Company historically incurred operating losses in the United States prior to 2021 and, given its cumulative losses and limited history of profits, has recorded a valuation allowance against its United States net deferred tax assets, exclusive of tax deductible goodwill, at June 30, 2025 and December 31, 2024, respectively.

The Company has reflected uncertain tax positions primarily within its long-term taxes payable and a portion within deferred tax assets for which the balance is immaterial at June 30, 2025. The Company and its subsidiaries file tax returns in the U.S. federal jurisdiction, several U.S. state jurisdictions and several foreign jurisdictions. The Company is no longer subject to U.S. federal income tax examinations for years ending before December 31, 2021 and is no longer subject to state and local or foreign income tax examinations by tax authorities for years ending before December 31, 2020, other than where cross-border transactions extend the statute of limitations. U.S. operating losses generated in years prior to 2021 remain open to adjustment until the statute of limitations closes for the tax year in which the net operating losses are utilized.

## 6. Debt

Long-term debt consisted of the following (in thousands):

	<b>June 30, 2025</b>	<b>December 31, 2024</b>
Senior secured loans (includes unamortized discount of \$2,377 and \$3,456 based on an imputed interest rate of 6.7% and 6.6%, at June 30, 2025 and December 31, 2024, respectively)	\$ 255,698	\$ 290,194
Less current maturities	(3,240)	(3,224)
Total long-term debt	<u>\$ 252,458</u>	<u>\$ 286,970</u>

In 2019, the Company entered into a credit agreement (the "Credit Facility") which provided for (i) fully-drawn, 7 year, senior secured term loans (the "Term Loans") maturing August 6, 2026 and (ii) a \$60 million, 5 year, revolving credit facility (the "Revolver") which matured August 6, 2024.

The Term Loans are repayable on a quarterly basis by an amount equal to 0.25% (1.00% per annum) of the aggregate principal amount of such loan. Any amount remaining unpaid is due and payable in full on August 6, 2026.

At the option of the Company, the Term Loans accrue interest at a per annum rate based on (i) the Base Rate (as defined below) plus a margin of 2.75% or (ii) the rate (not less than 0.00%) published by CME Group Benchmark Administration Limited (CBA), or as otherwise determined in accordance with the Credit Facility (based on a period equal to 1, 2, 3 or 6 months or, if available and agreed to by all relevant Lenders and the Agent, 12 months or such period of less than 1 month) plus a margin of 3.75%. The Base Rate for any day is a rate per annum equal to the greatest of (i) the prime rate in effect on such day, (ii) the Federal Funds Effective Rate (not less than 0.00%) in effect on such day plus ½ of 1.00%, and (iii) the Federal Funds Effective Rate for a one month interest period beginning on such day plus 1.00%. Accrued interest is paid quarterly or, with respect to Term Loans that are accruing interest based on the Federal Funds Effective Rate, at the end of the applicable interest rate period. At June 30, 2025, the floating interest rate was 8.2%.

### *Covenants*

The Credit Facility contains customary affirmative and negative covenants. The Term Loans are secured by substantially all of the Company's assets.

As of June 30, 2025, the Company was in compliance with all covenants under the Credit Facility.

### *Interest rate swaps*

The Company has floating-to-fixed interest rate swap agreements to limit exposure to interest rate risk related to our debt, effectively converting a portion of the balance of the Company's Term Loans from variable interest payments to fixed interest rate payments, based on an annualized fixed rate of 5.4% through the maturity of the Term Loans. At the time the Company entered into the interest rate swap agreements, the Company designated all of the swaps as cash flow hedges and as such changes in fair value were recorded to accumulated other comprehensive income (loss) and reclassified to interest expense, net when the underlying transaction affected earnings.

In August 2024, the Company de-designated all of the interest rate swaps and the realized and unrealized gains previously recognized as a component of accumulated other comprehensive income (loss) are being amortized to interest expense, net as interest is accrued or prepayments are made on the Company's Term Loans. Subsequent to the de-designation, changes in the fair value of the interest rate swaps are recorded to interest expense, net. For the three and six months ended June 30, 2025, total unrealized change in the interest rate swaps fair value of \$1.3 million and \$3.4 million was recognized in interest expense, net, respectively.

Notional amounts under the interest rate swaps were \$216.3 million and \$255.8 million at June 30, 2025 and December 31, 2024, respectively.

Amounts previously reported in accumulated other comprehensive loss related to the Company's derivatives are reclassified to interest expense, net as interest is accrued on the Company's variable-rate debt or prepayments on the Term Loans are made. The impact of the Company's derivative financial instruments on its condensed consolidated statements of comprehensive (loss) income for the three and six months ended June 30, 2025 and June 30, 2024 was as follows (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Unrealized gain (loss) recognized in Other comprehensive income (loss) on interest rate swaps	\$ —	\$ (956)	\$ —	\$ 663
Amounts reclassified from Accumulated other comprehensive income (loss) to interest expense, net	(1,262)	(1,485)	(5,152)	(2,942)
Total Other comprehensive income (loss) on interest rate swaps	\$ (1,262)	\$ (2,441)	\$ (5,152)	\$ (2,279)

Cash interest costs averaged 5.9% and 7.2% for the six months ended June 30, 2025 and 2024, respectively.

See Note 14. *Subsequent Events* regarding the refinancing of the Company's outstanding Term Loans subsequent to quarter end.

## 7. Net Loss Per Share

The Company computes loss per share of our common stock, par value \$0.0001 per share ("Common Stock") and Series A Preferred Stock, par value \$0.0001 per share ("Series A Preferred Stock") using the two-class method. The two-class method requires income available to common stockholders for the period to be allocated between Common Stock and participating securities based upon their respective rights to receive dividends as if all income for the period had been distributed. The Company considers our Series A Preferred Stock to be a participating security, as its holders are entitled to fully participate in any dividends or other distributions declared or paid on our Common Stock on an as-converted basis.

The following table sets forth the computations of loss per share (in thousands, except share and per share amounts):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
<b>Numerator:</b>				
Net Loss	\$ (13,029)	\$ (11,439)	\$ (38,877)	\$ (107,569)
Preferred stock dividends and accretion	(1,454)	(1,390)	(2,892)	(2,765)
Net loss attributable to common stockholders	\$ (14,483)	\$ (12,829)	\$ (41,769)	\$ (110,334)
<b>Denominator:</b>				
Weighted-average common shares outstanding, basic and diluted	28,518,839	27,348,672	28,370,711	28,133,285
Net loss per common share, basic and diluted	\$ (0.51)	\$ (0.47)	\$ (1.47)	\$ (3.92)

Due to the net losses for the three and six months ended June 30, 2025 and June 30, 2024, respectively, basic and diluted loss per share were the same. The Company uses the application of the if-converted method for calculating diluted earnings per share on our Series A Preferred Stock. The Company applies the treasury stock method for calculating diluted earnings per share on our stock options, restricted stock units and performance-based restricted stock units.

Contingently issuable shares associated with outstanding performance-based restricted stock units (each, a "PSU") were not included in the basic earnings per share calculations for the periods presented, as the applicable vesting conditions had not been satisfied.

Potential shares of common stock are excluded from the computation of diluted earnings per share when their effect would be antidilutive. Performance-based restricted stock units are considered dilutive when the related performance criteria have been met assuming the end of the reporting period represents the end of the performance period. All potential shares of common stock are antidilutive in periods of net loss. Potential shares of common stock not included in the computation of earnings per share because their effect would have been antidilutive or because the performance criterion was not met were as follows (in thousands):

	June 30,	
	2025	2024
Stock options	87,561	122,530
Restricted stock units	2,338,055	2,716,299
Performance restricted stock units	350,000	350,000
Series A Preferred Stock on an if-converted basis <sup>(1)</sup>	7,467,267	7,140,482
<b>Total anti-dilutive common share equivalents</b>	<b>10,242,883</b>	<b>10,329,311</b>

(1) As of June 30, 2025, the Series A Preferred Stock plus accumulated dividends totaled \$130.7 million. The Series A Preferred Stock has a conversion price of \$17.50 per share, as detailed in “*Note 9. Mezzanine Equity*”.

## 8. Commitments and Contingencies

### Purchase Commitments

The Company has purchase commitments related to hosting services, third-party technology used in the Company's solutions and for other services the Company purchases as part of normal operations. In certain cases these arrangements require a minimum annual purchase commitment.

### Litigation

In the normal course of business, the Company is involved in various lawsuits and legal proceedings. The Company does not anticipate that any current or pending legal proceedings will have a material adverse effect on the Company's condensed consolidated balances sheets or condensed consolidated statements of operations.

### Letter of Credit

In conjunction with an operating lease agreement, the Company provided a \$0.6 million letter of credit in conformance with the contractual provisions of the lease. The letter of credit expires July 2029. The amount underlying such letter of credit is reflected as restricted cash in the Company's consolidated balance sheets as of June 30, 2025.

## 9. Mezzanine Equity

### Series A Convertible Preferred Stock

On July 14, 2022, the Company entered into a Securities Purchase Agreement (the “Purchase Agreement”) with Ulysses Aggregator, LP (the “Purchaser”), an affiliate of HGGC, LLC, to issue and sell at closing 115,000 shares of Series A Preferred Stock of the Company, par value \$0.0001 per share, at a price of \$1,000 per share (the “Initial Liquidation Preference”) for an aggregate purchase price of \$115.0 million (the “Investment”). On August 23, 2022 (the “Closing Date”), the closing of the Investment (the “Closing”) occurred, and the Series A Preferred Stock was issued to the Purchaser. In connection with the issuance of the Series A Preferred Stock, the Company incurred direct and incremental expenses of \$4.6 million comprised of transaction fees, and financial advisory and legal expenses which reduced the carrying value of the Series A Preferred Stock. The Purchaser has certain customary registration rights with respect to any shares of Series A Preferred Stock or the Common Stock of the Company issuable upon conversion of the Series A Preferred Stock, including rights with respect to the filing of a shelf registration statement, underwritten offering rights and piggy back rights.

### Dividend Provisions

The Series A Preferred Stock ranks senior to the Company's Common Stock with respect to payment of dividends and rights on the distribution of assets on any liquidation, dissolution or winding up of the affairs of the Company. The Series A Preferred Stock has an Initial Liquidation Preference of \$1,000 per share, representing an aggregate Liquidation Preference (as defined below) of \$1,000 upon issuance. Holders of the Series A Preferred Stock are entitled to the dividend at the rate of 4.5% per annum, within the first seven years after the Closing Date regardless of whether declared or assets are legally available for the payment. Such dividends shall accrue and compound quarterly in arrears from the date of issuance of the shares. The dividend rate will increase to 7.0% on the seven-year anniversary of the Closing Date. The dividend can be paid, in the Company's sole discretion, in cash or dividend in kind by adding to the Liquidation Preference of each share of Series A Preferred Stock outstanding. On June 7, 2023, the stockholders of the Company

authorized, for purposes of complying with Nasdaq Listing Rules 5635(b) and (d), the issuance of shares of Common Stock underlying shares of Series A Preferred Stock in an amount equal to or in excess of 20% of the Common Stock outstanding immediately prior to the issuance of such Series A Preferred Stock (including upon the operation of anti-dilution provisions contained in the Certificate of Designation designating the terms of such Series A Preferred Stock). The Series A Preferred Stock is also entitled to fully participate in any dividends paid to the holders of Common Stock in cash, in stock or otherwise, on an as-converted basis. The Series A Preferred Stock had accrued unpaid dividends of \$15.7 million as of June 30, 2025, representing 895,839 Common Stock shares upon conversion at \$17.50 per share.

### **Liquidation Rights**

In the event of any Liquidation, holders of the Series A Preferred Stock are entitled to receive an amount per share equal to the greater of (1) the Initial Liquidation Preference per share plus any accrued or declared but unpaid dividends on such shares (the “Liquidation Preference”) or (2) the amount payable if the Series A Preferred Stock were converted into Common Stock. The Series A Preferred Stock will have distribution and liquidation rights senior to all other equity interests of the Company. As of June 30, 2025, the Liquidation Preference of the Series A Preferred Stock plus accrued and unpaid dividends was \$130.7 million.

### **Optional Redemption**

On or after the 7th anniversary of the original issue date of the Series A Preferred Stock, the Company has the right to redeem any outstanding shares of the Series A Preferred Stock for a cash purchase price equal to 105% of the Liquidation Preference plus accrued and unpaid dividends as of the date of redemption.

### **Deemed Liquidation Event Redemption**

Upon a fundamental change, holders of the Series A Preferred Stock have the right to require the Company to repurchase any or all of its Series A Preferred Stock for cash equal to the greater of (1) 105% of the Liquidation Preference plus the present value of the dividend payments the holders would have been entitled to through the fifth anniversary of the issue date and (2) the amount that such Preferred Stock would have been entitled to receive as if converted into common shares immediately prior to the fundamental change.

A fundamental change (“Deemed Liquidation Event”) is defined as either the direct or indirect sale, lease, transfer, conveyance or other disposition of all or substantially all the properties or assets of the Company and its subsidiaries to any third party or the consummation of any transaction, the result of which is that any third party or group of third parties become the beneficial owner of more than 50% of the voting power of the Company.

### **Voting Rights**

The Series A Preferred Stock will vote together with the common shares on all matters and not as a separate class (except as specifically provided in the Certificate of Designation or as otherwise required by law) on an as-converted basis. The holders of the Series A Preferred Stock will have the right to elect one member of the Board of Directors of the Company (the “Board of Directors”) for so long as holders of the Series A Preferred Stock own in the aggregate at least 5% of the shares of Common Stock on a fully diluted basis. In addition, the holders of the Series A Preferred Stock will have the right to elect one non-voting observer to the Board of Directors for so long as they hold at least 10% of the shares of Convertible Preferred Stock outstanding as of the date of the issue date.

### **Conversion Feature**

The Series A Preferred Stock may be converted, at any time in whole or in part at the option of the holder into a number of shares of Common Stock equal to the quotient obtained by dividing the sum of the Liquidation Preference plus all accrued and unpaid dividends by the conversion price of \$17.50 (the “Conversion Price”). The Conversion Price is subject to adjustment in the following events:

- Stock splits and combinations
- Tender offers or exchange offers
- Distribution of rights, options, or warrants at a price per share that is less than the average of the last reported sale prices per share of Common Stock for the ten consecutive trading days
- Spin-offs and other distributed property
- Issuance of equity-linked securities at a price per share less than the conversion price

### **Anti-Dilution Provisions**

The Series A Preferred Stock has customary anti-dilution provisions for stock splits, stock dividends, mergers, sales of significant assets, and reorganization events and recapitalization transactions or similar events, and weighted average anti-dilution protection, subject to customary exceptions for issuances pursuant to current or future equity-based incentive plans or arrangements (including upon the exercise of employee stock options).

## 10. Stockholders' Deficit

### Common Stock

The common stock has a par value of \$0.0001 per share. Each share of common stock is entitled to one vote at all meetings of stockholders. The number of authorized shares of common stock may be increased or decreased (but not below the number of shares thereof then outstanding) by the affirmative vote of the holders of shares of capital stock of the Company representing a majority of the votes represented by all outstanding shares of capital stock of the Company entitled to vote. The holders of common stock are also entitled to receive dividends, when, if and as declared by our board of directors, whenever funds are legally available therefore, subject to the priority rights of any outstanding preferred stock.

### Share repurchase program

In September 2023, the Board of Directors authorized a stock repurchase program (the "Share Repurchase Plan") in the aggregate amount of up to \$25 million that allowed the Company to repurchase shares of its issued and outstanding Common Stock. The Share Repurchase Plan expired in May 2024 when the Company had repurchased all shares authorized for repurchase.

### Tax Benefit Preservation Plan and Preferred Stock Purchase Rights

Effective June 5, 2024, the Company entered into the 2024 Tax Benefit Preservation Plan with Broadridge Corporate Issuer Solutions, LLC, as Rights Agent (the "2024 Tax Benefit Preservation Plan"). By adopting the 2024 Tax Benefit Preservation Plan, the Company is seeking to protect its ability to use its net operating loss carryforwards ("NOLs") and other tax attributes to offset potential future income tax liabilities. The Company's ability to use such NOLs and other tax attributes would be substantially limited if the Company experiences an "ownership change," as defined in Section 382 of the Internal Revenue Code. The 2024 Tax Benefit Preservation Plan is intended to make it more difficult for the Company to undergo an ownership change by deterring any person from acquiring 4.9% or more of the outstanding shares of stock without the approval of the Board of Directors.

As part of the 2024 Tax Benefit Preservation Plan, the Board declared a dividend of one preferred stock purchase right (a "2024 Right" and collectively the "2024 Rights") for each outstanding share of Common Stock payable as of June 15, 2024. In connection with the 2024 Tax Benefit Preservation Plan, 27,030,605 2024 Rights were issued. The description and terms of the 2024 Rights are set forth in the 2024 Tax Benefit Preservation Plan. The 2024 Rights trade with, and are inseparable from, the Common Stock, and the record holders of shares of Common Stock are the record holders of the 2024 Rights. The 2024 Rights are not exercisable until the Distribution Date, as defined in the 2024 Tax Benefit Preservation Plan.

After the Distribution Date, each 2024 Right will be exercisable to purchase from the Company one one-thousandth of a share of Series B Junior Participating Preferred Stock, par value \$0.0001 per share, of the Company (the "Series B Preferred"), at a purchase price of \$15.25 per one one-thousandth of a share of Series B Preferred, subject to adjustment as provided in the 2024 Tax Benefit Preservation Plan. Until a 2024 Right is exercised or exchanged, the holder thereof, as such, will have no rights as a stockholder of the Company by virtue of holding such Right, including, without limitation, the right to vote and to receive dividends. The Board may adjust the Purchase Price, the number of shares of Series B Preferred issuable and the number of outstanding 2024 Rights to prevent dilution that may occur from a stock dividend, a stock split, a reclassification of the Series B Preferred or Common Stock or certain other specified transactions. No adjustments to the Purchase Price of less than 1% are required to be made.

Each one one-thousandth of a share of Series B Preferred, if issued:

- Will not be redeemable.
- Will entitle holders to quarterly dividend payments of \$0.001 per one one-thousandth of a share of Series B Preferred, or an amount equal to the dividend paid on one share of Common Stock, whichever is greater.
- Will entitle holders upon liquidation either to receive \$0.001 per one one-thousandth of a share of Series B Preferred, or an amount equal to the payment made on one share of Common Stock, whichever is greater.
- Will have the same voting power as one share of Common Stock.
- If shares of Common Stock are exchanged as a result of a merger, consolidation, or a similar transaction, will entitle holders to a per share payment equal to the payment made on one share of Common Stock.

### Accumulated Other Comprehensive Income (Loss)

Comprehensive income consists of two elements, net loss and other comprehensive income (loss). Other comprehensive income (loss) items are recorded in the stockholders' deficit section of our condensed consolidated balance sheets and are excluded from net loss. Our other comprehensive income consists primarily of foreign currency translation adjustments for subsidiaries with functional currencies other than the U.S. dollar, unrealized translation losses on intercompany loans with foreign subsidiaries, and realized and unrealized gains on interest rate swaps.

The following table shows the components of accumulated other comprehensive loss, net of income taxes, (“AOCI”) in the stockholders’ deficit section of our condensed consolidated balance sheets at the dates indicated (in thousands):

	June 30, 2025	December 31, 2024
Unrealized foreign currency translation adjustment, net of realized amounts reclassified into loss from divestitures of businesses	\$ (14,634)	\$ (26,172)
Unrealized translation gains (losses) on intercompany loans with foreign subsidiaries, net of taxes	(247)	(6,477)
Unrealized gains on interest rate swaps, net of amounts reclassified into interest expense, net	5,362	9,033
Realized gain on interest rate swap sale, net of amounts reclassified into interest expense, net	145	1,626
Total accumulated other comprehensive loss	<u>\$ (9,374)</u>	<u>\$ (21,990)</u>

During the six months ended June 30, 2025, the Company divested certain product lines and reclassified \$4.4 million of the cumulative foreign currency translation adjustment as a component of the loss on divestitures. See Note 12. *Divestitures*. The Company has intercompany loans that were used to fund the acquisitions of foreign subsidiaries. Due to the long-term nature of the loans, the unrealized translation gains (losses) resulting from re-measurement are recognized as a component of AOCI. The unrealized translation losses on intercompany loans with foreign subsidiaries as of June 30, 2025 and December 31, 2024 are net of income tax of \$1.7 million and \$1.4 million, respectively. The tax benefit related to unrealized translation gains (losses) on intercompany loans for the three and six months ended June 30, 2025 was \$0.3 million and \$0.3 million, respectively and for the three and six months ended June 30, 2024 was \$0.1 million benefit and \$0.2 million benefit, respectively. The income tax expense/benefit allocated to each component of other comprehensive income for all other periods and components is not material. The Company reclassifies taxes from AOCI to earnings as the items to which the tax effects relate are similarly reclassified.

The functional currency of our foreign subsidiaries are the local currencies. Results of operations for foreign subsidiaries are translated into United States dollars (“USD”) using the average exchange rates on a monthly basis during the year. The assets and liabilities of those subsidiaries are translated into USD using the exchange rates in effect at the balance sheet date. The related translation adjustments are recorded in a separate component of stockholders’ deficit in AOCI.

#### Stock-Based Compensation

The Company’s stock-based compensation generally includes awards of restricted stock units (“RSUs”) and performance-based restricted stock units (“PSUs”). Key employees, officers and directors of the Company and its consultants or advisors are eligible to receive awards.

The following table summarizes PSU and RSU activity during the six months ended June 30, 2025:

	Number of Units	Weighted-Average Grant Date Fair Value
Unvested restricted units outstanding as of December 31, 2024	2,277,132	\$ 5.36
Granted	1,840,000	5.02
Vested	(911,867)	5.16
Forfeited	(517,210)	4.61
Unvested restricted units outstanding as of June 30, 2025	<u>2,688,055</u>	<u>\$ 5.34</u>

The PSU and RSU activity table above includes 100,000 PSUs granted in 2023 and 250,000 PSUs granted in 2025 based on a 100% target payout.

Compensation cost related to awards is based on the fair market value at the time of the grant. The fair value of the RSUs is determined based on the grant date fair value of the award. Compensation expense for RSUs is recognized over the required service period of the grant. The PSUs vest upon the achievement of specified market performance thresholds. The PSUs have a vesting condition that is tied to the Company’s total shareholder return based on the Company’s stock performance up to a maximum of 200% and 300%, depending on the specified performance condition and the level of achievement obtained, for the 2023 PSUs and 2025 PSUs, respectively. The fair value of PSUs is determined using the Monte Carlo simulation model. Compensation expense for PSUs is recognized over the requisite service period and is not subject to adjustment regardless of whether the PSUs meet the performance metric.

The significant assumptions used in the Monte Carlo simulation model for the PSUs granted during the six months ended June 30, 2025 was as follows:

Expected volatility	81.9%
Risk-free interest rate	4.2%
Remaining performance period (in years)	3.08
Dividend yield	—

The Company recognizes stock-based compensation expense from all awards in the following expense categories included in our condensed consolidated statements of income (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Cost of revenue	\$ 143	\$ 199	\$ 264	\$ 385
Research and development	318	638	608	1,244
Sales and marketing	52	362	304	759
General and administrative	2,561	3,934	4,573	6,267
Total	\$ 3,074	\$ 5,133	\$ 5,749	\$ 8,655

## 11. Revenue Recognition

### Revenue Recognition Policy

Revenue is recognized when control of the promised goods or services is transferred to the Company's customers, in an amount that reflects the consideration the Company expects to be entitled to in exchange for those goods or services over the term of the agreement, generally when made available to the customers. We enter into contracts that can include various combinations of products and services, which are generally capable of being distinct and accounted for as separate performance obligations. Revenue is recognized net of sales credits and allowances. Revenue is recognized net of any taxes collected from customers, which are subsequently remitted to governmental authorities.

Revenue is recognized based on the following five step model in accordance with ASC 606, *Revenue from Contracts with Customers*:

- Identification of the contract with a customer
- Identification of the performance obligations in the contract
- Determination of the transaction price
- Allocation of the transaction price to the performance obligations in the contract
- Recognition of revenue when, or as, the Company satisfies a performance obligation

Performance obligations under our contracts consist of subscription and support, perpetual licenses, and professional services revenues within a single operating segment.

#### *Subscription and Support Revenue*

The Company's software solutions are available for use as hosted application arrangements under subscription fee agreements without licensing perpetual rights to the software. Subscription fees from these applications are recognized over time on a ratable basis over the customer agreement term beginning on the date the Company's solution is made available to the customer. As our customers have access to use our solutions over the term of the contract agreement we believe this method of revenue recognition provides a faithful depiction of the transfer of services provided. Our subscription contracts are generally 1 to 3 years in length. Amounts that have been invoiced are recorded in accounts receivable and deferred revenue or subscription and support revenue, depending on whether the revenue recognition criteria have been met. Additional fees for monthly usage above the levels included in the standard subscription fee are recognized as subscription and support revenue at the end of each month and are invoiced concurrently. Subscription and support revenue includes revenue related to the Company's digital engagement application which provides short code connectivity for its two-way short message service ("SMS") programs and campaigns. As discussed further in the "Principal vs. Agent Considerations" section below, the Company recognizes revenue related to these messaging-related subscription contracts on a gross basis.

### *Perpetual License Revenue*

The Company also records revenue from the sales of proprietary software products under perpetual licenses. Revenue from distinct on-premises licenses is recognized upfront at the point in time when the software is made available to the customer. The majority of the Company's products do not require significant customization.

### *Professional Services Revenue*

Professional services provided with subscription and support licenses and perpetual licenses consist of implementation fees, data extraction, configuration, and training. The Company's implementation and configuration services do not involve significant customization of the software and are not considered essential to the functionality. Revenue from professional services are recognized over time as such services are performed. Revenue for fixed price services are generally recognized over time applying input methods to estimate progress to completion. Revenue for consumption-based services are generally recognized as the services are performed.

### *Performance Obligations and Standalone Selling Price*

A performance obligation is a promise in a contract to transfer a distinct good or service to the customer and is the unit of accounting. The Company has contracts with customers that often include multiple performance obligations, usually including professional services sold with either individual or multiple subscriptions or perpetual licenses. For these contracts, the Company records individual performance obligations separately if they are distinct by allocating the contract's total transaction price to each performance obligation in an amount based on the relative standalone selling price ("SSP"), of each distinct good or service in the contract. We only include estimated amounts of variable consideration in the transaction price to the extent it is probable that a significant reversal of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is resolved.

A contract's transaction price is allocated to each distinct performance obligation and is recognized as revenue when, or as, the performance obligation is satisfied. We determine the SSP based on our overall pricing objectives, taking into consideration market conditions and other factors, including the value of our contracts, historical standalone sales, customer demographics, geographic locations, and the number and types of users within our contracts.

### *Principal vs. Agent Considerations*

The Company evaluates whether it is the principal (i.e., report revenues on a gross basis) or agent (i.e., report revenues on a net basis) for vendor reseller agreements and messaging-related subscription agreements. Where the Company is the principal, it first obtains control of the inputs to the specific good or service and directs their use to create the combined output. The Company's control is evidenced by its involvement in the integration of the good or service on its platform before it is transferred to its customers, and is further supported by the Company being primarily responsible to its customers and having a level of discretion in establishing pricing. While none of the factors individually are considered presumptive or determinative, in reaching conclusions on gross versus net revenue recognition, the Company places the most weight on the analysis of whether or not it is the primary obligor in the arrangement.

Generally, the Company reports revenue from vendor reseller agreements on a gross basis, meaning the amounts billed to customers are recorded as revenue, and expenses incurred are recorded as cost of revenue. As the Company is primarily obligated in its messaging-related subscription contracts, has latitude in establishing prices associated with its messaging program management services, is responsible for fulfillment of the transaction, and has credit risk, we have concluded it is appropriate to record revenue on a gross basis with related pass-through telecom messaging costs incurred from third parties recorded as cost of revenue. Revenue provided from agreements in which the Company is an agent are immaterial.

### *Contract Balances*

The timing of revenue recognition, billings and cash collections can result in billed accounts receivable, unbilled receivables, and deferred revenue. Billings scheduled to occur after the performance obligation has been satisfied and revenue recognition has occurred result in unbilled receivables, which are expected to be billed during the succeeding twelve-month period and are recorded in Unbilled receivables in our condensed consolidated balance sheets. A contract liability results when we receive prepayments or deposits from customers in advance for implementation, maintenance and other services, as well as subscription fees. Customer prepayments are generally applied against invoices issued to customers when services are performed and billed. We recognize contract liabilities as revenue upon satisfaction of the underlying performance obligations. Contract liabilities that are expected to be recognized as revenue during the succeeding twelve-month period are recorded in Deferred revenue and the remaining portion is recorded in Deferred revenue noncurrent on the accompanying condensed consolidated balance sheets at the end of each reporting period.

Deferred revenue primarily consists of amounts that have been billed to or received from customers in advance of revenue recognition and prepayments received from customers in advance for maintenance and other services, as well as initial subscription fees. We recognize deferred revenue as revenue when the services are performed, and the corresponding revenue recognition criteria are met. Customer prepayments are generally applied against invoices issued to customers when services are performed and billed. Our payment terms vary by the type and location of our customer and the products or services offered. The term between invoicing and

when payment is due is not significant. For certain products or services and customer types, we require payment before the products or services are delivered to the customer.

#### **Unbilled Receivables**

Unbilled receivables represent amounts for which the Company has recognized revenue, pursuant to its revenue recognition policy, for software licenses already delivered and professional services already performed, but invoiced in arrears and for which the Company believes it has an unconditional right to payment. As of June 30, 2025 and December 31, 2024, unbilled receivables were \$4.8 million and \$3.4 million, respectively.

#### **Deferred Commissions**

Sales commissions earned by our sales force, and related payroll taxes, are considered incremental and recoverable costs of obtaining a contract with a customer. Deferred commissions and other costs for new customer contracts are capitalized upon contract signing and amortized on a systematic basis that is consistent with the transfer of goods and services over the expected life of the customer relationships, which has been determined to be approximately 6 years. The expected life of our customer relationships is based on historical data and management estimates, including estimated renewal terms and the useful life of the associated underlying technology. Commissions paid on renewal contracts are not commensurate with commissions paid on new customer contracts, as such, deferred commissions related to renewals are capitalized and amortized over the estimated average contractual renewal term of 18 months. We utilize the 'portfolio approach' practical expedient permitted under ASC 606-10-10-4, which allows entities to apply the guidance to a portfolio of contracts with similar characteristics as the effects on the financial statements of this approach would not differ materially from applying the guidance to individual contracts. The portion of capitalized costs expected to be amortized during the succeeding twelve-month period is recorded in current assets as deferred commissions, current, and the remainder is recorded in long-term assets as deferred commissions, net of current portion. Amortization expense is included in sales and marketing expenses in the accompanying condensed consolidated statements of operations. Deferred commissions are reviewed for impairment whenever events or circumstances indicate their carrying value may not be recoverable consistent with the Company's long-lived assets policy. No indicators of impairment were identified during the six months ended June 30, 2025.

Amortization of deferred commissions in excess of commissions capitalized for the three and six months ended June 30, 2025 was \$0.3 million and \$1.1 million, respectively and for the three and six months ended June 30, 2024 was \$0.3 million and \$1.0 million, respectively.

#### **Deferred Revenue**

Deferred revenue represents either customer advance payments or billings for which the aforementioned revenue recognition criteria have not yet been met.

Deferred revenue is mainly unearned revenue related to subscription services and support services. During the six months ended June 30, 2025, we recognized \$21.2 million and \$0.5 million of subscription services and professional services revenue, respectively, that was included in the deferred revenue balances at the beginning of the period.

#### **Remaining Performance Obligations**

As of June 30, 2025, approximately \$169.4 million of revenue is expected to be recognized from remaining performance obligations. We expect to recognize revenue on approximately 72% of these remaining performance obligations over the next 12 months, with the balance recognized thereafter.

#### **Disaggregated Revenue**

The Company disaggregates revenue from contracts with customers by geography and revenue generating activity, as it believes it best depicts how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors.

Revenue by geography is based on the ship-to address of the customer, which is intended to approximate where the customers' users are located. The ship-to country is generally the same as the billing country. The Company has operations primarily in the United States, United Kingdom and Canada. Information about these operations is presented below (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
<b>Revenues:</b>				
<i>Subscription and support:</i>				
United States	\$ 37,046	\$ 47,342	\$ 80,770	\$ 95,066
United Kingdom	5,207	8,397	12,788	17,472
Canada	3,010	3,217	6,022	6,545
Other International	5,204	6,548	11,069	13,499
Total subscription and support revenue	50,467	65,504	110,649	132,582
<i>Perpetual license:</i>				
United States	524	879	972	1,570
United Kingdom	67	56	185	155
Canada	58	93	145	152
Other International	550	702	1,505	1,323
Total perpetual license revenue	1,199	1,730	2,807	3,200
<i>Professional services:</i>				
United States	1,041	1,212	2,128	2,445
United Kingdom	188	243	463	514
Canada	157	146	346	334
Other International	331	504	645	1,000
Total professional service revenue	1,717	2,105	3,582	4,293
Total revenue	\$ 53,383	\$ 69,339	\$ 117,038	\$ 140,075

## 12. Divestitures

The Company completed the divestitures of certain product lines for combined total consideration of \$10.0 million for the three months ended June 30, 2025 and \$15.5 million with up to \$4.0 million in earn-outs over the next 2 years for the six months ended June 30, 2025. Total consideration for the three months ended June 30, 2025 included a secured promissory note in the principal amount of \$5.5 million to be repaid quarterly over 5 years bearing interest at 10% annually. The Company recognized the promissory note at its fair value of \$4.9 million on the date of sale. The Company evaluated the collectability of the promissory note at June 30, 2025 and based on that evaluation the Company provided a \$1.5 million reserve during the three months ended June 30, 2025 which is recorded as an additional loss on the divestiture of the product lines. At June 30, 2025, the book value of the note was \$3.4 million. The Company will continue to monitor the collectability of the note and will record adjustments to the estimated net realizable value as deemed necessary until the note is settled. This note matures in 2030. At June 30, 2025, the current portion of the promissory note of \$0.9 million is recorded in prepaid and other current assets on the Company's condensed consolidated balance sheets and the long-term portion of the promissory note of \$2.5 million is recorded in other assets on the Company's condensed consolidated balance sheets.

The Company's interest in this note receivable is a variable interest and the underlying entity is a variable interest entity ("VIE"). The Company is not the primary beneficiary of this VIE because the Company does not individually have the power to direct the activities that are most significant to the entity and accordingly, the VIE is not consolidated.

For the three and six months ended June 30, 2025, the combined net losses on divestitures were \$0.4 million and \$23.9 million, respectively. The Company incurred divestiture-related expenses of \$6.9 million and \$8.6 million, respectively, during the three and six months ended June 30, 2025 which are recorded in divestiture-related expenses on the Company's condensed consolidated statements of operations. In conjunction with the divestitures, the Company terminated a legacy vendor contract related to out-sourced research and development for a one-time fee of \$5.2 million which is included in divestiture-related expenses in the condensed consolidated statements of operations for the three months ended June 30, 2025.

As part of the divestitures, the Company entered into transition services agreements (each a "TSA") with each of the buyers to assist them in the transition of certain functions, including, but not limited to, information technology, finance and accounting, for an initial

period of 60 - 120 days unless extended by mutual agreement. The Company has \$1.8 million in receivables from the buyers for the TSA services recorded in prepaid expenses and other current assets in the condensed consolidated balance sheets at June 30, 2025.

### **13. Segment Information**

The Company's Chief Executive Officer is considered to be the Company's chief operating decision-maker ("CODM"). The CODM manages the business as a multi-product cloud-based software application business that utilizes a singular operating model to deliver a consistently high level of operating performance to customers regardless of their geography or IT environment. Operating results are reviewed by the CODM primarily at the consolidated entity level for purposes of making resource allocation decisions and for evaluating financial performance. Accordingly, the Company has determined that it is a single operating and reporting segment structure. The key measure of profit or loss utilized by the CODM to assess performance of and allocate resources within the Company's single operating segment is net loss. This measure is presented on the condensed consolidated statements of operations. Significant segment expenses included in net loss are cost of revenue, sales and marketing expenses, research and development expenses, general and administrative expenses, depreciation and amortization, interest expense, net and other income (expense), which are presented on the condensed consolidated statements of operations. The measure of segment assets is reported on the condensed consolidated balance sheets as total assets.

### **14. Subsequent Events**

On July 25, 2025 (the "Closing Date"), the Company entered into a Credit Agreement (the "Credit Agreement") which provides for (i) a senior secured term loan facility in the aggregate principal amount of \$240.0 million (the "Term Loan") and (ii) a senior secured revolving credit facility in the aggregate principal amount of \$30.0 million (the "Revolving Facility" and together with the Term Loan, the "Credit Facilities").

On the Closing Date the proceeds of the Term Loan, together with cash on hand, were used to redeem all of the \$258.1 million outstanding aggregate principal amount of the Company's previous senior secured credit facility. The Term Loan will mature on July 25, 2031 and bear an interest rate of the secured overnight financing rate, which shall not be less than 1.5%, plus a margin of 6.0% per annum (with step downs and a potential step up at specified leverage levels). The Term Loan also includes (i) a covenant tested quarterly which limits the consolidated secured leverage ratio to 6.0 to 1.0 or under and (ii) certain other changes to the terms of the Credit Agreement, including with respect to certain negative covenants. Payments on the Term Loan will be due quarterly in amounts equal to (a) 2.50% per annum of the original principal amount of the Term Loan commencing beginning December 31, 2025 through September 30, 2026, (b) 1.75% per annum of the original principal amount of the Term Loan commencing December 31, 2026 through September 30, 2027, and (c) 1.00% per annum of the original principal amount of the Term Loan commencing December 31, 2027 and continuing each fiscal quarter thereafter, with the balance payable on the final maturity date.

The Revolving Facility will mature on July 25, 2031 and will bear the same interest rate as the Term Loan. The Revolving Facility will be subject to the same covenants and terms as the Term Loan. The proceeds of loans under the Revolving Facility will be used by the Company from time to time after the Closing Date for working capital and other general corporate purposes.

The Credit Facilities contains customary representations, warranties, covenants, including financial covenant, and events of default. The Credit Facilities are secured by substantially all of the Company's assets, subject to certain exclusions.

## Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations

### Forward Looking Statements

*The following discussion and analysis of our financial condition and results of operations should be read in conjunction with the unaudited condensed consolidated financial statements and the notes thereto appearing elsewhere in this Quarterly Report on Form 10-Q and our other filings with the Securities and Exchange Commission (“SEC”), including our Annual Report on Form 10-K for the year ended December 31, 2024. In addition to historical information, this Quarterly Report on Form 10-Q contains “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended (the “Securities Act”), and Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”). Forward-looking statements generally relate to future events or our future financial or operating performance. Forward-looking statements may be identified by the use of forward-looking words such as “anticipate,” “believe,” “may,” “will,” “continue,” “seek,” “estimate,” “intend,” “hope,” “predict,” “could,” “should,” “would,” “project,” “plan,” “expect” or the negative or plural of these words or similar expressions, although not all forward-looking statements contain these words. These forward-looking statements include, but are not limited to, statements concerning the following:*

- our financial performance and our ability to achieve or sustain profitability or predict future results;
- our plans regarding future acquisitions or divestitures and our ability to consummate and operationalize acquisitions or divestitures;
- our ability to expand our go to market operations, including our marketing and sales organization, and successfully increase sales of our products;
- our ability to obtain financing in the future on acceptable terms or at all;
- our expectations with respect to revenue, cost of revenue and operating expenses in future periods;
- our expectations with regard to revenue from perpetual licenses, usage fees, and professional services;
- our ability to adapt to macroeconomic factors impacting the global economy, including the Russia-Ukraine conflict, the conflicts in the Middle East, changes in trade policy, foreign currency exchange risk, inflation and supply chain constraints;
- our ability to attract and retain customers;
- our ability to successfully enter new markets and manage our international expansion;
- our ability to comply with privacy laws and regulations;
- our ability to incorporate and deliver artificial intelligence (“AI”) functionality into our products and services, including our ability to unlock critical knowledge, automate content workflows and drive measurable ROI;
- our ability to deliver high-quality customer service;
- our plans regarding, and our ability to effectively manage, our growth, including with respect to our growth investments;
- maintaining our senior management team and key personnel;
- the performance of our resellers;
- our ability to adapt to changing market conditions and competition;
- our ability to adapt to technological change and continue to innovate;
- the growth of demand for cloud-based, digital transformation applications;
- our ability to integrate our applications with other software applications;
- maintaining and expanding our relationships with third parties;
- costs associated with defending intellectual property infringement and other claims;
- our ability to maintain, protect and enhance our brand and intellectual property;
- our expectations with regard to trends, such as seasonality, which affect our business;
- impairments to goodwill and other intangible assets;
- our beliefs regarding how our applications benefit customers and what our competitive strengths are;
- the operation, reliability and security of our third-party data centers;

- our expectations as to the timing of the discontinuation of any Sunset Assets (as defined below), as well as the composition of Sunset Assets;
- our expectations as to the payment of dividends;
- our current level of indebtedness, including our exposure to variable interest rate risk;
- potential elimination or limitation of tax incentives or tax losses and/or reduction of U.S. federal net operating loss carryforwards (“NOLs”); and
- other risk factors included under “Risk Factors” in our Annual Report on Form 10-K for the year ended December 31, 2024, as updated by this Quarterly Report on Form 10-Q and periodically updated as necessary in our future quarterly reports on Form 10-Q and other filings that we make with the SEC.

You should not rely upon forward-looking statements as predictions of future events. We have based the forward-looking statements contained in this Quarterly Report on Form 10-Q primarily on our current expectations and projections about future events and trends that we believe may affect our business, financial condition, results of operations, and prospects. The outcome of the events described in these forward-looking statements is subject to risks, uncertainties, and other factors, including those described in the section titled “*Risk Factors*” in our Annual Report on Form 10-K for the year ended December 31, 2024. Moreover, we operate in a very competitive and rapidly changing environment. New risks and uncertainties emerge from time to time, and it is not possible for us to predict all risks and uncertainties that could have an impact on the forward-looking statements contained in this Quarterly Report on Form 10-Q. We cannot assure you that the results, events and circumstances reflected in the forward-looking statements will be achieved or occur, and actual results, events or circumstances could differ materially from those described in the forward-looking statements.

The forward-looking statements made in this Quarterly Report on Form 10-Q relate only to events as of the date on which the statements are made. We undertake no obligation to update any forward-looking statements made in this Quarterly Report on Form 10-Q to reflect events or circumstances after the date of this Quarterly Report on Form 10-Q or to reflect new information or the occurrence of unanticipated events, except as required by law. We may not actually achieve the plans, intentions, or expectations disclosed in our forward-looking statements and you should not place undue reliance on our forward-looking statements. Our forward-looking statements do not reflect the potential impact of any future acquisitions, mergers, dispositions, joint ventures or investments we may make.

A U.S. law titled The Big Beautiful Bill Act was signed into law on July 4, 2025, including several extensions to The Tax Cuts and Jobs Act passed in 2017. The new law also contains several new tax provisions. The company is currently assessing the impact of these provisions on future tax estimates.

## Overview

Upland Software, Inc. is a leader in AI-powered knowledge and content management software. Our solutions help enterprises unlock critical knowledge, automate content workflows, and drive measurable ROI—enhancing customer and employee experiences while supporting regulatory compliance. More than 1,100 enterprise customers rely on Upland to solve complex challenges and provide a trusted path for AI adoption.

## Key Metrics and Non-GAAP Financial Measures

In addition to the GAAP financial measures described below in “*Results of Operations*,” we regularly review the following key metrics and non-GAAP financial measures to evaluate and identify trends in our business, measure our performance, prepare financial projections and make strategic decisions.

### *Core Organic Growth Rate*

We use Core Organic Growth Rate as a key performance measure to assess our consolidated operating performance over time and for planning and forecasting purposes. Core Organic Growth Rate is the percentage change between two reported periods in subscription and support revenue, excluding subscription and support revenue from Sunset Assets, subscription and support revenue from divestitures, and Overage Charges, each as defined below. We calculate our year-over-year Core Organic Growth Rate as though all acquisitions or dispositions closed as of the end of the latest period were closed as of the first day of the prior year period presented. Core Organic Growth Rate does not represent actual organic revenue generated by our business as it stood at the beginning of the respective period.

For the three-month period ended June 30, 2025, our Core Organic Growth Rate was 1.2%.

Core Organic Growth Rates are not necessarily indicative of either future results of operations or actual results that might have been achieved had certain Sunset Asset classifications not been made or had certain acquisitions or dispositions been consummated on the

first day of the prior year period presented. We believe that this metric is useful to management and investors in analyzing our financial and operational performance period-over-period along with evaluating the growth of our business normalized for the impact of acquisitions and dispositions, as well as adjusting for the exclusion of non-core Sunset Assets and non-committed Overage Charges. For example, by including pre-acquisition revenue, Core Organic Growth Rate allows us to measure the underlying revenue growth of our business as of the end of the period presented, which we believe provides insight into our current performance.

#### *Related Defined Terms*

In connection with periodic reviews of our business, we have decided to discontinue the availability of certain non-strategic product offerings and a limited number of non-strategic customer contracts (collectively referred to as “Sunset Assets”). It is possible that during future periodic reviews of our business we may determine to add additional non-strategic product offerings or non-strategic customer contracts to Sunset Assets or remove certain product offerings or customer contracts from the classification of Sunset Assets. In either case, we will adjust the revenues attributable to Sunset Assets and properly reflect the year over year change for such addition or removal.

Overage Charges are subscription and support revenues earned in addition to contractual minimum customer commitments as a result of the usage volume of services including text and e-mail messaging and third-party pass-through costs that exceed the levels stipulated in contracts with the Company.

The following table represents a reconciliation of total revenue, the most comparable GAAP measure, to core organic revenue for each of the periods indicated.

	<b>Three Months Ended June 30,</b>	
	<b>2025</b>	<b>2024</b>
	<i>(dollars in thousands)</i>	
<b>Reconciliation of total revenue to core organic revenue:</b>		
Total revenue	\$ 53,383	\$ 69,339
Less:		
Perpetual license revenue	1,199	1,730
Professional services revenue	1,717	2,105
Subscription and support revenue from Sunset Assets	3,336	4,001
Subscription and support revenue from divestitures	2,170	15,434
Overage Charges	572	2,187
Core organic revenue	<u>\$ 44,389</u>	<u>\$ 43,882</u>

#### *Adjusted EBITDA*

We monitor our Adjusted EBITDA to help us evaluate the effectiveness and efficiency of our operations. Adjusted EBITDA is a non-GAAP financial measure. We define Adjusted EBITDA as net income (loss), calculated in accordance with GAAP, adjusted for depreciation and amortization expense, net interest expense, loss on debt extinguishment, net other expense (income), benefit from (provision for) income taxes, stock-based compensation expense, acquisition and divestiture related expense, purchase accounting deferred revenue discount, gains and losses on divestitures of businesses, and impairment charges.

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The following table represents a reconciliation of net loss from continuing operations, the most comparable GAAP measure, to Adjusted EBITDA for each of the periods indicated.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
<i>(dollars in thousands)</i>				
<b>Reconciliation of Net Loss to Adjusted EBITDA:</b>				
Net loss	\$ (13,029)	\$ (11,439)	\$ (38,877)	\$ (107,569)
Add:				
Depreciation and amortization expense	8,155	13,797	17,816	27,599
Interest expense, net	4,136	5,056	6,579	10,014
Other expense (income), net	1,595	(198)	1,836	(120)
Benefit from (provision for) income taxes	(171)	1,210	(1,516)	663
Stock-based compensation expense	3,074	5,133	5,749	8,655
Divestiture-related expenses	6,879	—	8,624	—
Non-recurring litigation costs	12	11	30	129
Purchase accounting deferred revenue discount	31	65	66	141
Loss on divestitures of businesses	434	—	23,891	—
Impairment of goodwill and other intangibles	2,469	—	2,469	87,227
Adjusted EBITDA	\$ 13,585	\$ 13,635	\$ 26,667	\$ 26,739

We believe that Adjusted EBITDA provides useful information to management, investors and others in understanding and evaluating our operating results for the following reasons:

- Adjusted EBITDA is widely used by investors and securities analysts to measure a company's operating performance without regard to items that can vary substantially from company to company depending upon their financing, capital structures and the method by which assets were acquired;
- Our management uses Adjusted EBITDA in conjunction with GAAP financial measures for planning purposes, in the preparation of our annual operating budget, as a measure of our operating performance, to assess the effectiveness of our business strategies and to communicate with our board of directors concerning our financial performance because Adjusted EBITDA eliminates the impact of items that we do not consider indicative of our core operating performance;
- Adjusted EBITDA provides more consistency and comparability with our past financial performance, facilitates period-to-period comparisons of our operations and also facilitates comparisons with other companies, many of which use similar non-GAAP financial measures to supplement their GAAP results.

Adjusted EBITDA should not be considered as an alternative to net loss or any other measure of financial performance calculated and presented in accordance with GAAP. The use of Adjusted EBITDA as an analytical tool has limitations such as:

- Impairment of goodwill and other intangibles and depreciation and amortization are non-cash charges, and the assets being depreciated or amortized, which contribute to the generation of revenue, will often have to be replaced in the future and Adjusted EBITDA does not reflect cash requirements for such replacements; however, much of the depreciation and amortization relates to amortization of acquired intangible assets as well as the goodwill as a result of business combination purchase accounting adjustments, which will not need to be replaced in the future;
- Adjusted EBITDA may not reflect changes in, or cash requirements for, our working capital needs or contractual commitments;
- Adjusted EBITDA does not reflect the potentially dilutive impact of stock-based compensation;
- Adjusted EBITDA does not reflect interest or tax payments that could reduce cash available for use; and
- Other companies, including companies in our industry, might calculate Adjusted EBITDA or similarly titled measures differently, which reduces their usefulness as comparative measures.

Because of these limitations, you should consider Adjusted EBITDA together with other financial performance measures, including various cash flow metrics, net loss and our other GAAP results.

**Results of Operations**

### Consolidated Statements of Operations Data

The following table set forth our results of operations for the specified periods, as well as our results of operations for the specified periods as a percentage of revenue. The period-to-period comparisons of results of operations are not necessarily indicative of results for future periods.

	Three Months Ended June 30,				Six Months Ended June 30,			
	2025		2024		2025		2024	
	Amount	Percent of Revenue	Amount	Percent of Revenue	Amount	Percent of Revenue	Amount	Percent of Revenue
<i>(dollars in thousands, except share and per share data)</i>								
Revenue:								
Subscription and support	\$ 50,467	95 %	\$ 65,504	94 %	\$ 110,649	95 %	\$ 132,582	95 %
Perpetual license	1,199	2 %	1,730	2 %	2,807	2 %	3,200	2 %
Total product revenue	51,666	97 %	67,234	96 %	113,456	97 %	135,782	97 %
Professional services	1,717	3 %	2,105	4 %	3,582	3 %	4,293	3 %
Total revenue	53,383	100 %	69,339	100 %	117,038	100 %	140,075	100 %
Cost of revenue:								
Subscription and support <sup>(1)(3)</sup>	12,412	23 %	19,247	28 %	29,362	25 %	39,076	28 %
Professional services and other <sup>(1)</sup>	1,023	2 %	1,227	2 %	2,121	2 %	2,447	2 %
Total cost of revenue	13,435	25 %	20,474	30 %	31,483	27 %	41,523	30 %
Gross profit	39,948	75 %	48,865	70 %	85,555	73 %	98,552	70 %
Operating expenses:								
Sales and marketing <sup>(1)</sup>	10,771	20 %	16,791	24 %	24,527	21 %	33,809	24 %
Research and development <sup>(1)</sup>	9,781	18 %	12,185	18 %	21,323	18 %	24,640	18 %
General and administrative <sup>(1)(2)</sup>	10,219	19 %	13,880	20 %	21,840	19 %	27,112	19 %
Depreciation and amortization	6,864	13 %	11,380	16 %	14,859	13 %	22,776	16 %
Divestiture-related expenses	6,879	13 %	—	— %	8,624	7 %	—	1 %
Impairment of goodwill and other intangibles	2,469	5 %	—	— %	2,469	2 %	87,227	62 %
Total operating expenses	46,983	88 %	54,236	78 %	93,642	80 %	195,564	140 %
Loss from operations	(7,035)	(13)%	(5,371)	(8)%	(8,087)	(7)%	(97,012)	(70)%
Other expense:								
Interest expense, net	(4,136)	(8)%	(5,056)	(7)%	(6,579)	(6)%	(10,014)	(7)%
Loss on divestitures of businesses	(434)	(1)%	—	— %	(23,891)	(20)%	—	— %
Other income (expense), net	(1,595)	(3)%	198	— %	(1,836)	(22)%	120	— %
Total other expense	(6,165)	(12)%	(4,858)	(7)%	(32,306)	(28)%	(9,894)	(7)%
Loss before provision for income taxes	(13,200)	(25)%	(10,229)	(15)%	(40,393)	(35)%	(106,906)	(77)%
Benefit from (provision for) income taxes	171	1 %	(1,210)	(1)%	1,516	2 %	(663)	— %
Net loss	(13,029)	(24)%	(11,439)	(16)%	(38,877)	(33)%	(107,569)	(77)%
Preferred stock dividends and accretion	(1,454)	(3)%	(1,390)	(2)%	(2,892)	(2)%	(2,765)	(2)%
Net loss attributable to common shareholders	\$ (14,483)	(27)%	\$ (12,829)	(18)%	\$ (41,769)	(36)%	\$ (110,334)	(79)%
Net loss per common share:								
Net loss per common share, basic and diluted	\$ (0.51)		\$ (0.47)		\$ (1.47)		\$ (3.92)	
Weighted-average common shares outstanding, basic and diluted	28,518,839		27,348,672		28,370,711		28,133,285	

<sup>(1)</sup> Includes stock-based compensation detailed under Share-based Compensation in “Item 1. Financial Statements—Note 10. Stockholders’ Deficit”.

<sup>(2)</sup> Includes general and administrative stock-based compensation of \$2.6 million and \$3.9 million for the three months June 30, 2025 and June 30, 2024, respectively, and \$4.6 million and \$6.3 million for the six months ended June 30, 2025 and June 30, 2024, respectively. General and administrative expense excluding stock-based compensation as a percentage of total revenues was 14% and 14% for the three months ended June 30, 2025 and June 30, 2024, respectively, and 15% and 15% for the six months ended June 30, 2025 and June 30, 2024.

	\$ 2,561	14 %	\$ 3,934	14 %	\$ 4,573	15 %	\$ 6,267	15 %
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<sup>(3)</sup> Includes depreciation and amortization of \$1.3 million and \$2.4 million for the three months ended June 30, 2025 and June 30, 2024, respectively, and \$3.0 million and \$4.8 million for the six months ended June 30, 2025 and June 30, 2024, respectively.

### Comparison of the Three and Six Months Ended June 30, 2025 and 2024

See Note 12. Divestitures regarding product lines divested in the three and six months ended June 30, 2025.

	Three Months Ended June 30,			Six Months Ended June 30,		
	2025	2024	% Change	2025	2024	% Change
<i>(dollars in thousands)</i>						
<b>Revenue:</b>						
Subscription and support	\$ 50,467	\$ 65,504	(23)%	\$ 110,649	\$ 132,582	(17)%
Perpetual license	1,199	1,730	(31)%	2,807	3,200	(12)%
Total product revenue	51,666	67,234	(23)%	113,456	135,782	(16)%
Professional services	1,717	2,105	(18)%	3,582	4,293	(17)%
Total revenue	<u>\$ 53,383</u>	<u>\$ 69,339</u>	<u>(23)%</u>	<u>\$ 117,038</u>	<u>\$ 140,075</u>	<u>(16)%</u>
<b>Percentage of revenue:</b>						
Subscription and support	95%	94%		95%	95%	
Perpetual license	2%	2%		2%	2%	
Total product revenue	97%	96%		97%	97%	
Professional services	3%	4%		3%	3%	
Total revenue	<u>100%</u>	<u>100%</u>		<u>100%</u>	<u>100%</u>	

#### Revenue

##### For the Three Months Ended June 30, 2025

Total revenue was \$53.4 million in the three months ended June 30, 2025, compared to \$69.3 million in the three months ended June 30, 2024, a decrease of \$15.9 million, or 23%. This decrease is primarily due to the expected declines in revenue related to divested product lines of \$14.8 million and revenue related to Sunset Assets of \$0.7 million. The remaining change results from declines in professional services revenue of \$0.2 million, and perpetual license revenue of \$0.5 million, offset by an increase in subscription and support revenue of \$0.3 million related to core products.

##### For the Six Months Ended June 30, 2025

Total revenue was \$117.0 million in the six months ended June 30, 2025, compared to \$140.1 million in the six months ended June 30, 2024, a decrease of \$23.1 million, or 16%. This decrease is primarily due to the expected declines in revenue related to divested product lines of \$19.8 million and related to Sunset Assets of \$2.3 million. The remaining decrease results from declines in subscription and support revenue of \$0.3 million, perpetual license revenue of \$0.2 million, and professional services revenue of \$0.4 million related to core products.

**Cost of Revenue**

	Three Months Ended June 30,			Six Months Ended June 30,		
	2025	2024	% Change	2025	2024	% Change
<i>(dollars in thousands)</i>						
<b>Cost of revenue:</b>						
Subscription and support <sup>(1)</sup>	\$ 12,412	\$ 19,247	(36)%	\$ 29,362	\$ 39,076	(25)%
Professional services and other	1,023	1,227	(17)%	2,121	2,447	(13)%
Total cost of revenue	13,435	20,474	(34)%	31,483	41,523	(24)%
Gross profit	\$ 39,948	\$ 48,865	(18)%	\$ 85,555	\$ 98,552	
<b>Percentage of total revenue:</b>						
Subscription and support <sup>(1)</sup>	23%	28%		25%	28%	
Professional services and other	2%	2%		2%	2%	
Total cost of revenue	25%	30%		27%	30%	
Gross profit	75%	70%		73%	70%	

<sup>(1)</sup> Includes amortization and stock compensation expense as follows:

Amortization	\$ 1,291	\$ 2,417	\$ 2,957	\$ 4,823
Stock Compensation	\$ 143	\$ 199	\$ 264	\$ 385

**For the Three Months Ended June 30, 2025**

Cost of subscription and support revenue was \$12.4 million in the three months ended June 30, 2025, compared to \$19.2 million in the three months ended June 30, 2024, a decrease of \$6.8 million, or 36%. The decrease related to divested product lines was \$5.7 million attributable to infrastructure costs, variable telecom carrier costs, personnel costs and non-cash amortization of divested intangibles. The decrease related to Sunset assets was \$0.4 million and the remaining decrease related to decreases of \$0.3 million in personnel-related expenses and \$0.4 million in non-cash amortization of intangibles in our on-going product lines.

Cost of professional services and other revenue was \$1.0 million in the three months ended June 30, 2025, compared to \$1.2 million in the three months ended June 30, 2024, a decrease of \$0.2 million, or 17%. The decrease in cost of professional services and other revenue was comprised of a decrease in personnel-related expenses of \$0.1 million in our divested product lines and \$0.1 million in our on-going product lines.

**For the Six Months Ended June 30, 2025**

Cost of subscription and support revenue was \$29.4 million in the six months ended June 30, 2025, compared to \$39.1 million in the six months ended June 30, 2024, a decrease of \$9.7 million, or 25%. The decrease related to divested product lines was \$7.8 million attributable to infrastructure costs, variable telecom carrier costs, personnel costs and non-cash amortization of divested intangibles. The decrease related to Sunset Assets was \$0.8 million and the remaining decrease related to decreases of \$0.5 million in personnel-related expenses and \$0.6 million in non-cash amortization of intangibles in our on-going product lines.

Cost of professional services and other revenue was \$2.1 million in the six months ended June 30, 2025, compared to \$2.4 million in the six months ended June 30, 2024, a decrease of \$0.3 million, or 13%. The decrease in cost of professional services and other revenue was comprised of a decrease in personnel-related expenses of \$0.2 million in our divested product lines and \$0.1 million in our on-going product lines.

## Operating Expenses

### Sales and Marketing Expense

	Three Months Ended June 30,			Six Months Ended June 30,		
	2025	2024	% Change	2025	2024	% Change
	<i>(dollars in thousands)</i>					
Sales and marketing <sup>(1)</sup>	\$ 10,771	\$ 16,791	(36)%	\$ 24,527	\$ 33,809	(27)%
Percentage of total revenue	20%	24%		21%	24%	

<sup>(1)</sup> Includes stock compensation expense as follows:

Stock Compensation	\$ 52	\$ 362		\$ 304	\$ 759	
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#### For the Three Months Ended June 30, 2025

Sales and marketing expense was \$10.8 million in the three months ended June 30, 2025, compared to \$16.8 million in the three months ended June 30, 2024, a decrease of \$6.0 million, or 36%. The decrease related to divested product lines was \$3.2 million comprised of \$2.9 million in personnel-related costs and \$0.3 million in marketing spend. The remaining decrease was related to decreases of \$0.4 million in costs related to our Sunset Assets, and \$2.1 million in personnel-related costs and \$0.3 million in marketing spend related to our on-going product lines.

#### For the Six Months Ended June 30, 2025

Sales and marketing expense was \$24.5 million in the six months ended June 30, 2025, compared to \$33.8 million in the six months ended June 30, 2024, a decrease of \$9.3 million, or 27%. The decrease related to divested product lines was \$4.6 million comprised of \$4.1 million in personnel-related costs and \$0.5 million in marketing spend and other sales costs. The remaining decrease was related to decreases of \$0.6 million in costs related to our Sunset Assets, and \$3.6 million in personnel-related costs and \$0.5 million in marketing and other spend in our on-going product lines.

### Research and Development Expense

	Three Months Ended June 30,			Six Months Ended June 30,		
	2025	2024	% Change	2025	2024	% Change
	<i>(dollars in thousands)</i>					
Research and development <sup>(1)</sup>	\$ 9,781	\$ 12,185	(20)%	\$ 21,323	\$ 24,640	(13)%
Percentage of total revenue	18%	18%		18%	18%	

<sup>(1)</sup> Includes stock compensation expense as follows:

Stock Compensation	\$ 318	\$ 638		\$ 608	\$ 1,244	
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#### For the Three Months Ended June 30, 2025

Research and development expense was \$9.8 million in the three months ended June 30, 2025, compared to \$12.2 million in the three months ended June 30, 2024, a decrease of \$2.4 million, or 19.7%. The decrease in research and development expense is primarily attributable to a \$1.9 million decrease in personnel-related costs in our divested product lines, a \$0.2 million decrease in personnel-related costs in our Sunset Assets and a \$0.3 million decrease in personnel-related costs in our remaining product lines. These decreases reflect the termination of our out-sourced research and development contract and the continued use of our India Center of Excellence.

#### For the Six Months Ended June 30, 2025

Research and development expense was \$21.3 million in the six months ended June 30, 2025, compared to \$24.6 million in the six months ended June 30, 2024 a decrease of \$3.3 million, or 13.5%. The decrease in research and development expense is primarily attributable to a \$2.3 million decrease in personnel-related costs in our divested product lines, a \$0.3 million decrease in personnel-related costs in our Sunset Assets and a \$0.7 million decrease in personnel-related costs in our remaining product lines.

### General and Administrative Expense

	Three Months Ended June 30,			Six Months Ended June 30,		
	2025	2024	% Change	2025	2024	% Change
	<i>(dollars in thousands)</i>					
General and administrative <sup>(1)</sup>	\$ 10,219	\$ 13,880	(26)%	\$ 21,840	\$ 27,112	(19)%
Percentage of total revenue	19%	20%		19%	19%	

<sup>(1)</sup> Includes stock compensation expense as follows:

Stock compensation	\$ 2,561	\$ 3,934		\$ 4,573	\$ 6,267	
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#### For the Three Months Ended June 30, 2025

General and administrative expense was \$10.2 million in the three months ended June 30, 2025, compared to \$13.9 million in the three months ended June 30, 2024, a decrease of \$3.7 million, or 26%. This decrease is primarily due to a decrease of \$2.7 million in personnel-related costs related to our on-going product lines including a decrease of \$1.4 million in non-cash stock compensation expense. The decrease related to our divested product lines was \$1.0 million inclusive of the effects of the TSA agreements related to divestitures which end in July 2025.

#### For the Six Months Ended June 30, 2025

General and administrative expense was \$21.8 million in the six months ended June 30, 2025, compared to \$27.1 million in the six months ended June 30, 2024, a decrease of \$5.3 million, or 19%. This decrease is due to decreases of \$3.7 million in personnel-related costs and \$0.6 million million in legal and HR professional related to our on-going product lines and a \$1.0 million decrease related to our divested product lines inclusive of the effects of the TSA agreements related to divestitures which end in July 2025.

### Depreciation and Amortization Expense

	Three Months Ended June 30,			Six Months Ended June 30,		
	2025	2024	% Change	2025	2024	% Change
	<i>(dollars in thousands)</i>					
Depreciation and amortization:						
Depreciation	\$ 263	\$ 285	(8)%	\$ 524	\$ 577	(9)%
Amortization	6,601	11,095	(41)%	14,335	22,199	(35)%
Total depreciation and amortization	\$ 6,864	\$ 11,380	(40)%	\$ 14,859	\$ 22,776	(35)%
Percentage of total revenue:						
Depreciation	1%	—%		1%	—%	
Amortization	12%	16%		12%	16%	
Total depreciation and amortization	13%	16%		13%	16%	

#### For the Three Months Ended June 30, 2025

Depreciation and amortization expense was \$6.9 million in the three months ended June 30, 2025, compared to \$11.4 million in the three months ended June 30, 2024, a decrease of \$4.5 million, or 40%. All of the decrease resulted from the decline in amortization from intangible assets associated with the divested product lines.

#### For the Six Months Ended June 30, 2025

Depreciation and amortization expense was \$14.9 million in the six months ended June 30, 2025, compared to \$22.8 million in the six months ended June 30, 2024, a decrease of \$7.9 million, or 35%. \$7.8 million of the decrease resulted from the decline in amortization from intangible assets associated with the divested product lines and \$0.1 million related to intangible assets related to our ongoing product lines becoming fully amortized.

### Divestiture-related Expenses

	Three Months Ended June 30,			Six Months Ended June 30,		
	2025	2024	% Change	2025	2024	% Change
	<i>(dollars in thousands)</i>					
Divestiture-related expenses	\$ 6,879	\$ —	100 %	\$ 8,624	\$ —	100 %
Percentage of total revenue	13%	—%		7%	1%	

#### For the Three Months Ended June 30, 2025

Divestiture-related expenses were \$6.9 million in the three months ended June 30, 2025, compared to nil in the three months ended June 30, 2024. In conjunction with the divestiture completed in the second quarter of 2025, we incurred \$0.9 million in professional fees and \$0.8 million in personnel-related costs. We also recorded a one-time termination fee of \$5.2 million related to a legacy vendor contract for out-sourced research and development. No divestiture-related expenses were incurred in the three months ended June 30, 2024.

#### For the Six Months Ended June 30, 2025

Divestiture-related expenses were \$8.6 million in the six months ended June 30, 2025, compared to nil in the six months ended June 30, 2024. The divestiture-related expenses incurred in the six months ended June 30, 2025 consisted of the divestiture-related expenses in the second quarter of 2025 described above as well as primarily professional services fees related to the divestitures completed in the first quarter of 2025. No divestiture-related expenses were incurred in the six months ended June 30, 2024.

### Impairment of goodwill and other intangibles

	Three Months Ended June 30,			Six Months Ended June 30,		
	2025	2024	% Change	2025	2024	% Change
	<i>(dollars in thousands)</i>					
Impairment of goodwill and other intangibles	\$ 2,469	\$ —	N/A	\$ 2,469	\$ 87,227	(97)%

We periodically review the estimated useful lives of our identifiable intangible assets, taking into consideration any events or circumstances that might result in either a diminished fair value or revised useful life. During the three months ended June 30, 2025, we identified a triggering event related to certain intangible assets related to Sunset Assets and performed a valuation of certain long-lived assets in accordance with ASC 360 *Impairment and Disposal of Long-Lived Assets*. We used a discounted cash flow analysis to estimate the fair value of the long-lived asset group. As a result of the valuation, we recorded \$2.5 million of impairment expense related to certain Sunset intangible assets. No such triggering event was noted in the three months ended June 30, 2024.

Goodwill impairment is recognized on a non-recurring basis when the carrying value (or GAAP basis book value) of our Company (which is our only reporting unit) exceeds the estimated fair value of our Company as determined by reference to a number of factors and assumptions, including the trends in the stock price of our Common Stock. We assess goodwill for impairment annually on October 1st, or more frequently when an event occurs which could cause the carrying value of our Company to exceed the estimated fair value of our Company. As a result of declines in our stock price during the three months ended March 31, 2024, we performed a goodwill impairment evaluation which resulted in a goodwill impairment of \$87.2 million for the three months ended March 31, 2024. We will continue to evaluate goodwill for impairment in 2025 and future impairments of goodwill could occur if we experience significant stock price declines.

**Other Expense**

	Three Months Ended June 30,			Six Months Ended June 30,		
	2025	2024	% Change	2025	2024	% Change
	<i>(dollars in thousands)</i>					
<b>Other expense:</b>						
Interest expense, net	\$ (4,136)	\$ (5,056)	(18)%	\$ (6,579)	\$ (10,014)	(34)%
Loss on divestitures of businesses	(434)	—	100 %	(23,891)	\$ —	100 %
Other income (expense), net	(1,595)	198	(906)%	(1,836)	120	(1,630)%
<b>Total other expense</b>	<b>\$ (6,165)</b>	<b>\$ (4,858)</b>	<b>27 %</b>	<b>\$ (32,306)</b>	<b>\$ (9,894)</b>	<b>227 %</b>
<b>Percentage of total revenue:</b>						
Interest expense, net	(8)%	(7)%		(6)%	(7)%	
Loss on divestitures of businesses	(1)%	—%		(20)%	—%	
Other income (expense), net	(3)%	—%		(22)%	—%	
<b>Total other expense</b>	<b>(12)%</b>	<b>(7)%</b>		<b>(28)%</b>	<b>(7)%</b>	

**For the Three Months Ended June 30, 2025**

Interest expense, net of interest income, was \$4.1 million of net interest income in the three months ended June 30, 2025 compared to \$5.1 million of net interest expense in the three months ended June 30, 2024, a change of \$1.0 million or 18%. This was due to prepayments on the our Term Loans in prior periods, which lowered cash interest expense by \$4.9 million, inclusive of the effects of the interest rate swaps. This reduction was offset by the changes in the fair value of the interest rate swaps recorded to interest expense, net of \$1.3 million in the three months ended June 30, 2025 with no such effects recorded to interest expense, net in the three months ended June 30, 2024. Interest income for the three months ended June 30, 2025 declined \$2.6 million from interest income in the three months ended June 30, 2024 due to lower cash and cash equivalents.

Loss on divestitures of businesses was \$0.4 million in the three months ended June 30, 2025 compared to nil in the three months ended June 30, 2024. In the three months ended June 30, 2025, we divested our mobile messaging products in order to focus on our higher margin and higher growth potential product lines. No divestitures were closed in the three months ended June 30, 2024.

Other income (expense), net recognized during the three months ended June 30, 2025 and 2024 were related primarily to foreign currency exchange fluctuations.

**For the Six Months Ended June 30, 2025**

Interest expense, net of interest income was \$6.6 million in the six months ended June 30, 2025, compared to \$10.0 million in the six months ended June 30, 2024, a decrease of \$3.4 million, or 34%. The decrease in interest expense is primarily attributable to the prepayments of debt which lowered cash interest expense by 9.5 million, inclusive of the cash effects of the interest rate swaps. The decrease in interest expense, net related to the \$2.2 million amortization of realized and unrealized gains on interest rates swaps from accumulated other comprehensive income to interest expense was offset by a change in fair value of the interest rate swaps of \$3.4 million in the six months ended June 30, 2025 which increased non-cash interest expense, net. These net decreases in interest expense, net were offset by \$4.9 million less interest income in the six months ended June 30, 2025 compared to the six months ended June 30, 2024 due to lower cash and cash equivalents.

Loss on divestitures of businesses was \$23.9 million for the six months ended June 30, 2025 as compared to nil in the six months ended June 30, 2024. During the six months ended June 30, 2025, we divested multiple products in order to focus on our higher margin and higher growth potential product lines. No such divestitures occurred in the six months ended June 30, 2024.

Other expense, net was \$1.8 million in the six months ended June 30, 2025, compared to other income, net of \$0.1 million in the six months ended June 30, 2024. Other income (expense), net recognized in the six months ended June 30, 2025 and June 30, 2024 related primarily to foreign currency exchange fluctuations.

### Benefit from Income Taxes

	Three Months Ended June 30,			Six Months Ended June 30,		
	2025	2024	% Change	2025	2024	% Change
	<i>(dollars in thousands)</i>					
Benefit from (provision for) income taxes	\$ 171	\$ (1,210)	(114)%	\$ 1,516	\$ (663)	(329)%
Percentage of total revenue	1%	(1)%		2%	—%	

#### For the Three Months Ended June 30, 2025

The benefit from income taxes was \$0.2 million in the three months ended June 30, 2025, compared to a provision for income taxes of \$1.2 million in the three months ended June 30, 2024, resulting in an increase in benefit from income taxes of \$1.4 million. The benefit from income taxes for the three months ended June 30, 2025 relates primarily to the deferred tax benefit from the business divestitures in the second quarter of 2025. This tax benefit is partially offset by the income tax from non-U.S. and U.S. operations.

#### For the Six Months Ended June 30, 2025

The benefit from income taxes was \$1.5 million in the six months ended June 30, 2025, compared to a provision for income taxes of \$0.7 million in the six months ended June 30, 2024, an decrease in expense of \$2.2 million. This increase was primarily due to the deferred tax benefit from the business divestitures in the six months ended June 30, 2025.

### Liquidity and Capital Resources

We have financed our operations primarily through cash generated from operating activities, the raising of capital including sales of our Common Stock or our convertible preferred stock, and borrowings under credit facilities.

As of June 30, 2025, we had \$41.6 million of cash, cash equivalents and restricted cash and \$258.1 million of borrowings outstanding under our Term Loans. As of December 31, 2024, we had \$57.1 million of cash, cash equivalents and restricted cash and \$293.7 million of borrowings outstanding under our Term Loans. The \$15.4 million decrease in cash, cash equivalents and restricted cash from December 31, 2024 to June 30, 2025 was primarily due to \$35.6 million in debt repayments made in the six months ended June 30, 2025. Other uses of cash included \$1.1 million in purchases of leasehold improvements and equipment and \$0.7 million taxes paid related to net settlement of shares which were offset by \$9.1 million cash proceeds from divestitures of businesses, \$11.6 million in cash inflows from operations and \$1.2 million positive effect of exchange rates during the six months ended June 30, 2025.

Our cash and cash equivalents held by our foreign subsidiaries was \$21.9 million as of June 30, 2025 and \$32.4 million as of December 31, 2024. Our intent is to permanently reinvest these funds outside the U.S. and our current plans do not demonstrate a need to repatriate them to fund our domestic operations. We do not provide for federal income taxes on the undistributed earnings of our foreign subsidiaries.

We believe our cash and cash equivalents, together with our positive cash flows from operations and the liquidity provided by our \$30 million revolving credit facility will be sufficient to meet our anticipated cash needs.

#### Credit Facility

As described in *Note 6. Debt*, at June 30, 2025 we had \$258.1 million of borrowings outstanding under our Term Loans which were set to mature on August 6, 2026.

As described in *Note 14. Subsequent Events*, on July 25, 2025, we entered into a Credit Agreement to refinance our outstanding Term Loans with (i) a new \$240.0 million, six-year term loan and (ii) a \$30.0 million revolving credit facility maturing in July 2031. We used the proceeds of the term loan, together with cash on hand, including proceeds from the sale of our interest rate swaps, to redeem all of the \$258.1 million outstanding on our existing Term Loans. The proceeds of loans under the revolving credit facility will be used for working capital and other general corporate purposes.

The following table summarizes our cash flows for the periods indicated:

	Six Months Ended June 30,	
	2025	2024
	<i>(dollars in thousands)</i>	
<b>Consolidated Statements of Cash Flows data:</b>		
Net cash provided by operating activities	\$ 11,594	\$ 10,591
Net cash provided by (used in) investing activities	8,005	(457)
Net cash used in financing activities	(36,262)	(14,298)
Effect of exchange rate fluctuations on cash, cash equivalents and restricted cash	1,248	(20)
Change in cash, cash equivalents and restricted cash	(15,415)	(4,184)
Cash, cash equivalents and restricted cash, beginning of period	57,052	236,559
Cash, cash equivalents and restricted cash, end of period	\$ 41,637	\$ 232,375

### ***Cash Flows from Operating Activities***

Cash provided by operating activities is significantly influenced by the amount of cash we invest in personnel and infrastructure to support the anticipated growth of our business. Our working capital consists primarily of cash, receivables from customers, prepaid assets, unbilled professional services, deferred commissions, accounts payable, accrued compensation and other accrued expenses, lease liabilities, and deferred revenues. The volume of professional services rendered, the volume and timing of customer bookings and contract renewals, and the related timing of collections on those bookings and renewals, as well as the timing of spending commitments and payments of our accounts payable, accrued expenses, accrued payroll and related benefits, all affect these account balances.

Cash provided by operating activities was \$11.6 million for the six months ended June 30, 2025 compared to cash provided by operating activities of \$10.6 million for the six months ended June 30, 2024, an increase of approximately \$1.0 million. This increase was primarily due to a non-recurring \$1.2 million cash gain on the sale of a portion of our interest rate swaps in the six months ended June 30, 2025. This cash gain was slightly offset by changes in our working capital for the six months ended June 30, 2025 due to collections on accounts receivable, increases in prepaid expenses, increases in other assets, payments of current liabilities and changes in deferred revenue.

A substantial source of cash is invoicing for subscriptions and support fees in advance, which is recorded as deferred revenue, and is included on our condensed consolidated balance sheets as a liability. Deferred revenue consists of the unearned portion of booked fees for our software subscriptions and support, which is amortized into revenue in accordance with our revenue recognition policy. We assess our liquidity, in part, through an analysis of new subscriptions invoiced, expected cash receipts on new and existing subscriptions, and our ongoing operating expense requirements.

### ***Cash Flows from Investing Activities***

Historically, our investing activities have consisted of investments in our product library and customer base through acquisitions of complementary technologies and businesses and the routine purchases of office equipment. Other activities, such as divestitures of businesses and purchases of other equipment, may affect our cash flows from investing activities in such periods as these transactions occur.

Cash provided by investing activities was \$8.0 million for the six months ended June 30, 2025 compared to cash used by investing activities of \$0.5 million for the six months ended June 30, 2024, an increase of \$8.5 million. During the six months ended June 30, 2025, the Company divested of certain products and received cash proceeds of \$9.1 million. Cash used in investing activities consisted of purchases of leasehold improvements and equipment of \$1.1 million for the six months ended June 30, 2025 compared to \$0.5 million of purchases of property and equipment for the six months ended June 30, 2024.

### ***Cash Flows from Financing Activities***

Historically, our primary financing activities have consisted of capital raised to fund our acquisitions, proceeds from debt obligations incurred to finance our acquisitions, repayments and servicing of our debt obligations, share repurchases and share based employee payroll tax payment activity.

Cash used in financing activities was \$36.3 million for the six months ended June 30, 2025 compared to \$14.3 million for the six months ended June 30, 2024, an increase of \$22.0 million of cash used due to \$32.9 million in additional payments on our Term Loans in the six months ended June 30, 2025 over payments made in the six months ended June 30, 2024, netted with \$11.0 million used for Common Stock repurchases in the six months ended June 30, 2024 compared to none for the six months ended June 30, 2025.

### **Critical Accounting Policies and the Use of Estimates**

We prepare our condensed consolidated financial statements in accordance with generally accepted accounting principles in the United States (“GAAP”). The preparation of our condensed consolidated financial statements also requires us to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue, costs and expenses and related disclosures. We base our estimates on historical experience and on various other assumptions that we believe to be reasonable under the circumstances. Actual results could differ significantly from the estimates made by our management. To the extent that there are differences between our estimates and actual results, our future financial statement presentation, financial condition, results of operations and cash flows will be affected. We believe that the accounting policies discussed below are critical to understanding our historical and future performance, as these policies relate to the more significant areas involving management’s judgments and estimates.

The following critical accounting policies reflect significant judgments and estimates used in the preparation of our condensed consolidated financial statements:

- income taxes; and
- goodwill and other intangibles.

We are not aware of any specific event or circumstance that would require updates to our estimates or judgments or require us to revise the carrying value of our assets or liabilities as of July 31, 2025, the date of issuance of this Quarterly Report on Form 10-Q. These estimates may change as new events occur and additional information is obtained. Actual results could differ materially from these estimates under different assumptions or conditions.

### **Other Key Accounting Policies**

Our unaudited interim financial statements and other financial information for the three and six months ended June 30, 2025, as presented herein and in “*Item 1. Financial Statements*” to this Quarterly Report on Form 10-Q, reflect no material changes in our critical accounting policies and estimates as set forth in our Annual Report on Form 10-K for the year ended December 31, 2024 (the “Annual Report”). Please refer to our Annual Report for a detailed description of our critical accounting policies that involve significant management judgment.

We evaluate our estimates, judgments and assumptions on an ongoing basis, and while we believe that our estimates, judgments and assumptions are reasonable, they are based upon information available at the time. Actual results may differ significantly from these estimates under different assumptions, judgments or conditions.

### **Recent Accounting Pronouncements**

For information with respect to recent accounting pronouncements and the impact of these pronouncements on our condensed consolidated financial statements, refer to “*Note 2. Basis of Presentation and Summary of Significant Accounting Policies—Recent Accounting Pronouncements*” to our condensed consolidated financial statements.

### **Item 3. Quantitative and Qualitative Disclosures About Market Risk**

We have operations both within the United States and internationally, and we are exposed to market risks in the ordinary course of our business. These risks primarily include interest rate, foreign exchange and inflation risks, as well as risks relating to changes in the general economic conditions in the countries where we conduct business. Any impact on our statement of operations is mitigated by having an offsetting liability in deferred revenue to partially or completely offset against the outstanding receivable if an account should become uncollectible. Our cash balances are kept in customary operating accounts, a portion of which are insured by the Federal Deposit Insurance Corporation, and uninsured money market accounts. The majority of our cash balances in money market accounts are with the lender under our Credit Facility. To date, we have not used derivative instruments to mitigate the impact of our market risk exposures. We also have not used, nor do we intend to use, derivatives for trading or speculative purposes.

#### ***Interest Rate Risk***

Our exposure to market risk for changes in interest rates primarily relates to our cash equivalents and variable rate indebtedness.

The primary objective of our investment activities is to preserve principal while maximizing yields without significantly increasing risk. This objective is accomplished currently by making diversified investments, consisting only of money market mutual funds and FDIC insured institutional liquid deposit accounts.

We have floating-to-fixed interest rate swap agreements to limit exposure to interest rate risk related to our debt with an annualized fixed rate of 5.4% through August 6, 2026. The total notional value of the interest rate swap agreements was \$216.3 million at June 30, 2025.

As of June 30, 2025, we had an outstanding balance of \$258.1 million under our Term Loans that mature August 6, 2026. Based on our outstanding balance of variable rate debt at June 30, 2025, a hypothetical change of 100 basis points could have resulted in a \$0.2 million increase to total interest expense for the six months ended June 30, 2025.

As described in *Note 14. Subsequent Events*, on July 25, 2025, we entered into a Credit Agreement to refinance our outstanding Term Loans with (i) a new \$240.0 million, six-year term loan and (ii) a \$30 million revolving credit facility maturing in July 2031. The new term loan and revolving credit facility bear interest at the secured overnight financing rate, which shall not be less than 1.50%, plus a margin of 6.00% per annum (with step downs and a potential step up at specified leverage levels).

#### ***Foreign Currency Exchange Risk***

Our customers are generally invoiced in the currency of the country in which they are located. In addition to the United States dollar, we incur a portion of our operating expenses in foreign currencies, including Australian dollars, Canadian dollars, Indian Rupees, British pounds, Euros, and Israeli New Shekels and in the future as we expand into other foreign countries, we expect to incur operating expenses in other foreign currencies. As a result, we are exposed to foreign exchange rate fluctuations as the financial results of our international operations and our revenue and operating results could be adversely affected. The effect of a hypothetical 10% change in foreign currency exchange rates applicable to our business could have resulted in a change in revenue of \$1.1 million for the six months ended June 30, 2025. We have not previously engaged in any currency hedging strategies. If we decide to hedge our foreign currency exchange rate exposure, we may not be able to hedge effectively due to lack of experience, unreasonable costs, or illiquid markets. As our international operations grow, we will continue to reassess our approach to manage our risk relating to fluctuations in foreign currency exchange rates.

The non-financial assets and liabilities of our foreign subsidiaries are translated into United States dollars using the exchange rates in effect at the balance sheet date. The related translation adjustments are recorded in a separate component of stockholders' deficit in accumulated other comprehensive income (loss). In addition, we have intercompany loans that are used to fund the acquisition of foreign subsidiaries. Due to the long-term nature of these loans, the foreign currency gains (losses) resulting from remeasurement are recognized as a component of accumulated other comprehensive income (loss).

#### **Item 4. Controls and Procedures**

##### ***Evaluation of Disclosure Controls and Procedures***

The term “disclosure controls and procedures,” as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act refers to controls and procedures that are designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the SEC’s rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that such information is accumulated and communicated to a company’s management, including its principal executive and principal financial officers, as appropriate to allow timely decisions regarding required disclosure.

Our management, including our Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of our disclosure controls and procedures as of June 30, 2025, the end of the period covered by this Quarterly Report on Form 10-Q. Based upon such evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that our disclosure controls and procedures were effective as of such date. Our management has concluded that the condensed consolidated financial statements included in this report fairly present, in all material respects, our financial condition, results of operations and cash flows for the periods presented in conformity with GAAP.

##### ***Changes in Internal Control over Financial Reporting***

There were no changes to our internal control over financial reporting (as defined in Rules 13a- 15(f) and 15d- 15(f) of the Exchange Act) during the quarter ended June 30, 2025 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

##### ***Inherent Limitations on Effectiveness of Controls***

Internal control over financial reporting cannot provide absolute assurance of achieving financial reporting objectives because of its inherent limitations. Internal control over financial reporting is a process that involves human diligence and compliance and is subject to lapses in judgment and breakdowns resulting from human failures. Internal control over financial reporting can also be circumvented by collusion or improper management override. Because of such limitations, there is a risk that material misstatements may not be prevented or detected on a timely basis by internal control over financial reporting. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate. However, these inherent limitations are known features of the financial reporting process. Therefore, it is possible to design into the process safeguards to reduce, though not eliminate, the risk.

## PART II – OTHER INFORMATION

### Item 1A. Risk Factors

In addition to the other information set forth in this report, you should carefully consider the factors discussed in Part I, “Item 1A. Risk Factors” in our 2024 Annual Report on Form 10-K, which could materially affect our business, financial condition or future results. There have been no material changes during 2025 to the risk factors that were included in the Company's Annual Report on Form 10-K.

### Item 5. Other Information

#### *Rule 10b5-1 Trading Plans*

During the three months ended June 30, 2025, none of our officers (as defined in Rule 16a-1(f)) or directors adopted or terminated any Rule 10b5-1 trading arrangement or non-Rule 10b5-1 trading arrangement (as such terms are defined in Item 408 of Regulation S-K under the Securities Act).

### Item 6. Exhibits

See the Exhibit Index immediately following this page, which is incorporated herein by reference.

**EXHIBIT INDEX**

<b>Exhibit Number</b>	<b>Exhibit Description</b>
<a href="#">31.1*</a>	<a href="#">Certification of Chief Executive Officer pursuant to Exchange Act Rules 13a-14(a) and 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002</a>
<a href="#">31.2*</a>	<a href="#">Certification of Chief Financial Officer pursuant to Exchange Act Rules 13a-14(a) and 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002</a>
<a href="#">32.1**</a>	<a href="#">Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002</a>
<a href="#">32.2**</a>	<a href="#">Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002</a>
101*	Inline XBRL (Extensible Business Reporting Language). The following materials from this Quarterly Report on Form 10-Q for the periods ended June 30, 2025, formatted in Inline XBRL: (i) condensed consolidated balance sheets of Upland Software, Inc., (ii) condensed consolidated statements of operations of Upland Software, Inc., (iii) condensed consolidated statements of comprehensive income (loss) of Upland Software, Inc., (iv) condensed consolidated statement of stockholders' deficit of Upland Software, Inc., (v) condensed consolidated statements of cash flows of Upland Software, Inc. and (vi) notes to unaudited condensed consolidated financial statements of Upland Software, Inc. The instance document does not appear in the interactive data file because its XBRL tags are embedded within the Inline XBRL document.
104*	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

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\* Filed herewith.

\*\* Furnished herewith.

SIGNATURE

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

Dated: July 31, 2025

UPLAND SOFTWARE, INC.

/s/ Michael D. Hill

Michael D. Hill

Chief Financial Officer

**CERTIFICATION PURSUANT TO RULES 13A-14(A) AND 15D-14(A) OF THE SECURITIES EXCHANGE ACT OF 1934, AS ADOPTED  
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, John T. McDonald, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Upland Software, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal controls over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: July 31, 2025

/s/ John T. McDonald

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John T. McDonald  
Chief Executive Officer  
(Principal Executive Officer)

**CERTIFICATION PURSUANT TO RULES 13A-14(A) AND 15D-14(A) OF THE SECURITIES EXCHANGE ACT OF 1934, AS ADOPTED  
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Michael D. Hill, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Upland Software, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal controls over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: July 31, 2025

/s/ Michael D. Hill

Michael D. Hill  
Chief Financial Officer  
(Principal Financial Officer)

**CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Upland Software, Inc. (the "Company") on Form 10-Q for the period ended June 30, 2025 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, John T. McDonald, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: July 31, 2025

/s/ John T. McDonald

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John T. McDonald  
Chief Executive Officer

**CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Upland Software, Inc. (the "Company") on Form 10-Q for the period ended June 30, 2025 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Michael D. Hill, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: July 31, 2025

/s/ Michael D. Hill

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Michael D. Hill  
Chief Financial Officer