Company Overview

November 2023

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Cautionary Statement

This presentation contains "forward-looking statements," as that term is defined under the Private Securities Litigation Reform Act of 1995 (PSLRA), which statements may be identified by words such as "expects," "plans," "projects," "will," "may," "anticipate," "believes," "should," "intends," "estimates," and other words of similar meaning. Such forward-looking statements include non-historical statements about our expectations, beliefs or intentions regarding our business, technologies and products, financial condition, strategies or prospects. There are a number of important factors that could cause actual results or events to differ materially from those indicated by such forward-looking statements, including: the risks set forth under the heading “Forward-Looking Statements” and “Risk Factors” in red violet’s Form 10-K for the year ended December 31, 2022 filed on March 8, 2023, as may be supplemented or amended by red violet’s other SEC filings. We undertake no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise, except as required by law.

You are cautioned not to place undue reliance on these forward-looking statements, which are based on red violet’s expectations as of the date of this presentation and speak only as of the date of this presentation. red violet undertakes no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

Without limiting the foregoing, the inclusion of the financial projections in this presentation should not be regarded as an indication that the Company considered, or now considers, them to be a reliable prediction of the future results. The financial projections were not prepared with a view towards public disclosure or with a view to complying with the published guidelines of the Securities Exchange Commission, the guidelines established by the American Institute of Certified Public Accountants with respect to prospective financial information, or with U.S. generally accepted accounting principles. Neither the Company’s independent auditors, nor any other independent accountants, have compiled, examined or performed any procedures with respect to the financial projections, nor have they expressed any opinion or any other form of assurance on such information or its achievability. Although the financial projections were prepared based on assumptions and estimates that the Company’s management believes are reasonable, the Company provides no assurance that the assumptions made in preparing the financial projections will prove accurate or that actual results will be consistent with these financial projections. Projections of this type involve significant risks and uncertainties, should not be read as guarantees of future performance or results and will not necessarily be accurate indicators of whether or not such results will be achieved.

Management evaluates the financial performance of our business on a variety of key indicators, including non-GAAP metrics of adjusted EBITDA, adjusted EBITDA margin, adjusted gross profit, adjusted gross margin and FCF. Adjusted EBITDA is a financial measure equal to net (loss) income, the most directly comparable financial measure based on US GAAP, excluding interest (income) expense, net, income tax (benefit) expense, depreciation and amortization, share-based compensation expense, gain on extinguishment of debt, litigation costs, and write-off of long-lived assets and others, as noted in the tables below. We define adjusted EBITDA margin as adjusted EBITDA as a percentage of revenue. We define adjusted gross profit as revenue less cost of revenue (exclusive of depreciation and amortization), and adjusted gross margin as adjusted gross profit as a percentage of revenue. We define FCF as net cash provided by operating activities reduced by purchase of property and equipment and capitalized costs included in intangible assets.

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red violet at a Glance

March 26, 2018
Initial Listing

$58M
TTM Revenue(1)

NASDAQ: RDVT
Ticker Symbol

79%
Adj. Gross Margin(1)

7,750+
Customers

78%
TTM Contractual Revenue(1)

Most Advanced Identity Intelligence Platform
Cloud-native platform delivering greater intelligence and unparalleled insight for decision-making capabilities

Scalable and Efficient
Quick and cost-effective deployment that is scalable to virtually unlimited capacity and performance

Large and Growing Market
Numerous expansion and increased penetration opportunities

Designed with Security in Mind
Built in a secure payment card industry (PCI) compliant environment

Proven Management Team
Highly experienced management team with track record of scaling businesses

Our Brands

IDI

Leading analytics and information solutions provider delivering actionable intelligence to the risk management industry

FOREWARN®

Instant knowledge to help Real Estate professionals better understand and address risk

(1) For the quarter ended September 30, 2023.

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Seasoned Management Team With Deep Data and Analytics Industry Experience

Name and Title	Biography	Prior Experience
Derek Dubner *CEO*	▪ Over 20 years of experience in the data and analytics industry ▪ Built leading information management companies which sold for an aggregate value of approximately $1 billion	cognint. TransUnion TLOxp. EQUIFAX seisint
James Reilly *President*	▪ Over 20 years of executive experience in data markets	cognint. TransUnion TLOxp.
Dan MacLachlan *CFO*	▪ Over 15 years of experience as the CFO of data-driven technology companies	cognint. TransUnion TLOxp.
Jeff Dell *CIO*	▪ Over 20 years of experience in Information Security as an executive in data-driven technology companies	cognint. tripwire seisint
Angus Macnab *CTO*	▪ Over 15 years of experience in data science, engineering, and scientific computing	cognint. EHT
Jim Greenwell *GM, Identity*	▪ Over 20 years of experience in the digital identity and mobility space, working as an executive and adviser to leading identity management and information solutions providers	THOMSON REUTERS boku ventraq

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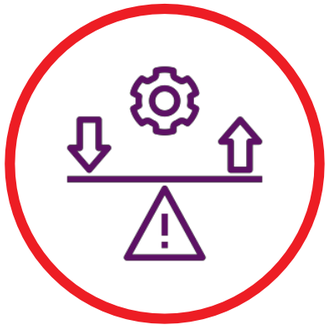
Challenges That Businesses Are Facing Today

Organizations are challenged by the structure, volume and disparity of data. Our platform and applications transform the way customers interact with information, presenting connections and relevance of information otherwise unattainable, which drives actionable insights and better outcomes.



Managing Risk

red violet's advanced analytics and enterprise solutions drive successful business decisions in real-time, providing organizations the ability to make informed decisions and mitigate risk.

Identity Verification

In a world of omnichannel engagement, verifying a consumer's identity is a top challenge. red violet provides identity intelligence that meets a business's specific identity needs and workflow.

Legislative Compliance

red violet simplifies compliance with turn-key solutions that drive actionable insights and better outcomes, allowing businesses to comply with government and industry regulations.

Consumer Modeling

Understanding the consumer is more important than ever in a digital economy. red violet's consumer identity graph provides connections and relevant characteristics, allowing businesses to build strong relationships.

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Our Intelligent Platform – CORE™

Disparate Data

With massive data assets consisting of public record, proprietary and publicly-available data, our differentiated information and innovative platform and solutions deliver intelligence relating to all things identity.

Data Sources

CORE

- Scalable / performant cloud-native infrastructure that is fully automated
- Proprietary, scalable, distributed memory, data processing platform
- Distributed supervised and unsupervised machine learning
- Low latency / high throughput search and information retrieval solutions using Boolean and inverted indices
- Scalable to virtually unlimited capacity and performance

Identity Intelligence

Financial:
- Identity Verification / Fraud Prevention
- Collections Activity
- AML, KYC, BSA Efforts
- Due Diligence

Real Estate:
- Consumer Data Appends
- Consumer Modeling / Segmentation
- Identity Verification / Risk Assessment

Collections:
- Collections Activity / Right-party contact
- Compliance
- Employment Verification/Bank Account Locate

Retail:
- Identity Verification / Fraud Prevention
- Collection Activity
- Frictionless Commerce

Investigative:
- Investigative Support
- Subject / Asset Locate
- Identity Verification / Fraud Prevention
- Compliance

Background Screening:
- Identity Verification / Fraud Prevention
- Criminal Record Research

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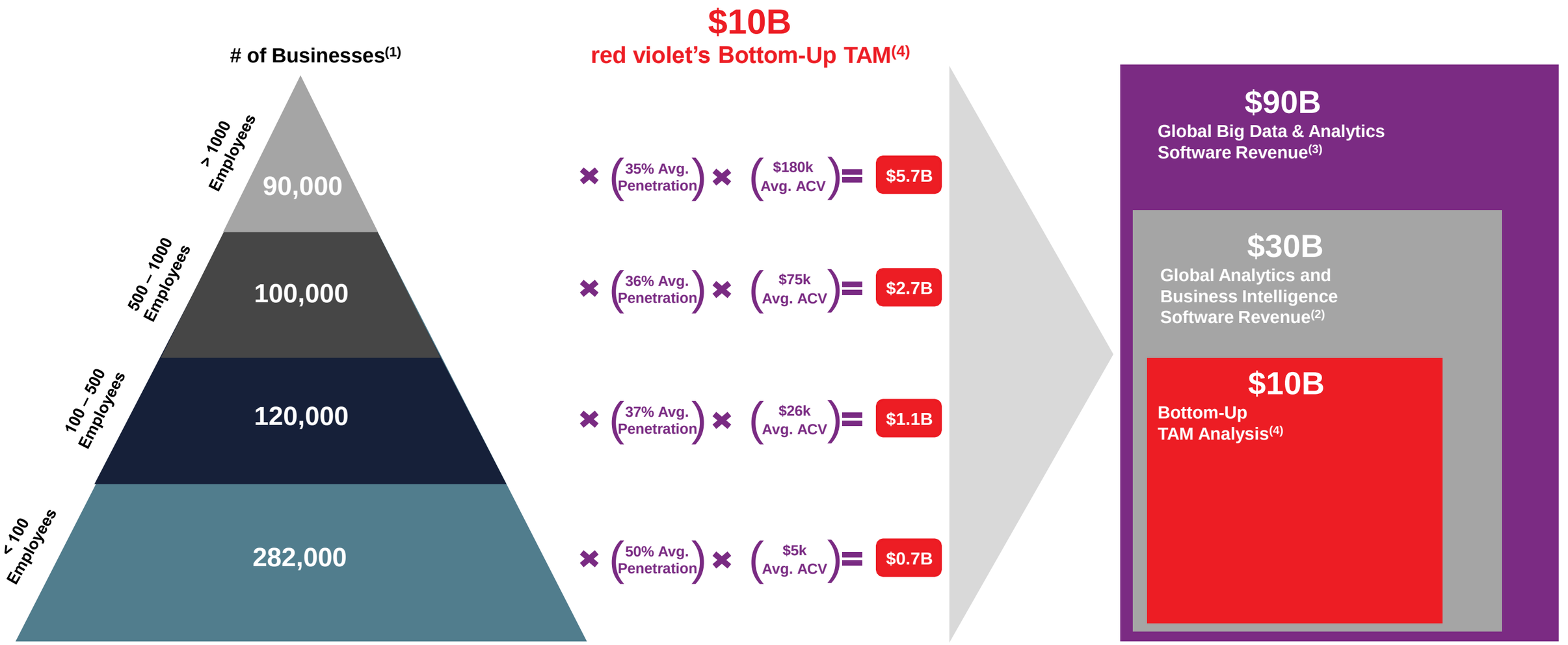
red violet Plays in a Large and Fast-Growing TAM



(1) Represents serviceable market for verticals in which the company currently operates.
(2) Gartner Forecast Analysis: Analytics and Business Intelligence Software, Worldwide, September 2020. Represents 2021 figure.
(3) IDC Worldwide Big Data and Analytics Software Forecast, 2022 – 2026, July 2022. Represents 2022 figure.
(4) Management's Estimates Based on Public Sources and Industry Knowledge.

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Our Business Model Provides a Compelling Investment Opportunity

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Next-Generation Technology Platform
Proprietary data and industry agnostic platform drives cost efficient solutions across industries

Differentiated Owned Data Asset
Massive proprietary datasets of alternative and internally generated data unified by proprietary algorithms and analytic processes

Subscription-Based
78% of revenue attributable to customer contracts, generally annual contracts or longer, with auto renewal(1)

Fixed-Cost Model
We acquire data using flat-rate, unlimited use long-term contracts, so as revenue scales, our cost of revenue does not

Large and Growing Market
$10B+ serviceable market today with $90B+ in total addressable market(2)

Strong Operating Leverage
$4.3M increase in adjusted gross profit in Q3'23 YTD provided $2.4M improvement adjusted EBITDA over Q3'22 YTD, ~55% contribution

Experienced Management Team
Team previously built current industry competitors which were acquired for an aggregate value of approximately $1B

(1) For the TTM quarter ended September 30, 2023.
(2) IDC Worldwide Big Data and Analytics Software Forecast, 2022 – 2026, July 2022.

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Our Brands

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coreIDENTITY™ is a comprehensive suite of identity solutions that encompasses the full customer identity lifecycle, from acquisition to onboarding and beyond, with turn-key APIs and customizable workflows.

idiTRACE™ is a premier source of applicant address and alias history, maximizing match rates while reducing false positives for background screening organizations.

idiCORE™

Together with the industry's most advanced and performant identity intelligence platform, idiCORE™ provides unparalleled insight into people, businesses, assets, and their interrelationships.

idiVERIFIED™ combines proprietary data sources with sophisticated manual verification to help locate bank account and place of employment information for elusive targets.

idiCRIM™ is a leading solution to the background screening industry, providing the ability to search a comprehensive database of national criminal, court, arrest, and sex offender records in support of the screening process.

FOREWARN®

The Value of Instant Due Diligence with FOREWARN:

- Using as little as an incoming phone number, FOREWARN can positively identify over 80% of prospects
- Identify if your prospect has a criminal history
- Verify current property and vehicle ownership
- Verify financial risks (bankruptcies / liens)
- Verify additional phone numbers and full address history
- Agents can properly and safely plan for showings with a higher level of confidence

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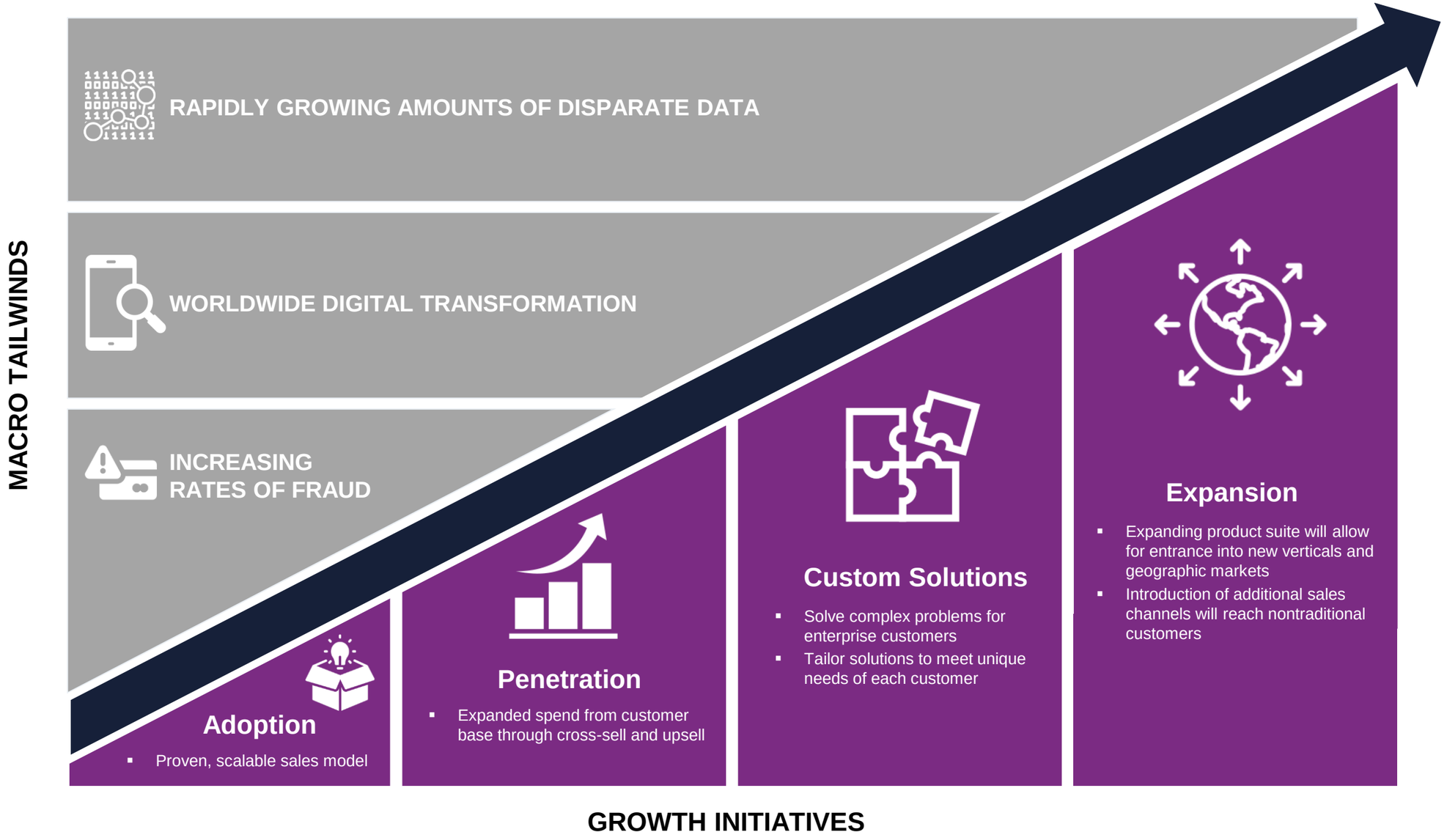
Growth Drivers



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Case Studies

1 Identity Verification, Fraud Prevention & Frictionless Commerce

Multinational Financial Services Company

Comprehensive identity data and insights are needed to reduce friction, improve conversions, and combat fraud

This customer, a $350 billion financial services company, realized the need to bring robust, comprehensive, and highly accurate verification solutions in-house to service its own needs, as well as the growing needs of its customer base. In 2021, they acquired an entity that specialized in such solutions and who had been leveraging our services since early 2020. Post acquisition, after exploration and testing of additional needs, we expanded our relationship, integrating further solutions into their platform, under a multi-year agreement extension. We won their business and continue to grow because of the comprehensive consumer coverage of our data assets, accuracy, speed, pricing, and scalability of our transaction processing.

2 Commercial Entity Resolution

Leading Provider of Commercial Real Estate Intelligence

Commercial real estate is swimming in unstructured data that has become overwhelming and difficult to unify

In 2018, customer needed better underlying identity data to fuel critical aspects of their commercial real estate due diligence platform. Challenged with understanding exact consumer identities associated with ownership entities gleaned from property-centric information. The customer found our deep, unified data assets, coupled with advanced data delivery and querying capabilities, to be unmatched. Following a brief testing period, a wholesale switch occurred from their previous provider for their applicable information needs and recently renewed for an additional multi-year agreement.

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Case Studies (Cont'd)

3

Background Screening

Leading Global Data & Analytics Company

Timely and accurate information is critical to keep workplaces and businesses safe

Customer needed a high-volume performant information solution to validate identity and fully profile applicant location histories in support of background verifications and investigations. We won this business from competitive solutions because our cloud-native platform provided higher quality information through a more scalable and performant API at a better price. A customer since early 2017, we have established a great partnership that has seen their business with us grow exponentially since the early days of the relationship and through a recent acquisition by one of the largest credit reporting agencies.

4

Digital Identity

Leading Identity and People Search Platform

The technology that powers digital identity is evolving and partnering with a leading-edge provider is a must

This customer, long served by a legacy solutions provider, sought greater depth of identity coverage as well as faster, more flexible, and more efficient API delivery to power their offerings. In mid 2021 we engaged in significant testing against competing solutions and were quickly selected as a core provider because of the capabilities of our identity intelligence platform. Currently under a multi-year, multi-million dollar agreement, this relationship continues to grow at a fast pace, with our solutions now powering additional industry verticals that this company serves, as well as being slated as the primary source of information for additional services to come.

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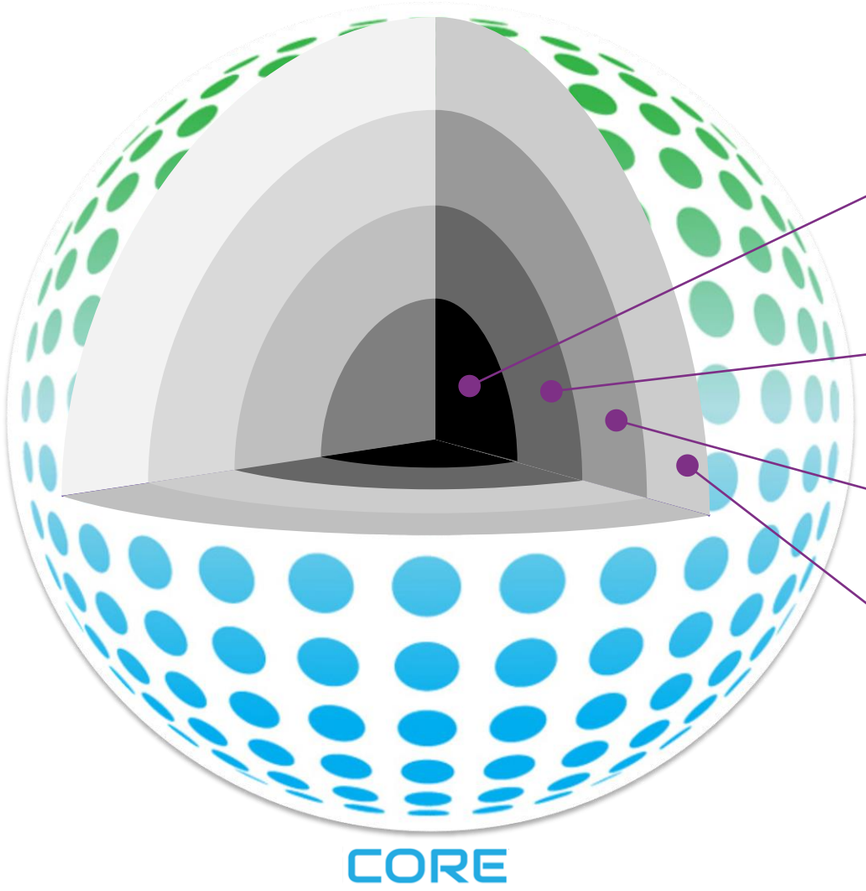
Differentiation – red violet's Intelligent Platform



1 Technology	Advanced, fully-automated identity intelligence platform designed to be used at scale with the help of machine learning
2 Data	CORE conducts analysis of billions of data points to identify complex interrelationships
3 Scalability & Availability	Automated monitoring, flexible APIs and industry-leading batch processing allows for virtually unlimited capacity and performance
4 Security	Operates in secure cloud environments in data centers across the U.S., reinforced by thorough behavior analysis and automated production systems

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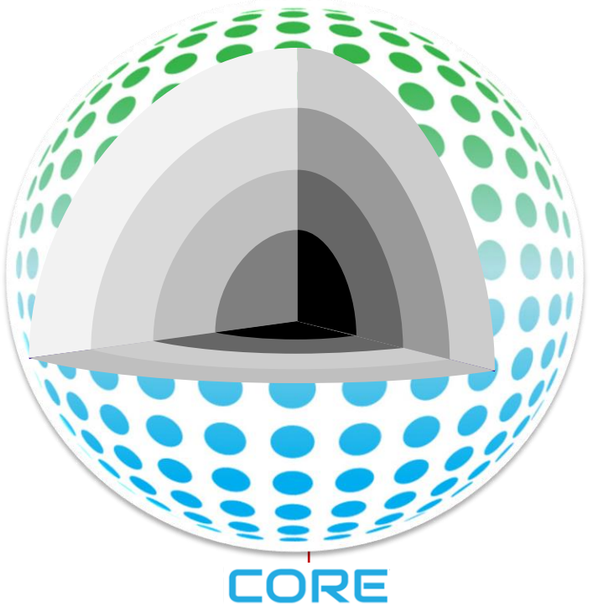
Differentiation – Technology

Harnessing the power of CORE, we have created the most advanced and performant identity intelligence platform.

Next-Generation Platform

- Proprietary, scalable, distributed memory, data processing platform
- Superior to “map reduce” frameworks in performance and functionality
- Built upon table operator abstractions using a functional programming approach
- Relational and graph database functionality
- Scalable/performant cloud-based infrastructure that is fully automated



Data Analytics and Engineering

- Data unification/entity resolution at scale
- Graph analysis of complex interrelationships among billions of entities
- Low latency/high throughput search and information retrieval solutions using Boolean and inverted indices
- Distributed supervised and unsupervised machine learning

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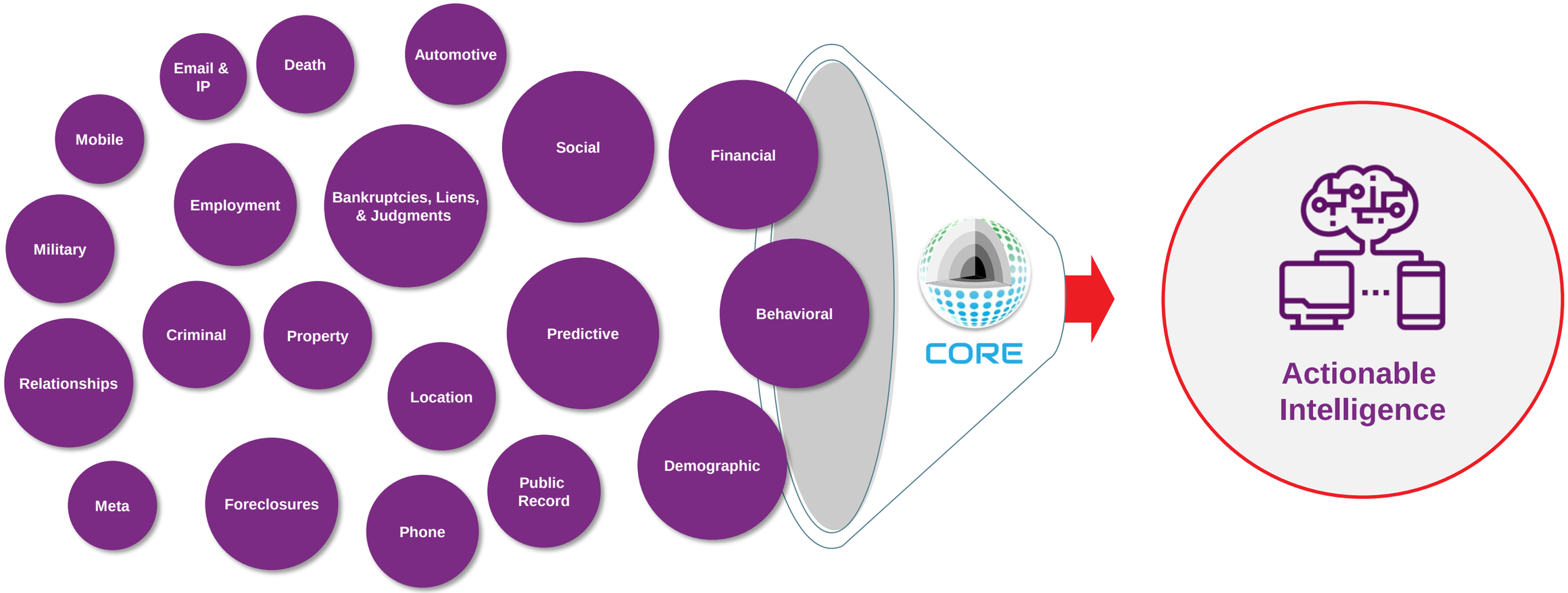
Differentiation – Massive Unified Data Asset

Disparate Data Sources	CORE Platform	Actionable Intelligence



Includes proprietary, public record, publicly-available, and self-reported data	Proprietary entity resolution technology that links these data sources to identify people, businesses, assets, events and their interrelationships	Actionable, real-time information, delivering greater intelligence and unparalleled insights for decision-making

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Differentiation – Scalability and Availability

We uncover the relevance of disparate data points utilizing our analytical capabilities to provide real-time and insightful views of people, businesses, assets and their interrelationships.

Multiple Access Methods and Tools

Flexible **APIs** built to handle simple requests and complex integrations

Online access through an intuitive interface designed to provide fast and effective results

Best-in-class **Batch Processing** platform for ingestion, processing, and delivery of large data files

Designed for accelerated development of **Custom Solutions** based on any access method

Automated **Monitoring** solutions to track changes in consumer, business, and asset data points

Scalability and Availability

Handling burst rates of **over 80 million** detailed searches per day

Monitoring daily changes on **over 100 million** consumers in 30 minutes of processing time

Scalable to virtually **unlimited** capacity and performance

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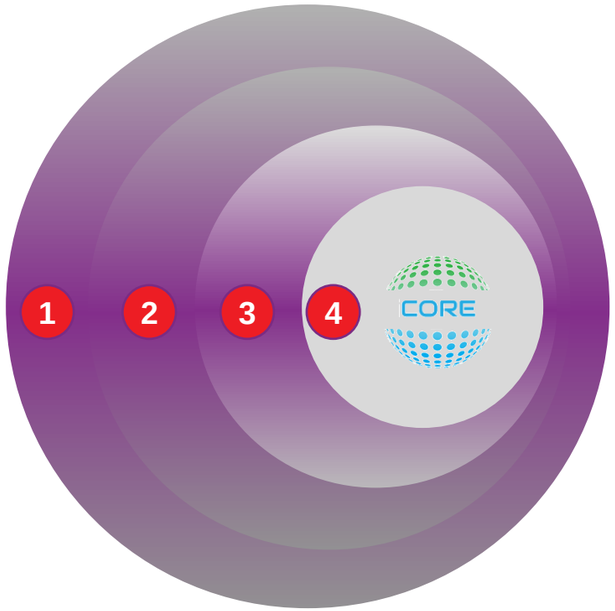
Differentiation – Security

Built in a secure payment card industry (PCI) compliant cloud environment, we operate in data centers across the U.S. using an intelligent framework and leveraging a microservices architecture.

Leading-Edge Security Features



1. Processing of over 100 GB of log data daily
2. Automated internal and customer activity behavior analysis
3. Heavily fortified, fully auditable, secure environment
4. Automation of production systems to enforce layered security

Secure Environment

SOC 2 TYPE 2
AICPA SOC

bsi ISO/IEC 27001 Information Security Management CERTIFIED

pci Certified
Level 1 Service Provider

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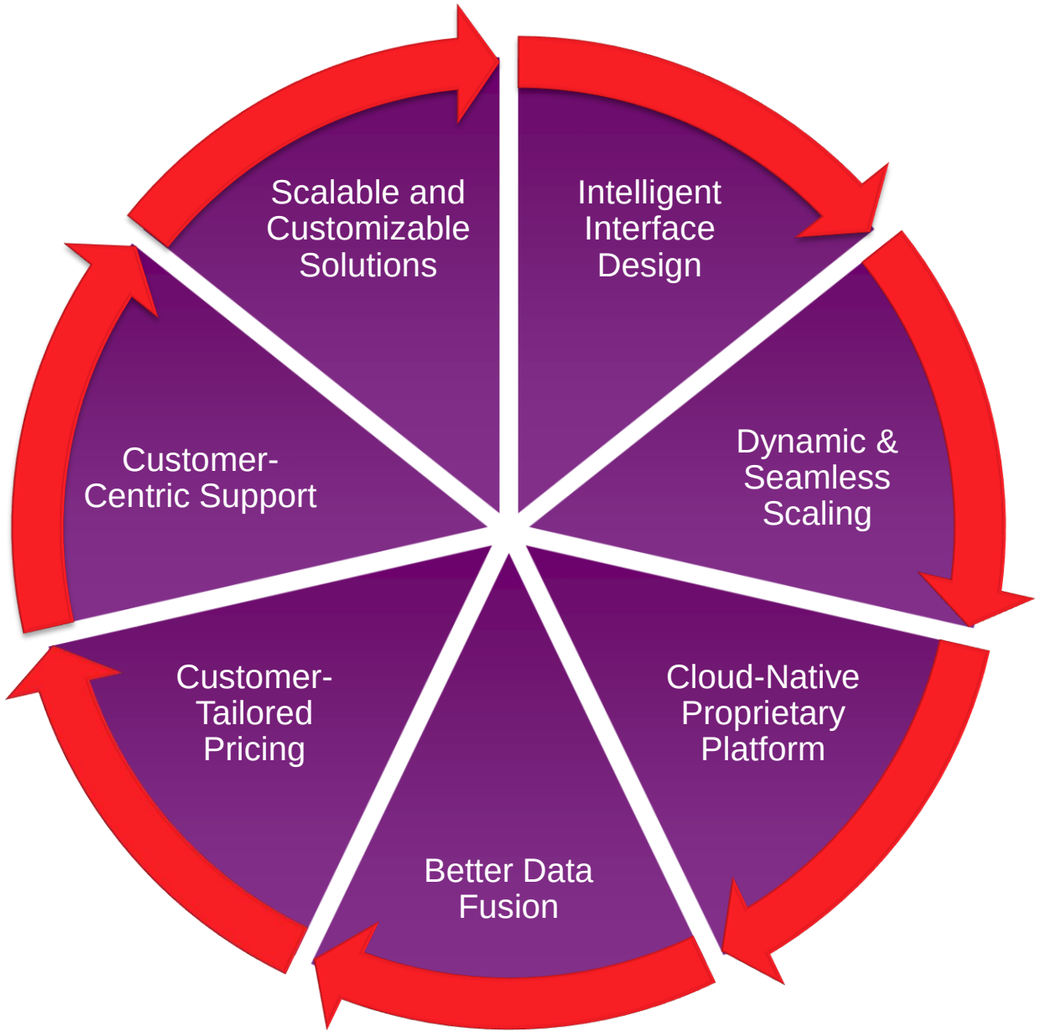
Why We Win



Cloud-native technology platform providing the most advanced and performant identity intelligence

Massively scalable and customizable platform meeting the high-volume needs of customers

Significantly better data fusion at scale for improved coverage and accuracy

Robust operating leverage and efficiency leading to customer-centric, value pricing

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Scalable Go-To-Market Strategy

New Customer Acquisition

- New opportunities are sourced from each of the 3 primary channels below
- Once the opportunity is qualified and credentialed for proper use case, they generally begin with a free trial
- The free trial is followed by an initial purchase on a transactional basis or minimum-committed monthly spend

		% of 2022 Revenue
1 **Inside Sales**	Cultivates relationships through inbound/outbound calling, and ultimately closes business with their end-user markets	**47%**
2 **Strategic Sales**	With leading industry knowledge, provides a more personal, face-to-face approach for top-tier accounts within certain industries	**20%**
3 **Distributors, Resellers & Strategic Partners**	We power organizations with a significant foothold in industries that we have not historically served, as well as to further penetrate those industries that we do serve	**33%**

Existing Customers

Land and Expand	As organizations derive benefits from our solutions, we are able to expand within organizations as additional use cases are presented across departments, divisions and geographic locations and customers become increasingly reliant on our solutions in their daily workflow

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Financial Highlights

$53.3M
2022 Revenue

44%
2017 - 2022
Revenue CAGR

79%
Q3’23 Adj. Gross Margin

34%
Q3’23 Adj. EBITDA Margin

78%
TTM Q3’23 Contractual Revenue

94%
Q3’23 Gross Revenue Retention

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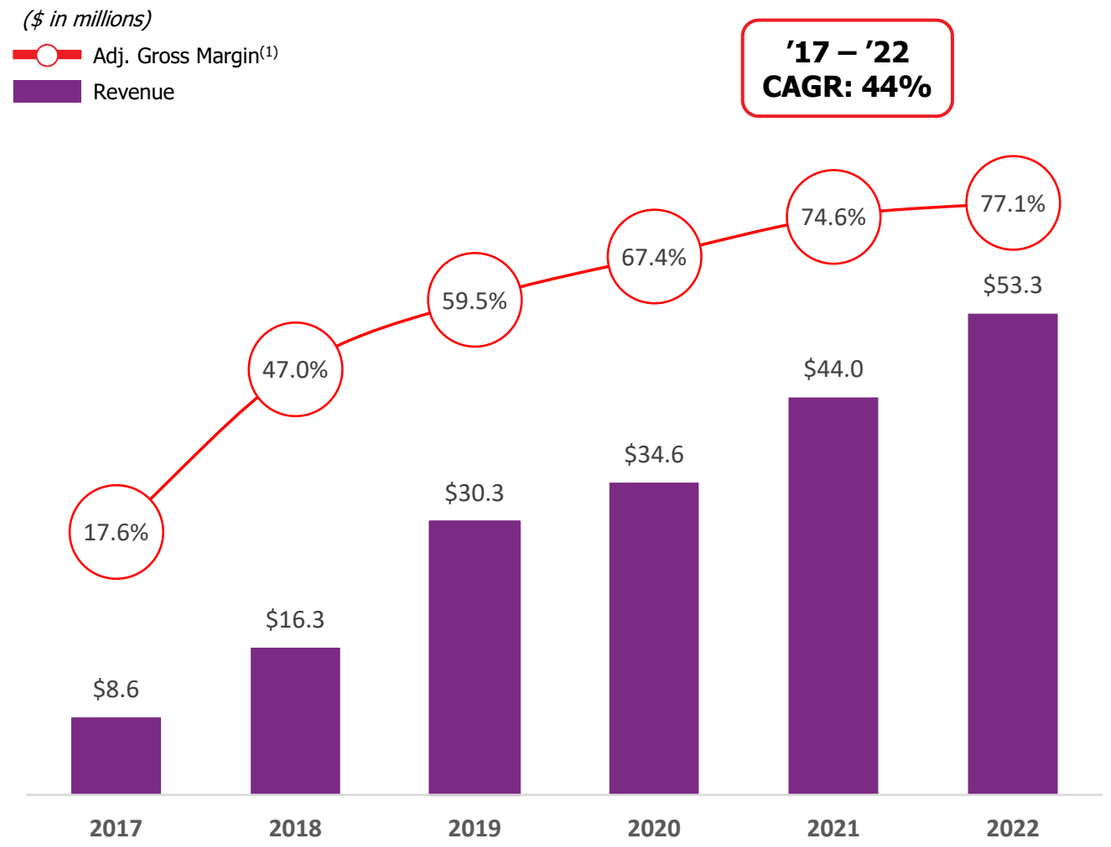
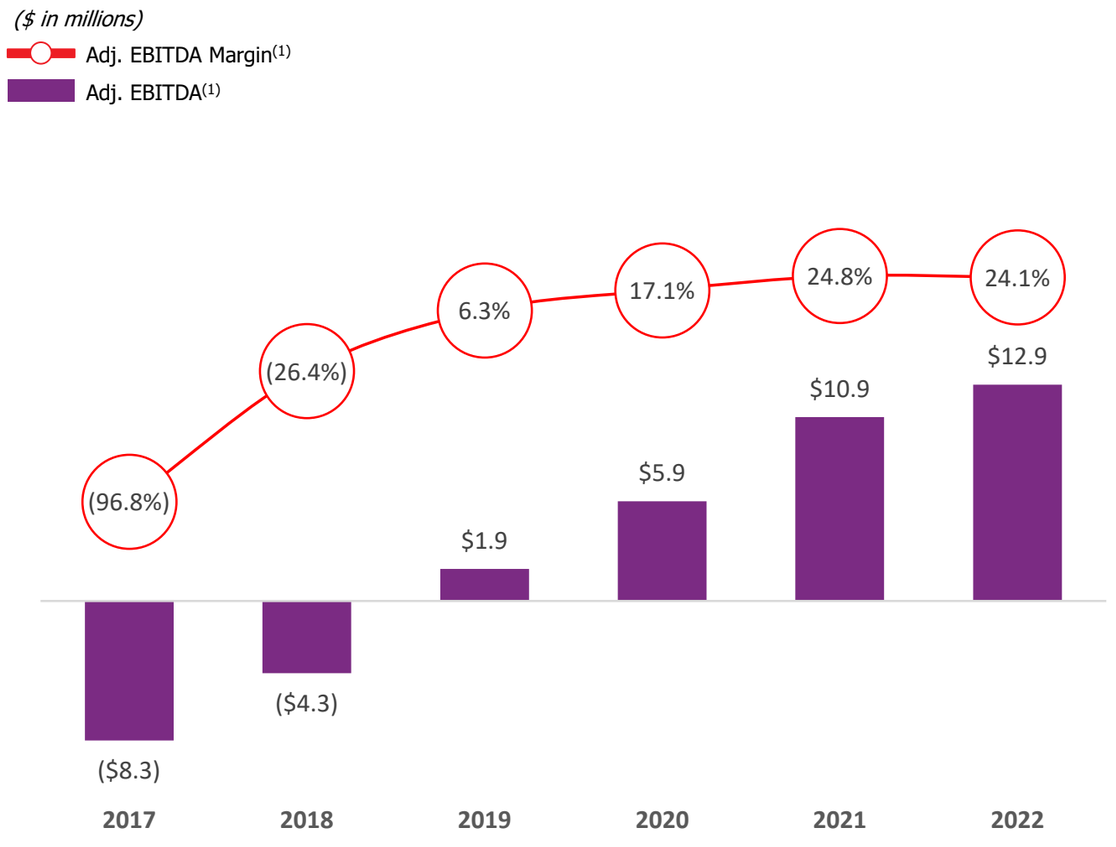
Robust Top-Line Momentum & Building Substantial Operating Leverage

Revenue and Adj. Gross Margin



Adj. EBITDA



(1) Adjusted gross margin, adjusted EBITDA and adjusted EBITDA margin are non-GAAP financial measures. For a reconciliation of these non-GAAP financial measures, please see slide 24.

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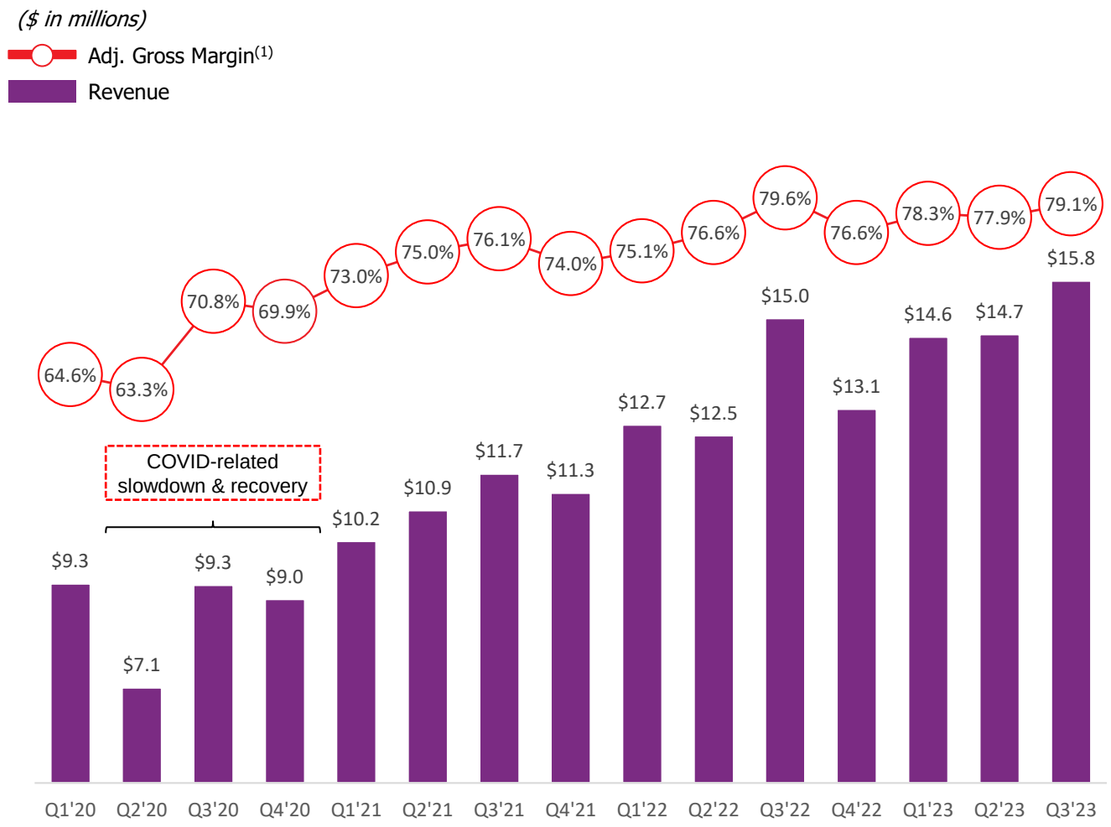
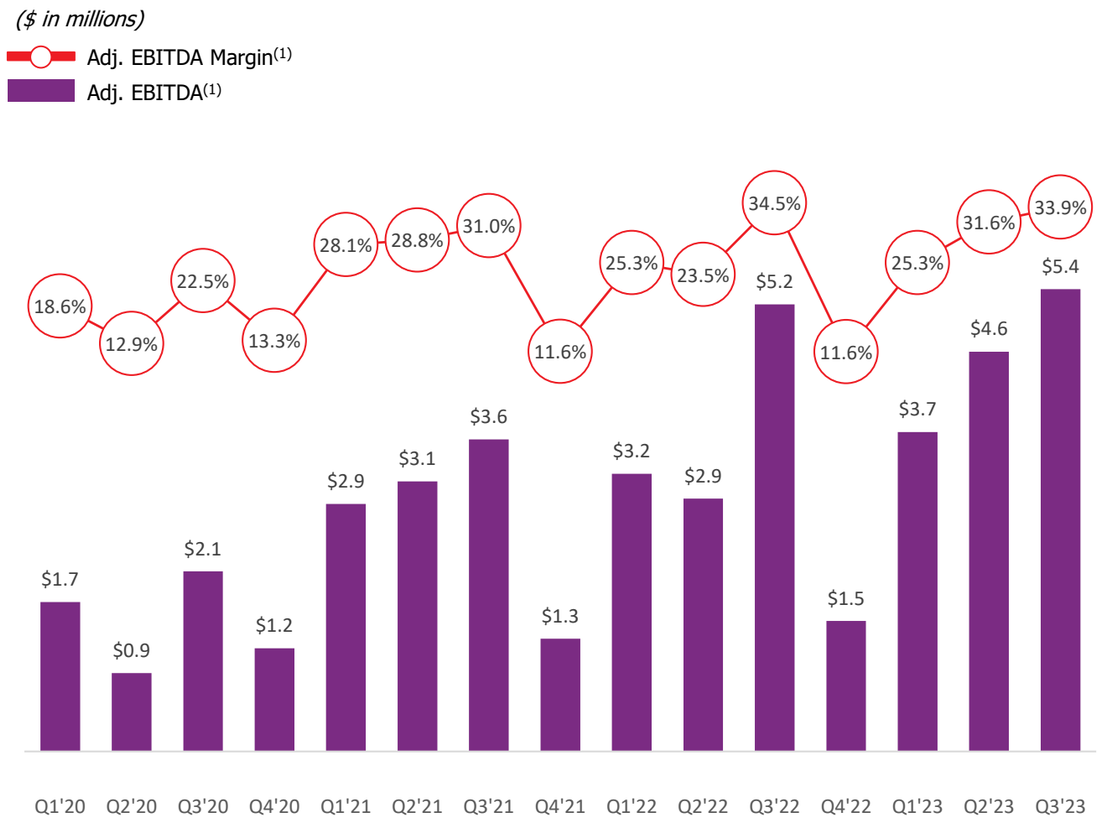
Strong Unit Economics Underpin Financial Model Leverage

Revenue and Adj. Gross Margin



Adj. EBITDA



(1) *Adjusted gross margin, adjusted EBITDA and adjusted EBITDA margin are non-GAAP financial measures. For a reconciliation of these non-GAAP financial measures, please see slide 24.*

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Appendix

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Use and Reconciliation of Non-GAAP Financial Measures

Management evaluates the financial performance of our business on a variety of key indicators, including non-GAAP metrics of adjusted EBITDA, adjusted EBITDA margin, adjusted gross profit, adjusted gross margin and FCF. Adjusted EBITDA is a financial measure equal to net (loss) income, the most directly comparable financial measure based on US GAAP, excluding interest (income) expense, net, income tax (benefit) expense, depreciation and amortization, share-based compensation expense, gain on extinguishment of debt, litigation costs, and write-off of long-lived assets and others, as noted in the tables below. We define adjusted EBITDA margin as adjusted EBITDA as a percentage of revenue. We define adjusted gross profit as revenue less cost of revenue (exclusive of depreciation and amortization), and adjusted gross margin as adjusted gross profit as a percentage of revenue. We define FCF as net cash provided by operating activities reduced by purchase of property and equipment and capitalized costs included in intangible assets.

				(Unaudited)														
(In thousands)	2017	2018	2019	Q1'20	Q2'20	Q3'20	Q4'20	Q1'21	Q2'21	Q3'21	Q4'21	Q1'22	Q2'22	Q3'22	Q4'22	Q1'23	Q2'23	Q3'23
Net income (loss)	$ (21,500)	$ (6,868)	$ (11,076)	$ (1,481)	$ (2,532)	$ (925)	$ (1,875)	$ (578)	$ 1,761	$ 1,256	$ (1,784)	$ 107	$ (205)	$ 2,258	$ (1,544)	$ 716	$ 1,388	$ 12,495
Income tax expense (benefit)	-	-	-	-	-	-	-	-	-	-	198	175	44	25	(148)	(29)	160	(10,384)
Interest expense (income), net	-	(84)	(136)	(31)	-	7	6	5	4	(1)	(1)	(1)	-	(125)	(225)	(286)	(315)	(346)
Depreciation and amortization	1,138	1,996	2,889	910	992	1,118	1,196	1,258	1,330	1,345	1,466	1,534	1,613	1,713	1,815	1,916	2,054	2,171
Share-based compensation expense	2,871	709	9,913	2,221	2,342	1,853	1,648	2,048	2,165	986	1,418	1,387	1,406	1,273	1,439	1,384	1,305	1,369
Gain on extinguishment of debt	-	-	-	-	-	-	-	-	(2,175)	-	-	-	-	-	-	-	-	-
Litigation costs, net	9,191	382	54	-	-	-	-	120	6	-	-	15	76	37	4	3	45	1
Acquisition-related costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sales and use tax expense	-	-	205	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Insurance proceeds in relation to settled litigation	-	(350)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transition service income	-	(218)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Write-off of long-lived assets and others	-	92	44	111	106	35	222	19	41	34	9	3	-	4	171	2	-	56
Adjusted EBITDA	$ (8,300)	$ (4,341)	$ 1,893	$ 1,730	$ 908	$ 2,088	$ 1,197	$ 2,872	$ 3,132	$ 3,620	$ 1,306	$ 3,220	$ 2,934	$ 5,185	$ 1,512	$ 3,706	$ 4,637	$ 5,362
Revenue	$ 8,578	$ 16,302	$ 30,286	$ 9,300	$ 7,056	$ 9,267	$ 8,963	$ 10,217	$ 10,879	$ 11,668	$ 11,258	$ 12,729	$ 12,494	$ 15,026	$ 13,069	$ 14,626	$ 14,680	$ 15,837
Net income (loss) margin	(250.6%)	(42.1%)	(36.6%)	(15.9%)	(35.9%)	(10.0%)	(20.9%)	(5.7%)	16.2%	10.8%	(15.8%)	0.8%	(1.6%)	15.0%	(11.8%)	4.9%	9.5%	78.9%
Adjusted EBITDA margin	(96.8%)	(26.6%)	6.3%	18.6%	12.9%	22.5%	13.4%	28.1%	28.8%	31.0%	11.6%	25.3%	23.5%	34.5%	11.6%	25.3%	31.6%	33.9%

				(Unaudited)														
(In thousands)	2017	2018	2019	Q1'20	Q2'20	Q3'20	Q4'20	Q1'21	Q2'21	Q3'21	Q4'21	Q1'22	Q2'22	Q3'22	Q4'22	Q1'23	Q2'23	Q3'23
Revenue	$ 8,578	$ 16,302	$ 30,286	$ 9,300	$ 7,056	$ 9,267	$ 8,963	$ 10,217	$ 10,879	$ 11,668	$ 11,258	$ 12,729	$ 12,494	$ 15,026	$ 13,069	$ 14,626	$ 14,680	$ 15,837
Cost of revenue (exclusive of depreciation and amortization)	7,066	8,638	12,257	3,292	2,587	2,703	2,694	2,761	2,720	2,787	2,927	3,170	2,920	3,067	3,054	3,179	3,240	3,313
Depreciation and amortization of intangible assets	866	1,730	2,637	850	934	1,063	1,143	1,258	1,330	1,288	1,407	1,472	1,551	1,659	1,758	1,858	1,995	2,112
Gross profit	646	5,934	15,392	5,158	3,535	5,501	5,126	6,198	6,829	7,593	6,924	8,087	8,023	10,300	8,257	9,589	9,445	10,412
Depreciation and amortization of intangible assets	866	1,730	2,637	850	934	1,063	1,143	1,258	1,330	1,288	1,407	1,472	1,551	1,659	1,758	1,858	1,995	2,112
Adjusted gross profit	$ 1,512	$ 7,664	$ 18,029	$ 6,008	$ 4,469	$ 6,564	$ 6,269	$ 7,456	$ 8,159	$ 8,881	$ 8,331	$ 9,559	$ 9,574	$ 11,959	$ 10,015	$ 11,447	$ 11,440	$ 12,524
Gross margin	8%	36%	51%	55.5%	50.1%	59.4%	57.2%	60.7%	62.8%	65.1%	61.5%	63.5%	64.2%	68.5%	63.2%	65.6%	64.3%	65.7%
Adjusted gross margin	18%	47%	60%	64.6%	63.3%	70.8%	69.9%	73.0%	75.0%	76.1%	74.0%	75.1%	76.6%	79.6%	76.6%	78.3%	77.9%	79.1%

				(Unaudited)														
(In thousands)	2017	2018	2019	Q1'20	Q2'20	Q3'20	Q4'20	Q1'21	Q2'21	Q3'21	Q4'21	Q1'22	Q2'22	Q3'22	Q4'22	Q1'23	Q2'23	Q3'23
Net cash provided by (used in) operating activities	$ (10,411)	$ (8,053)	$ 1,647	$ 1,249	$ 1,754	$ 1,746	$ 1,770	$ 1,232	$ 2,301	$ 3,464	$ 1,951	$ 2,430	$ 2,525	$ 3,145	$ 4,359	$ 1,531	$ 3,547	$ 5,789
Less:																		
Purchase of property and equipment	(515)	(90)	(90)	(33)	(28)	(37)	(56)	(46)	(109)	(68)	(57)	(113)	(108)	(50)	(102)	(44)	(7)	(47)
Capitalized costs included in intangible assets	(5,953)	(5,911)	(5,912)	(1,538)	(1,550)	(1,222)	(1,198)	(1,247)	(1,173)	(1,129)	(1,415)	(1,794)	(2,099)	(2,246)	(2,317)	(2,273)	(2,236)	(2,412)
Free cash flow	$ (16,879)	$ (14,054)	$ (4,355)	$ (322)	$ 176	$ 487	$ 516	$ (61)	$ 1,019	$ 2,267	$ 479	$ 523	$ 318	$ 849	$ 1,940	$ (786)	$ 1,304	$ 3,330

In order to assist readers of our consolidated financial statements in understanding the operating results that management uses to evaluate the business and for financial planning purposes, we present non-GAAP measures of adjusted EBITDA, adjusted EBITDA margin, adjusted gross profit and adjusted gross margin as supplemental measures of our operating performance. We believe they provide useful information to our investors as they eliminate the impact of certain items that we do not consider indicative of our cash operations and ongoing operating performance. In addition, we use them as an integral part of our internal reporting to measure the performance and operating strength of our business.

We believe adjusted EBITDA, adjusted EBITDA margin, adjusted gross profit and adjusted gross margin are relevant and provide useful information frequently used by securities analysts, investors and other interested parties in their evaluation of the operating performance of companies similar to ours and are indicators of the operational strength of our business. We believe adjusted EBITDA eliminates the uneven effect of considerable amounts of non-cash depreciation and amortization, share-based compensation expense and the impact of other non-recurring items, providing useful comparisons versus prior periods or forecasts. Adjusted EBITDA margin is calculated as adjusted EBITDA as a percentage of revenue. Our adjusted gross profit is a measure used by management in evaluating the business's current operating performance by excluding the impact of prior historical costs of assets that are expensed systematically and allocated over the estimated useful lives of the assets, which may not be indicative of the current operating activity. Our adjusted gross profit is calculated by using revenue, less cost of revenue (exclusive of depreciation and amortization). We believe adjusted gross profit provides useful information to our investors by eliminating the impact of non-cash depreciation and amortization, and specifically the amortization of software developed for internal use, providing a baseline of our core operating results that allow for analyzing trends in our underlying business consistently over multiple periods. Adjusted gross margin is calculated as adjusted gross profit as a percentage of revenue.

Adjusted EBITDA, adjusted EBITDA margin, adjusted gross profit and adjusted gross margin are not intended to be performance measures that should be regarded as an alternative to, or more meaningful than, financial measures presented in accordance with GAAP. The way we measure adjusted EBITDA, adjusted gross profit and adjusted gross margin may not be comparable to similarly titled measures presented by other companies, and may not be identical to corresponding measures used in our various agreements.

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Supplemental Metrics and Definitions

The following metrics are intended as a supplement to the financial information found in this presentation and other information furnished or filed with the SEC. These supplemental metrics are not necessarily derived from any underlying financial statement amounts. We believe these supplemental metrics help investors understand trends within our business and evaluate the performance of such trends quickly and effectively. In the event of discrepancies between amounts in these tables and the Company's historical disclosures or financial statements, readers should rely on the Company's filings with the SEC and financial statements in the Company's most recent earnings release.

We intend to periodically review and refine the definition, methodology and appropriateness of each of these supplemental metrics. As a result, metrics are subject to removal and/or changes, and such changes could be material.

(Dollars in thousands)	Q3'21	Q4'21	Q1'22	Q2'22	(Unaudited) Q3'22	Q4'22	Q1'23	Q2'23	Q3'23
Customer metrics									
IDI - billable customers[1]	6,314	6,548	6,592	6,817	6,873	7,021	7,256	7,497	7,769
FOREWARN - users[2]	74,377	82,419	91,490	101,261	110,051	116,960	131,348	146,537	168,356
Revenue metrics									
Contractual revenue %[3]	80%	79%	77%	80%	68%	77%	75%	79%	79%
Gross revenue retention %[4]	95%	96%	97%	95%	94%	95%	94%	94%	94%
Revenue from new customers[5]	$ 876	$ 920	$ 1,014	$ 805	$ 2,016	$ 1,216	$ 1,869	$ 1,147	$ 1,363
Base revenue from existing customers[6]	$ 9,187	$ 9,114	$ 9,721	$ 10,164	$ 10,839	$ 10,574	$ 11,121	$ 11,707	$ 12,399
Growth revenue from existing customers[7]	$ 1,605	$ 1,224	$ 1,994	$ 1,525	$ 2,171	$ 1,279	$ 1,636	$ 1,826	$ 2,075
Other metrics									
Employees - sales and marketing	49	54	59	57	64	68	61	63	65
Employees - support	10	10	10	9	10	10	10	9	9
Employees - infrastructure	16	18	23	25	25	28	27	26	27
Employees - engineering	35	37	50	52	52	54	47	47	47
Employees - administration	20	22	26	27	26	27	25	25	25

(1) We define a billable customer of IDI as a single entity that generated revenue in the last three months of the period. Billable customers are typically corporate organizations. In most cases, corporate organizations will have multiple users and/or departments purchasing our solutions, however, we count the entire organization as a discrete customer.

(2) We define a user of FOREWARN as a unique person that has a subscription to use the FOREWARN service as of the last day of the period. A unique person can only have one user account.

(3) Contractual revenue % represents revenue generated from customers pursuant to pricing contracts containing a monthly fee and any additional overage divided by total revenue. Pricing contracts are generally annual contracts or longer, with auto renewal.

(4) Gross revenue retention is defined as the revenue retained from existing customers, net of reinstated revenue, and excluding expansion revenue. Revenue is measured once a customer has generated revenue for six consecutive months. Revenue is considered lost when all revenue from a customer ceases for three consecutive months; revenue generated by a customer after the three-month loss period is defined as reinstated revenue. Gross revenue retention percentage is calculated on a trailing twelve-month basis. The numerator of which is revenue lost during the period due to attrition, net of reinstated revenue, and the denominator of which is total revenue based on an average of total revenue at the beginning of each month during the period, with the quotient subtracted from one. Prior to Q1'22, FOREWARN revenue was excluded from our gross revenue retention calculation. Beginning Q4'22, our gross revenue retention calculation excludes revenue from idiVERIFIED, which is purely transactional and currently represents less than 3% of total revenue.

(5) Revenue from new customers represents the total monthly revenue generated from new customers in a given period. A customer is defined as a new customer during the first six months of revenue generation.

(6) Base revenue from existing customers represents the total monthly revenue generated from existing customers in a given period that does not exceed the customers' trailing six-month average revenue. A customer is defined as an existing customer six months after their initial month of revenue.

(7) Growth revenue from existing customers represents the total monthly revenue generated from existing customers in a given period in excess of the customers' trailing six-month average revenue.

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