



4Q23 Supplemental Financial Information

EXTERNAL CYBERSECURITY

Safe Harbor

Disclaimer and Forward-Looking Statements

Statements in this presentation may constitute “forward-looking statements” under the Private Securities Litigation Reform Act of 1995. All statements, other than statements of historical fact, that address activities, events or developments that we expect, believe or anticipate will or may occur in the future, including statements related to our anticipated financial results for our first quarter of fiscal year 2024 and fiscal year 2024, growth opportunities in external cybersecurity and our progress to achieving profitability are forward-looking statements. Forward-looking statements involve risks and uncertainties that could cause actual results to differ materially from those anticipated by these forward-looking statements. The inclusion of any statement in this presentation does not constitute an admission by ZeroFox or any other person that the events or circumstances described in such statement are material. These risks and uncertainties include, but are not limited to, the following: our ability to recognize the anticipated benefits of the business combination; defects, errors, or vulnerabilities in the ZeroFox platform, the failure of the ZeroFox platform to block malware or prevent a security breach, misuse of the ZeroFox platform, or risks of product liability claims that would harm our reputation and adversely impact our business, operating results, and financial condition; if our enterprise platform offerings do not interoperate with our customers’ network and security infrastructure, or with third-party products, websites or services, our results of operations may be harmed; we may not timely and cost-effectively scale and adapt our existing technology to meet our customers’ performance and other requirements; our ability to introduce new products and solutions and features is dependent on adequate research and development resources and our ability to successfully complete acquisitions; our success depends, in part, on the integrity and scalability of our systems and infrastructure; we rely on third-party cloud providers to host and operate our platform, and any disruption of or interference with our use of these offerings may negatively affect our ability to maintain the performance and reliability of our platform which could cause our business to suffer; we rely on software and services from other parties; we have a history of losses, and we may not be able to achieve or sustain profitability in the future; if organizations do not adopt cloud, and/or SaaS-delivered external cybersecurity solutions that may be based on new and untested security concepts, our ability to grow our business and our results of operations may be adversely affected; we have experienced rapid growth in recent periods, and if we do not manage our future growth, our business and results of operations will be adversely affected; we face intense competition and could lose market share to our competitors, which could adversely affect our business, financial condition, and results of operations; competitive pricing pressure may reduce revenue, gross profits, and adversely affect our financial results; adverse general and industry-specific economic and market conditions and reductions in customer spending, in either the private or public sector, including as a result of inflation and geopolitical uncertainty such as the ongoing conflict between Russia and Ukraine, may reduce demand for our platform or products and solutions, which could harm our business, financial condition and results of operations; the COVID-19 pandemic could adversely affect our business, operating results, and financial condition; if we fail to adapt to rapid technological change, evolving industry standards and changing customer needs, requirements or preferences, our ability to remain competitive could be impaired; we have identified material weaknesses in our internal control over financial reporting which could adversely affect our ability to report our results of operations and financial condition accurately and in a timely manner; one U.S. government customer accounts for a substantial portion of our revenues; a delay in the completion of the U.S. Government’s budget and appropriation process could delay procurement of solutions we provide and have an adverse effect on our future revenues; and we rely heavily on the services of our senior management team.

Additional information concerning these, and other risks, is described under the “Risk Factors,” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” sections of our annual report on Form 10-K for the fiscal year ended January 31, 2023 and in subsequent reports that we file with the Securities and Exchange Commission (“SEC”).

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Disclaimer and Forward Looking Statements

This presentation references non-GAAP financial measures, including non-GAAP gross profit, non-GAAP gross margin, non-GAAP subscription gross profit, non-GAAP subscription gross margin, non-GAAP services gross profit and non-GAAP services gross margin. Non-GAAP financial measures should be considered in addition to, and not as a substitute for, measures of financial performance prepared in accordance with GAAP. The use of these non-GAAP measures is limited as they include and/or do not include certain items not included and/or included in the most directly comparable GAAP measure. You should be aware that the Company's presentation of these measures may not be comparable to similarly-titled measures used by other companies. Please refer to the Supplemental Financial Information section of this presentation for a reconciliation of the Non-GAAP financial measures included in this presentation to the most directly comparable GAAP measures.

Market and Industry Data

Information contained in this presentation concerning the market and the industry in which we compete, including general expectations of market opportunities and market sizes, are based on information from various third-party sources, publicly available information, various industry publications, internal data and estimates, and assumptions made by us based on such sources and our knowledge of the external cybersecurity market and data breach response market. Internal data and estimates are based upon information obtained from trade and business organizations and other contacts in the markets in which we operate and our management's understanding of industry conditions. This information and any estimates provided herein involve numerous assumptions and limitations, and you are cautioned not to give undue weight to such information. Third-party sources generally state that the information contained in such sources have been obtained from sources believed to be reliable. Although we believe that such information is reliable, there can be no assurance as to the accuracy or completeness of such information. Industry and market data could be wrong because of the method by which sources obtained their data and because information cannot always be verified with complete certainty due to the limits on the availability and reliability of raw data, the voluntary nature of the data gathering process and other limitations and uncertainties. We have not independently verified any third-party information and each publication speaks as of its original publication date (and not as of the date of this presentation). In addition, we do not know all of the assumptions regarding general economic conditions or growth that were used in preparing the forecasts from the sources relied upon or cited herein. The industry in which we operate is subject to a high degree of uncertainty and risk. As a result, the estimates and market and industry information provided in this presentation are subject to change.

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Non-GAAP Financial Measures

In addition to our results determined in accordance with GAAP, we believe the following non-GAAP measures are useful in evaluating our operating performance. We use the following non-GAAP financial information to evaluate our ongoing operations and for internal planning and forecasting purposes. We believe that non-GAAP financial information, when taken collectively, may be helpful to investors because it provides consistency and comparability with past financial performance by excluding certain items that may not be indicative of our business, results of operations or outlook. However, non-GAAP financial information is presented for supplemental informational purposes only, has limitations as an analytical tool, and should not be considered in isolation or as a substitute for financial information presented in accordance with GAAP.

Other companies, including companies in our industry, may calculate similarly titled non-GAAP measures differently or may use other measures to evaluate their performance, all of which could reduce the usefulness of our non-GAAP financial measures as tools for comparison. For example, free cash flow is not a substitute for cash used in operating activities. Additionally, the utility of free cash flow as a measure of our liquidity is limited as it does not represent the total increase or decrease in our cash balance for a given period. A reconciliation is provided below for each non-GAAP financial measure to the most directly comparable financial measure stated in accordance with GAAP. Investors are encouraged to review the related GAAP financial measures and the reconciliation of these non-GAAP financial measures to their most directly comparable GAAP financial measures and not rely on any single financial measure to evaluate our business.

Non-GAAP Gross Profit and Non-GAAP Gross Margin

We define non-GAAP gross profit and non-GAAP gross margin as GAAP gross profit and GAAP gross margin, respectively, excluding stock-based compensation expense and amortization of acquired intangible assets.

Non-GAAP Subscription Gross Profit and Non-GAAP Subscription Gross Margin

We define non-GAAP subscription gross profit and non-GAAP subscription gross margin as GAAP subscription gross profit and GAAP subscription gross margin, respectively, excluding stock-based compensation expense and amortization of acquired intangible assets.

Non-GAAP Services Gross Profit and Non-GAAP Services Gross Margin

We define non-GAAP services gross profit and non-GAAP services gross margin as GAAP services gross profit and GAAP services gross margin, respectively, excluding stock-based compensation expense and amortization of acquired intangible assets.

Non-GAAP Financial Measures (cont'd)

Non-GAAP Research and Development Expense, Non-GAAP Sales and Marketing Expense and Non-GAAP General and Administrative Expense

We define these non-GAAP measures as their respective GAAP measures, excluding stock-based compensation expense, amortization of acquired intangible assets and costs incurred for the business combination.

Non-GAAP Loss from Operations

We define non-GAAP loss from operations as GAAP loss from operations, excluding stock-based compensation expense, amortization of acquired intangible assets, costs incurred for the business combination and goodwill impairment charge.

Annual Recurring Revenue (ARR)

We define ARR as the annualized contract value of all recurring revenue related to contracts in place at the end of the reporting date assuming any contract is renewed on its existing terms. We continue to include ARR from customers whose term has expired within 90 days of the applicable measurement date for which we are actively negotiating renewal.

Subscription Customer

We define a subscription customer as any entity that has entered into a distinct subscription agreement for access to the ZeroFox platform or services for which the term has not ended or with which we are continuing to provide service and negotiating a renewal contract that expired within 90 days of the applicable measurement date. We do not consider our channel partners as customers, and we treat managed service security providers, who may purchase our offerings on behalf of multiple companies, as a single subscription customer.

ZeroFox GAAP to Non-GAAP Reconciliation

Non-GAAP Gross Profit and Non-GAAP Gross Margin

(in thousands)	F3Q23*	F4Q23	2H FY23**
Revenue	\$ 42,989	\$ 45,397	\$ 88,386
Gross profit	12,709	13,852	26,561
Stock-based compensation expense	9	124	133
Amortization of acquired intangible assets	4,635	4,790	9,425
Non-GAAP gross profit	\$ 17,353	\$ 18,766	\$ 36,119
Gross margin	30%	31%	30%
Non-GAAP gross margin	40%	41%	41%

Non-GAAP Subscription Gross Profit and Non-GAAP Subscription Gross Margin

(in thousands)	F3Q23*	F4Q23	2H FY23**
Subscription revenue	\$ 15,174	\$ 16,505	\$ 31,679
Subscription gross profit	6,253	7,201	13,454
Add: Stock-based compensation expense	8	89	97
Add: Amortization of acquired intangible assets	4,635	4,790	9,425
Non-GAAP subscription gross profit	\$ 10,896	\$ 12,080	\$ 22,976
Subscription gross margin	41%	44%	42%
Non-GAAP subscription gross margin	72%	73%	73%

* For the period August 4, 2022 to October 31, 2022

** For the period August 4, 2022 to January 31, 2023

ZeroFox GAAP to Non-GAAP Reconciliation

Non-GAAP Services Gross Profit and Non-GAAP Services Gross Margin

(in thousands)	F3Q23*	F4Q23	2H FY23**
Services revenue	\$ 27,815	\$ 28,892	\$ 56,707
Services gross profit	6,456	6,651	13,107
Stock-based compensation expense	1	35	36
Amortization of acquired intangible assets	—	—	—
Non-GAAP services gross profit	\$ 6,457	\$ 6,686	\$ 13,143
Services gross margin	23%	23%	23%
Non-GAAP services gross margin	23%	23%	23%

Non-GAAP Research and Development Expense

(in thousands)	F3Q23*	F4Q23	2H FY23**
Research and development operating expenses	\$ 5,637	\$ 6,497	\$ 12,134
Stock-based compensation expense	(57)	395	338
Amortization of acquired intangible assets	—	—	—
Non-GAAP research and development operating expenses	\$ 5,580	\$ 6,102	\$ 11,682

* For the period August 4, 2022 to October 31, 2022

** For the period August 4, 2022 to January 31, 2023

ZeroFox GAAP to Non-GAAP Reconciliation

Non-GAAP Sales and Marketing Expense

(in thousands)	F3Q23*	F4Q23	2H FY23**
Sales and marketing operating expenses	\$ 16,747	\$ 19,112	\$ 35,859
Stock-based compensation expense	(84)	434	518
Amortization of acquired intangible assets	(5,850)	6,044	11,894
Non-GAAP sales and marketing operating expenses	\$ 10,813	\$ 12,634	\$ 23,447

Non-GAAP General and Administrative Expense

(in thousands)	F3Q23*	F4Q23	2H FY23**
General and administrative operating expenses	\$ 8,902	\$ 9,316	\$ 18,218
Stock-based compensation expense	(155)	1,242	1,397
Amortization of acquired intangible assets	(854)	883	1,737
Expenses related to the Business Combination	(1,161)	—	1,161
Non-GAAP general and administrative operating expenses	\$ 6,732	\$ 7,191	\$ 13,923

* For the period August 4, 2022 to October 31, 2022

** For the period August 4, 2022 to January 31, 2023

ZeroFox GAAP to Non-GAAP Reconciliation

Non-GAAP Loss from Operations

(in thousands)	F3Q23*	F4Q23	2H FY23**
Loss from operations	\$ (717,227)	\$ (21,073)	\$ (738,300)
Stock-based compensation expense	305	2,195	2,500
Amortization of acquired intangible assets	11,339	11,717	23,056
Expenses related to the Business Combination	1,161	—	1,161
Goodwill impairment	698,650	—	698,650
Non-GAAP loss from operations	<u>\$ (5,772)</u>	<u>\$ (7,161)</u>	<u>\$ (12,933)</u>

* For the period August 4, 2022 to October 31, 2022

** For the period August 4, 2022 to January 31, 2023

ZeroFox, Inc. GAAP to Non-GAAP Reconciliation

Non-GAAP Gross Profit and Gross Margin

(unaudited)	1Q21	2Q21	3Q21	4Q21	FY21	1Q22	2Q22	3Q22	4Q22	FY22	1Q23	2Q23	1H FY23
						<i>(dollars in thousands)</i>							
Revenue	\$ 5,566	\$ 5,939	\$ 6,957	\$ 10,076	\$ 28,538	\$ 10,987	\$ 11,703	\$ 11,916	\$ 12,827	\$ 47,433	\$ 13,591	\$ 15,152	\$ 28,743
Gross profit	\$ 3,660	\$ 4,460	\$ 4,713	\$ 6,059	\$ 18,892	\$ 7,372	\$ 7,585	\$ 7,637	\$ 8,482	\$ 31,076	\$ 9,342	\$ 10,672	\$ 20,014
Add: Stock-based compensation expense	3	-	-	-	3	5	9	26	10	50	10	10	20
Add: Amortization of acquired intangible assets	-	-	35	105	140	105	120	128	128	481	128	128	256
Non-GAAP gross profit	<u>\$ 3,663</u>	<u>\$ 4,460</u>	<u>\$ 4,748</u>	<u>\$ 6,164</u>	<u>\$ 19,035</u>	<u>\$ 7,482</u>	<u>\$ 7,714</u>	<u>\$ 7,791</u>	<u>\$ 8,620</u>	<u>\$ 31,607</u>	<u>\$ 9,480</u>	<u>\$ 10,810</u>	<u>\$ 20,290</u>
Gross margin	66%	75%	68%	60%	66%	67%	65%	64%	66%	66%	69%	70%	70%
Non-GAAP gross margin	66%	75%	68%	61%	67%	68%	66%	65%	67%	67%	70%	71%	71%

Non-GAAP Loss from Operations

(unaudited)	1Q21	2Q21	3Q21	4Q21	FY21	1Q22	2Q22	3Q22	4Q22	FY22	1Q23	2Q23	1H FY23
						<i>(dollars in thousands)</i>							
Loss from operations	\$ (5,184)	\$ (3,613)	\$ (3,670)	\$ (5,730)	\$ (18,197)	\$ (3,497)	\$ (6,917)	\$ (8,566)	\$ (9,035)	\$ (28,015)	\$ (8,099)	\$ (8,258)	\$ (16,357)
Add: Stock-based compensation expense	96	113	88	153	450	133	187	194	182	696	374	478	852
Add: Amortization of acquired intangible assets	-	-	325	593	918	688	756	789	789	3,022	789	790	1,579
Add: Public company offering costs	-	-	-	-	-	55	1,368	133	1,965	3,521	775	2,459	3,234
Non-GAAP loss from operations	<u>\$ (5,088)</u>	<u>\$ (3,500)</u>	<u>\$ (3,257)</u>	<u>\$ (4,984)</u>	<u>\$ (16,829)</u>	<u>\$ (2,621)</u>	<u>\$ (4,606)</u>	<u>\$ (7,450)</u>	<u>\$ (6,099)</u>	<u>\$ (20,776)</u>	<u>\$ (6,161)</u>	<u>\$ (4,531)</u>	<u>\$ (10,692)</u>

The background is a dark blue gradient with a complex pattern of glowing red lines and bokeh. The lines are thin and radiate from various points, creating a sense of depth and movement. The bokeh consists of numerous small, out-of-focus red circles of varying sizes, scattered throughout the scene. In the lower center, there is a faint silhouette of a crowd of people standing on a platform or stage, looking towards the viewer. The overall effect is a high-tech, digital aesthetic.

Share Count

Shares Outstanding

	Exercise																							
	Price	Total Shares	\$	5.00	\$	6.00	\$	7.00	\$	8.00	\$	9.00	\$	10.00	\$	12.00	\$	14.00	\$	16.00	\$	18.00	\$	20.00
ZeroFox / IDX Shareholders		112.9		112.9		112.9		112.9		112.9		112.9		112.9		112.9		112.9		112.9		112.9		112.9
L&F Class B Shares (Trust)		1.0		1.0		1.0		1.0		1.0		1.0		1.0		1.0		1.0		1.0		1.0		1.0
L&F Class A Shares (Sponsor) *		4.3		4.3		4.3		4.3		4.3		4.3		4.3		4.3		4.3		4.3		4.3		4.3
Shares Outstanding		118.2		118.2		118.2		118.2		118.2		118.2		118.2		118.2		118.2		118.2		118.2		118.2
Earn-out Shares ***																								
Public Warrants	\$ 11.50	8.6		-		-		-		-		-		-		0.4		1.5		2.4		3.1		3.7
Private Warrants	\$ 11.50	7.6		-		-		-		-		-		-		0.3		1.4		2.1		2.7		3.2
Shares from Convertible Note **	\$ 11.50	13.0		-		-		-		-		-		-		13.0		13.0		13.0		13.0		13.0
Shares Including Warrants and Convertible Securities		147.4		118.2		118.2		118.2		118.2		118.2		118.2		131.9		134.1		135.7		137.0		138.1
Total Outstanding Options		8.2		6.0		6.3		6.4		6.6		6.8		6.9		7.1		7.3		7.4		7.5		7.5
2022 Equity Incentive Plan		11.7		-		-		-		-		-		-		-		-		-		-		-
Sharess Fully Diluted for Equity Plan Securities		167.3		124.2		124.5		124.6		124.8		125.0		125.1		139.0		141.4		143.1		144.5		145.6

* Includes 1.3 million L&F earnout shares subject to forfeiture (within 5 years from closing):

1/3 Vesting @ \$12.50	\$ 12.50	0.4
1/3 Vesting @ \$15.00	\$ 15.00	0.4
1/3 Vesting @ \$17.50	\$ 17.50	0.4
		1.3

** Shares from Convertible Notes can be redeemed when 20-day weighted average stock trading exceeds the following triggers:

After year one anniversary	150%	\$ 17.25
After year two anniversary	130%	\$ 14.95

*** Warrants and outstanding options calculated under treasury stock method; convertible shares presented on as-converted basis

The background is a dark blue field filled with a complex network of glowing red lines and dots. These elements create a sense of depth and movement, resembling a digital or financial data visualization. The lines are of varying thickness and orientation, some converging towards the center. The dots are small, bright red circles scattered throughout the scene.

ZeroFox, Inc. Historical Financials

ZeroFox, Inc. Income Statement

(unaudited)	1Q21	2Q21	3Q21	4Q21	FY21	1Q22	2Q22	3Q22	4Q22	FY22	1Q23	2Q23
	<i>(dollars in thousands)</i>											
Revenue	\$ 5,566	\$ 5,939	\$ 6,957	\$ 10,076	\$ 28,538	\$ 10,987	\$ 11,703	\$ 11,916	\$ 12,827	\$ 47,433	\$ 13,591	\$ 15,152
Cost of revenue	1,906	1,479	2,244	4,017	9,646	3,615	4,118	4,279	4,345	16,357	4,249	4,480
Gross profit	3,660	4,460	4,713	6,059	18,892	7,372	7,585	7,637	8,482	31,076	9,342	10,672
Operating expenses:												
Research and development	1,491	1,335	1,391	1,725	5,942	2,389	3,068	3,575	3,778	12,810	3,961	4,062
Sales and marketing	5,638	4,639	4,947	6,242	21,466	6,449	7,595	7,869	7,960	29,873	8,534	9,829
General and administrative	1,715	2,099	2,045	3,822	9,681	2,031	3,839	4,759	5,779	16,408	4,946	5,039
Total operating expenses	8,844	8,073	8,383	11,789	37,089	10,869	14,502	16,203	17,517	59,091	17,441	18,930
Loss from operations	(5,184)	(3,613)	(3,670)	(5,730)	(18,197)	(3,497)	(6,917)	(8,566)	(9,035)	(28,015)	(8,099)	(8,258)
Interest expense, net	(405)	(586)	(597)	(645)	(2,233)	(698)	(814)	(974)	(1,099)	(3,585)	(1,386)	(1,545)
Loss on extinguishment of debt	-	(566)	-	(852)	(1,418)	-	-	-	-	-	-	-
Change in fair value of warrant liability	(283)	355	-	(878)	(806)	(31)	(5,289)	(1,862)	(193)	(7,375)	(663)	(1,396)
Total other expense	(688)	(797)	(597)	(2,375)	(4,457)	(729)	(6,103)	(2,836)	(1,292)	(10,960)	(2,049)	(2,941)
Loss before income taxes	(5,872)	(4,410)	(4,267)	(8,105)	(22,654)	(4,226)	(13,020)	(11,402)	(10,327)	(38,975)	(10,148)	(11,199)
Income taxes	21	27	10	28	86	15	41	48	(640)	(536)	55	56
Net Loss	\$ (5,893)	\$ (4,437)	\$ (4,277)	\$ (8,133)	\$ (22,740)	\$ (4,241)	\$ (13,061)	\$ (11,450)	\$ (9,687)	\$ (38,439)	\$ (10,203)	\$ (11,255)

Stock-based compensation included in:

(unaudited)	1Q21	2Q21	3Q21	4Q21	FY21	1Q22	2Q22	3Q22	4Q22	FY22	1Q23	2Q23
	<i>(dollars in thousands)</i>											
Cost of revenue	\$ 3	\$ -	\$ -	\$ -	\$ 3	\$ 5	\$ 9	\$ 26	\$ 10	\$ 50	\$ 10	\$ 10
Research and development	22	16	17	17	72	23	24	23	27	97	55	56
Sales and marketing	28	51	25	26	130	40	76	59	47	222	85	130
General and administrative	43	46	46	110	245	65	78	86	98	327	224	282
Total stock-based compensation expense	\$ 96	\$ 113	\$ 88	\$ 153	\$ 450	\$ 133	\$ 187	\$ 194	\$ 182	\$ 696	\$ 374	\$ 478

ZeroFox, Inc. Balance Sheet

(unaudited)	Apr20	Jul20	Oct20	Jan21	Apr21	Jul21	Oct21	Jan22	Apr22	Jul22
	(dollars in thousands)									
Assets										
Current assets:										
Cash and cash equivalents	\$ 18,708	\$ 19,974	\$ 7,682	\$ 13,764	\$ 9,102	\$ 5,234	\$ 4,383	\$ 10,274	\$ 10,110	\$ 2,803
Accounts receivable, net	5,428	3,114	7,396	13,082	11,533	11,286	12,415	17,046	12,476	14,210
Deferred contract acquisition costs	3,077	2,994	3,089	3,632	4,014	3,770	3,770	4,174	4,594	4,918
Prepaid expenses and other assets	1,331	1,174	976	801	1,579	2,184	1,443	1,276	2,404	2,859
Total current assets	28,544	27,256	19,143	31,279	26,228	22,474	22,011	32,770	29,584	24,790
Property and equipment, net	355	332	450	446	488	757	748	694	625	609
Capitalized software, net	847	863	848	799	787	864	926	914	983	1,082
Deferred contract acquisition costs, net of current	4,548	4,752	5,042	6,505	5,942	5,906	6,421	7,481	6,869	6,854
Acquired intangible assets, net	-	-	15,575	14,982	14,294	15,788	14,999	14,210	13,421	12,631
Goodwill	-	-	28,625	28,614	28,653	34,844	34,366	35,002	35,002	35,002
Other assets	276	280	279	307	258	257	320	319	344	341
Total assets	\$ 34,570	\$ 33,483	\$ 69,962	\$ 82,932	\$ 76,650	\$ 80,890	\$ 79,791	\$ 91,390	\$ 86,828	\$ 81,309
Liabilities, redeemable convertible preferred										
Current liabilities:										
Accounts payable	\$ 923	\$ 923	\$ 1,199	\$ 890	\$ 945	\$ 2,017	\$ 2,016	\$ 4,276	\$ 4,181	\$ 4,333
Contingent consideration related to business	-	-	15,016	7,871	2,687	114	114	-	-	-
Accrued compensation and expenses and other current liabilities	1,686	2,545	2,855	5,060	2,810	4,107	6,179	7,020	3,319	4,302
Current portion of long-term debt	2,796	-	-	-	-	938	938	5,970	6,031	6,094
Deferred revenue	11,786	11,506	19,041	25,398	24,758	25,065	27,111	29,532	32,855	36,019
Total current liabilities	17,191	14,974	38,111	39,219	31,200	32,241	36,358	46,798	46,386	50,748
Deferred revenue, net	1,753	2,032	2,590	3,103	3,822	4,164	3,435	9,299	6,806	6,326
Long term debt, net	14,504	19,884	19,958	28,575	28,691	36,299	41,165	45,503	52,359	52,327
Warrants	1,217	1,026	1,027	2,806	2,837	8,126	9,988	10,709	11,891	7,387
Other liabilities	-	-	-	368	368	368	368	-	-	-
Total liabilities	34,665	37,916	61,686	74,071	66,918	81,198	91,314	112,309	117,442	116,788
Redeemable convertible preferred stock	98,981	98,981	115,819	124,390	129,404	132,229	132,229	132,229	132,229	138,129
Stockholders' deficit										
Common stock	-	-	-	-	-	-	-	-	-	-
Additional paid-in capital	2,517	2,640	2,797	2,975	3,117	3,317	3,561	3,873	4,327	4,829
Accumulated deficit	(101,534)	(105,971)	(110,248)	(118,381)	(122,623)	(135,683)	(147,133)	(156,820)	(167,023)	(178,278)
Accumulated other comprehensive (loss) income	(59)	(83)	(92)	(123)	(166)	(171)	(180)	(201)	(147)	(159)
Total stockholders' deficit	(99,076)	(103,414)	(107,543)	(115,529)	(119,672)	(132,537)	(143,752)	(153,148)	(162,843)	(173,608)
Total liabilities, redeemable convertible preferred	\$ 34,570	\$ 33,483	\$ 69,962	\$ 82,932	\$ 76,650	\$ 80,890	\$ 79,791	\$ 91,390	\$ 86,828	\$ 81,309

ZeroFox, Inc. Cash Flow Statement

(unaudited)	1Q21	2Q21	3Q21	4Q21	FY21	1Q22	2Q22	3Q22	4Q22	FY22	1Q23	2Q23
						(dollars in thousands)						
Cash flows from operating activities:												
Net loss	\$ (5,893)	\$ (4,437)	\$ (4,277)	\$ (8,133)	\$ (22,740)	\$ (4,241)	\$ (13,060)	\$ (11,451)	\$ (9,687)	\$ (38,439)	\$ (10,203)	\$ (11,255)
Adjustments to reconcile net loss to net cash used												
Depreciation and amortization	68	66	81	118	333	107	129	150	160	546	160	157
Amortization of software development costs	128	130	135	139	532	142	147	151	120	560	153	162
Amortization of acquired intangible assets	-	-	325	593	918	688	756	789	789	3,022	789	790
Amortization of deferred debt issuance costs	-	-	-	153	153	-	-	-	361	361	-	-
Stock-based compensation expense	96	113	88	153	450	133	187	194	182	696	374	478
Loss on sale of asset	-	-	-	-	-	-	-	-	3	3	-	-
Provision for bad debts	-	(15)	49	17	51	-	10	37	(31)	16	(7)	-
Change in fair value of warrants	283	(191)	(164)	878	806	31	5,289	1,862	193	7,375	663	1,396
Change in fair value of contingent consideration	-	-	-	1,440	1,440	(170)	138	-	(114)	(146)	-	-
Loss on extinguishment of debt	-	566	-	234	800	-	-	-	-	-	-	-
Deferred taxes	-	-	-	-	-	-	-	-	(636)	(636)	-	-
Noncash interest expense	47	(35)	220	(76)	156	116	81	65	(193)	69	258	265
Changes in operating assets and liabilities:												
Accounts receivable	591	2,311	(4,259)	(5,758)	(7,115)	1,549	442	(1,165)	(4,602)	(3,776)	4,578	(1,734)
Deferred contract acquisition costs	253	(120)	(385)	(2,006)	(2,258)	181	280	(515)	(1,463)	(1,517)	192	(309)
Prepaid expenses and other assets	(644)	153	145	201	(145)	(779)	(402)	742	155	(284)	(1,128)	(455)
Accounts payable and expenses	(676)	858	(286)	2,370	2,266	(2,147)	1,791	2,007	3,115	4,766	(3,797)	1,137
Deferred revenue	(974)	(1)	3,400	6,870	9,295	79	(2)	1,319	8,284	9,680	830	2,684
Other liabilities	-	-	-	-	-	-	-	-	(368)	(368)	(26)	4
Net cash used in operating activities	(6,721)	(602)	(4,928)	(2,807)	(15,058)	(4,311)	(4,214)	(5,815)	(3,732)	(18,072)	(7,164)	(6,680)
Cash flows from investing activities:												
Business acquisition, net of cash acquired	-	-	(7,235)	-	(7,235)	(38)	(4,232)	479	(1)	(3,792)	-	-
Purchases of property and equipment	(40)	(43)	(69)	(112)	(264)	(149)	(173)	(142)	(108)	(572)	(97)	(148)
Capitalized software	(138)	(146)	(120)	(90)	(494)	(130)	(223)	(214)	(107)	(674)	(221)	(262)
Net cash used in investing activities	(178)	(189)	(7,424)	(202)	(7,993)	(317)	(4,628)	123	(216)	(5,038)	(318)	(410)
Cash flows from financing activities:												
Exercise of stock options	6	10	70	25	111	8	13	51	130	202	80	24
Issuance costs for preferred stock	-	-	-	(112)	(112)	-	-	-	-	-	-	-
Proceeds from issuance of convertible notes	2,796	-	-	(2,796)	-	-	-	-	-	-	-	-
Proceeds from issuance of debt, net	-	4,866	-	32,234	37,100	-	4,964	5,036	9,965	19,965	7,412	-
Repayment of debt	-	(2,796)	-	(20,229)	(23,025)	-	-	(234)	(235)	(469)	(234)	(235)
Net cash provided by financing activities	2,802	2,080	70	9,122	14,074	8	4,977	4,853	9,860	19,698	7,258	(211)
Foreign exchange translation adjustment	7	(23)	(10)	(31)	(57)	(42)	(3)	(12)	(21)	(78)	60	(6)
Net change in cash	(4,090)	1,266	(12,292)	6,082	(9,034)	(4,662)	(3,868)	(851)	5,891	(3,490)	(164)	(7,307)
Cash, beginning of year	22,898	18,808	20,074	7,782	22,898	13,864	9,202	5,334	4,483	13,864	10,374	\$ 10,210
Cash, end of year	\$ 18,808	\$ 20,074	\$ 7,782	\$ 13,864	\$ 13,864	\$ 9,202	\$ 5,334	\$ 4,483	\$ 10,374	\$ 10,374	\$ 10,210	\$ 2,903

ZeroFox, Inc. GAAP to Non-GAAP Reconciliation

Non-GAAP Gross Profit and Gross Margin

(unaudited)	1Q21	2Q21	3Q21	4Q21	FY21	1Q22	2Q22	3Q22	4Q22	FY22	1Q23	2Q23
						<i>(dollars in thousands)</i>						
Revenue	\$ 5,566	\$ 5,939	\$ 6,957	\$ 10,076	\$ 28,538	\$ 10,987	\$ 11,703	\$ 11,916	\$ 12,827	\$ 47,433	\$ 13,591	\$ 15,152
Gross profit	\$ 3,660	\$ 4,460	\$ 4,713	\$ 6,059	\$ 18,892	\$ 7,372	\$ 7,585	\$ 7,637	\$ 8,482	\$ 31,076	\$ 9,342	\$ 10,672
Add: Stock-based compensation expense	3	-	-	-	3	5	9	26	10	50	10	10
Add: Amortization of acquired intangible assets	-	-	35	105	140	105	120	128	128	481	128	128
Non-GAAP gross profit	\$ 3,663	\$ 4,460	\$ 4,748	\$ 6,164	\$ 19,035	\$ 7,482	\$ 7,714	\$ 7,791	\$ 8,620	\$ 31,607	\$ 9,480	\$ 10,810
Gross margin	66%	75%	68%	60%	66%	67%	65%	64%	66%	66%	69%	70%
Non-GAAP gross margin	66%	75%	68%	61%	67%	68%	66%	65%	67%	67%	70%	71%

Non-GAAP Loss from Operations

(unaudited)	1Q21	2Q21	3Q21	4Q21	FY21	1Q22	2Q22	3Q22	4Q22	FY22	1Q23	2Q23
						<i>(dollars in thousands)</i>						
Loss from operations	\$ (5,184)	\$ (3,613)	\$ (3,670)	\$ (5,730)	\$ (18,197)	\$ (3,497)	\$ (6,917)	\$ (8,566)	\$ (9,035)	\$ (28,015)	\$ (8,099)	\$ (8,258)
Add: Stock-based compensation expense	96	113	88	153	450	133	187	194	182	696	374	478
Add: Amortization of acquired intangible assets	-	-	325	593	918	688	756	789	789	3,022	789	790
Add: Public company offering costs	-	-	-	-	-	55	1,368	133	1,965	3,521	775	2,459
Non-GAAP loss from operations	\$ (5,088)	\$ (3,500)	\$ (3,257)	\$ (4,984)	\$ (16,829)	\$ (2,621)	\$ (4,606)	\$ (7,450)	\$ (6,099)	\$ (20,776)	\$ (6,161)	\$ (4,531)

ZeroFox, Inc. Key Business Metrics

(unaudited)	1Q21	2Q21	3Q21	4Q21	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23
	(dollars in thousands)									
ARR	\$ 22,870	\$ 24,628	\$ 39,279	\$ 44,088	\$ 45,628	\$ 49,344	\$ 51,126	\$ 53,930	\$ 57,091	\$ 61,343
Subscription customers	452	471	666	692	721	763	798	835	883	914

The background is a dark blue gradient with a complex network of glowing red lines and bokeh light effects. The lines are of varying thickness and orientation, creating a sense of depth and movement. The bokeh consists of numerous small, out-of-focus red circles scattered throughout the scene. In the lower center, there is a faint, semi-transparent image of a group of people standing on a platform or walkway, looking towards the right. The overall aesthetic is modern and technological.

IDX Historical Financials

IDX Income Statement

(unaudited)	1Q20	2Q20	3Q20	4Q20	CY20	1Q21	2Q21	3Q21	4Q21	CY21	1Q22	2Q22
						<i>(dollars in thousands)</i>						
Revenue	\$ 25,784	\$ 25,939	\$ 25,999	\$ 25,814	\$ 103,536	\$ 26,957	\$ 26,348	\$ 26,949	\$ 25,818	\$ 106,072	\$ 27,474	\$ 29,232
Cost of revenue	19,493	19,650	19,236	19,521	77,900	20,703	20,687	21,182	20,173	82,745	21,265	22,942
Gross profit	6,291	6,289	6,763	6,293	25,636	6,254	5,661	5,767	5,645	23,327	6,209	6,290
Operating expenses:												
Research and development	1,025	972	1,115	1,001	4,113	1,127	1,191	1,290	1,333	4,941	1,450	1,387
Sales and marketing	1,541	1,504	2,096	1,847	6,988	1,971	1,749	1,798	1,664	7,182	1,896	1,154
General and administrative	1,141	946	1,189	1,066	4,342	1,102	1,405	1,967	2,398	6,872	2,823	2,932
Total operating expenses	3,707	3,422	4,400	3,914	15,443	4,200	4,345	5,055	5,395	18,995	6,169	5,473
Income from operations	2,584	2,867	2,363	2,379	10,193	2,054	1,316	712	250	4,332	40	817
Interest expense, net	(381)	(315)	(124)	(165)	(985)	(121)	(122)	(122)	(118)	(483)	(120)	(137)
Loss on extinguishment of debt	-	-	-	-	-	-	-	-	-	-	-	-
Other expense	-	-	(204)	(267)	(471)	(45)	(46)	(371)	(255)	(717)	(272)	(201)
Change in fair value of warrant liability	-	-	-	-	-	-	-	-	(1,943)	(1,943)	-	(133)
Total other expense	(381)	(315)	(328)	(432)	(1,456)	(166)	(168)	(493)	(2,316)	(3,143)	(392)	(471)
Loss before income taxes	2,203	2,552	2,035	1,947	8,737	1,888	1,148	219	(2,066)	1,189	(352)	346
Income taxes	-	621	1,062	400	2,083	545	319	35	817	1,716	(94)	117
Net Loss	\$ 2,203	\$ 1,931	\$ 973	\$ 1,547	\$ 6,654	\$ 1,343	\$ 829	\$ 184	\$ (2,883)	\$ (527)	\$ (258)	\$ 229

IDX Balance Sheet

<i>(unaudited)</i>	Mar20	Jun20	Sep20	Dec20	Mar21	Jun21	Sep21	Dec21	Mar22	Jun22
	<i>(dollars in thousands)</i>									
Assets										
Current assets:										
Cash and cash equivalents	\$ 8,991	\$ 11,933	\$ 13,215	\$ 14,743	\$ 15,085	\$ 15,643	\$ 17,484	\$ 17,986	\$ 15,697	\$ 17,012
Accounts receivable, net	8,727	9,016	9,352	8,823	8,676	10,482	10,700	9,997	11,219	12,037
Prepaid expenses and other assets	914	706	785	883	1,569	895	1,002	953	1,416	1,071
Capitalized contract costs	1,703	1,499	1,363	819	567	738	889	826	807	1,065
Total current assets	20,335	23,154	24,715	25,268	25,897	27,758	30,075	29,762	29,139	31,185
Property and equipment, net	214	188	154	126	162	140	143	127	141	128
Deferred tax asset	530	535	535	1,428	1,428	1,428	1,299	1,229	1,145	1,227
Total assets	\$ 21,079	\$ 23,877	\$ 25,404	\$ 27,058	\$ 27,723	\$ 29,547	\$ 31,752	\$ 31,417	\$ 30,737	\$ 32,728
Liabilities, redeemable convertible preferred stock, and										
Current liabilities:										
Accounts payable	\$ 6,110	\$ 7,135	\$ 7,104	\$ 6,366	\$ 7,264	\$ 6,631	\$ 7,293	\$ 7,286	\$ 7,471	\$ 7,950
Accrued compensation and expenses and other current	2,579	2,879	2,666	4,052	4,948	5,349	5,338	6,606	5,530	5,681
Current installments of capital lease	61	64	66	68	52	35	18	-	-	-
Current portion of convertible debt, carried at fair value	-	-	-	-	-	-	-	2,445	2,724	2,924
Current portion of long-term debt	5,622	5,626	5,637	-	-	-	833	1,667	2,500	3,333
Deferred revenue	10,661	10,132	9,991	7,505	4,991	6,468	7,156	7,560	7,112	8,869
Total current liabilities	25,033	25,836	25,464	17,991	17,255	18,483	20,638	25,564	25,337	28,757
Deferred revenue, net	-	-	-	1,744	1,744	1,744	1,736	2,116	2,472	1,610
Accrued expenses, long-term	160	160	160	463	463	463	454	750	759	779
Convertible debt, carried at fair value	-	-	-	1,733	-	-	2,191	-	-	-
Long term debt, net	5,221	5,277	5,335	9,984	11,762	11,806	9,152	8,319	7,487	6,655
Total liabilities	30,414	31,273	30,959	31,915	31,224	32,496	34,171	36,749	36,055	37,801
Redeemable convertible preferred stock	32,451	32,451	32,451	32,451	32,451	32,451	32,451	64,902	65,166	65,166
Stockholders' deficit										
Common stock	1	1	1	1	1	1	1	1	1	1
Additional paid-in capital	559	567	524	586	599	322	668	-	8	24
Accumulated deficit	(42,346)	(40,415)	(38,531)	(37,895)	(36,552)	(35,723)	(35,539)	(70,235)	(70,493)	(70,264)
Accumulated other comprehensive (loss) income	-	-	-	-	-	-	-	-	-	-
Total stockholders' deficit	(41,786)	(39,847)	(38,006)	(37,308)	(35,952)	(35,400)	(34,870)	(70,234)	(70,484)	(70,239)
Total liabilities, redeemable convertible preferred stock, and stockholders' deficit	\$ 21,079	\$ 23,877	\$ 25,404	\$ 27,058	\$ 27,723	\$ 29,547	\$ 31,752	\$ 31,417	\$ 30,737	\$ 32,728

IDX Cash Flow Statement

(unaudited)	1Q20	2Q20	3Q20	4Q20	CY20	1Q21	2Q21	3Q21	4Q21	CY21	1Q22	2Q22
	(dollars in thousands)											
Cash flows from operating activities:												
Net loss	\$ 2,203	\$ 1,931	\$ 973	\$ 1,547	\$ 6,654	\$ 1,343	\$ 829	\$ 184	\$ (2,883)	\$ (527)	\$ (258)	\$ 229
Adjustments to reconcile net loss to net cash used in												
Depreciation and amortization	35	35	34	32	136	31	32	31	27	121	21	18
Amortization of deferred debt issuance costs	78	35	36	141	290	1	1	1	1	4	1	1
Stock-based compensation expense	12	9	9	8	38	6	5	11	7	29	6	7
Gain on warrant exercised	-	-	-	-	-	-	-	-	-	-	(8)	-
Loss on sale of asset	-	-	-	-	-	2	-	(2)	-	-	-	1
Provision for bad debts	-	-	-	-	-	49	(11)	(38)	-	-	(97)	(33)
Change in fair value of warrants	-	-	-	-	-	-	-	-	1,943	1,943	-	133
Change in fair value of debt	-	-	140	41	181	44	45	370	253	712	279	200
Loss on extinguishment of debt	-	-	-	-	-	-	-	-	-	-	-	-
Deferred taxes	-	(5)	(894)	-	(899)	-	-	130	69	199	85	(82)
Other	42	42	(124)	41	1	-	-	73	102	175	-	-
Changes in operating assets and liabilities:												
Accounts receivable	862	(288)	(71)	263	766	98	(1,795)	(251)	602	(1,346)	(1,125)	(785)
Prepaid expenses and other assets	(256)	208	(391)	214	(225)	(686)	674	(107)	49	(70)	(426)	346
Other long-term assets	-	-	-	(37)	(37)	-	-	-	-	-	-	-
Capitalized contract costs	112	204	137	343	796	252	(155)	(165)	(1)	(69)	(30)	(135)
Accounts payable	(1,666)	1,324	1,060	(738)	(20)	898	(633)	662	(7)	920	184	480
Accounts expenses and other liabilities	-	-	399	(11)	388	896	85	292	(423)	850	(794)	35
Deferred revenue	958	(529)	(6)	(877)	(454)	(2,514)	1,478	679	784	427	(92)	896
Net cash used in operating activities	2,380	2,966	1,302	967	7,615	420	555	1,870	523	3,368	(2,254)	1,311
Cash flows from investing activities:												
Business acquisition, net of cash acquired	-	-	-	-	-	-	-	-	-	-	-	-
Purchases of property and equipment	-	(9)	(1)	(5)	(15)	(69)	(10)	(35)	(11)	(125)	(36)	(6)
Capitalized software	-	-	-	-	-	-	-	-	-	-	-	-
Net cash used in investing activities	-	(9)	(1)	(5)	(15)	(69)	(10)	(35)	(11)	(125)	(36)	(6)
Cash flows from financing activities:												
Exercise of stock options	7	-	-	2	9	7	32	23	8	70	1	10
Proceeds from issuance of debt, net	-	-	-	9,983	9,983	-	-	-	(2)	(2)	-	-
Repayment of debt	(1,092)	-	14	(9,422)	(10,500)	-	(2)	-	2	-	-	-
Repayment of capital lease obligations	(14)	(15)	(33)	3	(59)	(16)	(17)	(17)	(18)	(68)	-	-
Net cash provided by financing activities	(1,099)	(15)	(19)	566	(567)	(9)	13	6	(10)	-	1	10
Net change in cash	1,281	2,942	1,282	1,528	7,033	342	558	1,841	502	3,243	(2,289)	1,315
Cash, beginning of year	7,710	8,991	11,933	13,215	7,710	14,743	15,085	15,643	17,484	14,743	17,986	15,697
Cash, end of year	\$ 8,991	\$ 11,933	\$ 13,215	\$ 14,743	\$ 14,743	\$ 15,085	\$ 15,643	\$ 17,484	\$ 17,986	\$ 17,986	\$ 15,697	\$ 17,012