

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549**

FORM 8-K

CURRENT REPORT

**Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934**

Date of Report (date of earliest event reported): March 4, 2026

RED VIOLET, INC.
(Exact name of Registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

001-38407
(Commission
File Number)

82-2408531
(I.R.S. Employer
Identification Number)

2650 North Military Trail, Suite 300, Boca Raton, FL 33431
(Address of principal executive offices)

561-757-4000
(Registrant's telephone number, including area code)

Not Applicable
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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

Title of each class	Trading Symbol (s)	Name of each exchange on which registered
Common Stock, \$0.001 par value per share	RDVT	The NASDAQ Stock Market LLC

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

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.

Item 2.02 Results of Operations and Financial Condition

On March 4, 2026, Red Violet, Inc., a Delaware corporation (the “Company”), issued a press release announcing its financial results for the fourth quarter and year ended December 31, 2025 (the “Earnings Release”). A copy of the Earnings Release is furnished herewith as Exhibit 99.1.

Also on March 4, 2026, following the issuance of the Earnings Release, the Company conducted a conference call to discuss the reported financial results for the fourth quarter and year ended December 31, 2025. The Company had issued a press release on February 18, 2026 to announce the scheduling of the conference call. A copy of the transcript of the conference call is furnished herewith as Exhibit 99.2.

The information included herein and in Exhibit 99.1 and Exhibit 99.2 shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934 (“Exchange Act”) or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933 or the Exchange Act, except as expressly set forth by specific reference in such filing.

Item 9.01 Financial Statements and Exhibits

(d) Exhibits.

99.1 [Press Release, dated March 4, 2026](#)

99.2 [March 4, 2026 conference call transcript](#)

104 Cover page Interactive Data File (embedded within the inline XBRL file).

SIGNATURES

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 hereunto duly authorized.

Red Violet, Inc.

Date: March 5, 2026

By: /s/ Derek Dubner

Derek Dubner

Chief Executive Officer (Principal Executive Officer)

red violet Announces Fourth Quarter and Full Year 2025 Financial Results

Fourth Quarter Revenue Increased 20% to a Record \$23.4 Million

Full Year 2025 Revenue Increased 20% to \$90.3 Million, Generating GAAP EPS of \$0.91

BOCA RATON, Fla. – March 4, 2026 – Red Violet, Inc. (NASDAQ: RDVT), a leading analytics and information solutions provider, today announced financial results for the fourth quarter and full year ended December 31, 2025.

“We concluded 2025 with record fourth quarter results, capping a year defined by disciplined execution and continued momentum across the enterprise,” stated Derek Dubner, red violet’s CEO. “Our cloud-native architecture, embedded artificial intelligence, and extensive longitudinal identity graph continue to differentiate us in the marketplace, particularly in regulated and mission-critical environments. The durability and scalability of our model are evident in our 20% revenue growth, margin expansion, and continued customer adoption. As we enter 2026, we remain focused on deepening workflow integration, advancing our technology differentiation, and driving sustainable long-term value for shareholders.”

Fourth Quarter Financial Results

For the three months ended December 31, 2025 as compared to the three months ended December 31, 2024:

- Total revenue increased 20% to \$23.4 million.
- Gross profit increased 23% to \$16.8 million. Gross margin increased to 72% from 70%.
- Adjusted gross profit increased 21% to \$19.5 million. Adjusted gross margin increased to 83% from 82%.
- Net income increased 226% to \$2.8 million, which resulted in earnings of \$0.20 and \$0.19 per basic and diluted share, respectively. Net income margin increased to 12% from 4%.
- Adjusted EBITDA increased 33% to \$5.9 million. Adjusted EBITDA margin increased to 25% from 23%.
- Adjusted net income increased 53% to \$3.1 million, which resulted in adjusted earnings of \$0.22 and \$0.21 per basic and diluted share, respectively.
- Cash from operating activities remained consistent at \$6.7 million.
- Cash and cash equivalents were \$43.6 million as of December 31, 2025.

Full Year Financial Results

For the year ended December 31, 2025 as compared to the year ended December 31, 2024:

- Total revenue increased 20% to \$90.3 million.
- Gross profit increased 26% to \$65.1 million. Gross margin increased to 72% from 69%.
- Adjusted gross profit increased 23% to \$75.4 million. Adjusted gross margin increased to 84% from 81%.
- Net income increased 88% to \$13.2 million, which resulted in earnings of \$0.94 and \$0.91 per basic and diluted share, respectively. Net income margin increased to 15% from 9%.
- Adjusted EBITDA increased 31% to \$31.0 million. Adjusted EBITDA margin increased to 34% from 31%.
- Adjusted net income increased 44% to \$18.7 million, which resulted in adjusted earnings of \$1.33 and \$1.30 per basic and diluted share, respectively.
- Cash from operating activities increased 22% to \$29.3 million.

Fourth Quarter and Recent Business Highlights

- Added 169 customers to IDI™ during the fourth quarter, ending the year with 10,022 customers.
- Added 17,809 users to FOREWARN® during the fourth quarter, ending the year with 390,018 users. Over 620 REALTOR® Associations are now contracted to use FOREWARN.

- Continued growth in the onboarding of higher-tier customers, with 127 customers contributing over \$100,000 of revenue in 2025 compared to 96 customers in 2024.
- Purchased 57,812 shares of the Company's common stock during the fourth quarter and year to date through February 27, 2026, at an average price of \$44.01 per share pursuant to the Company's Stock Repurchase Program. As of February 27, 2026, the Company had \$16.4 million remaining under the Stock Repurchase Program.

Conference Call

In conjunction with this release, red violet will host a conference call and webcast today at 4:30pm ET to discuss its quarterly and full year results and provide a business update. Please click here to pre-register for the conference call and obtain your dial in number and passcode. To access the live audio webcast, visit the Investors section of the red violet website at www.redviolet.com. Please login at least 15 minutes prior to the start of the call to ensure adequate time for any downloads that may be required. Following the completion of the conference call, an archived webcast of the conference call will be available on the Investors section of the red violet website at www.redviolet.com.

About red violet®

At red violet, we build proprietary technologies and apply analytical capabilities to deliver identity intelligence. Our technology powers critical solutions, which empower organizations to operate with confidence. Our solutions enable the real-time identification and location of people, businesses, assets and their interrelationships. These solutions are used for purposes including identity verification, risk mitigation, due diligence, fraud detection and prevention, regulatory compliance, and customer acquisition. Our cloud-native, AI-enabled identity intelligence platform, CORE™, is purpose-built for the enterprise, yet flexible enough for organizations of all sizes, bringing clarity to massive datasets by transforming data into intelligence. Our solutions are used today to enable frictionless commerce, enhance safety, and mitigate fraud and the related financial losses borne by society. For more information, please visit www.redviolet.com.

Company Contact:

Camilo Ramirez
Red Violet, Inc.
561-757-4500
ir@redviolet.com

Investor Relations Contact:

Steven Hooser
Three Part Advisors
214-872-2710
ir@redviolet.com

Use 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 net income, adjusted earnings per share, adjusted gross profit, adjusted gross margin, and free cash flow ("FCF"). Adjusted EBITDA is a non-GAAP financial measure equal to net income, the most directly comparable financial measure based on US GAAP, excluding interest income, income tax (benefit) expense, depreciation and amortization, share-based compensation expense, acquisition-related costs, litigation costs, and write-off of long-lived assets. We define adjusted EBITDA margin as adjusted EBITDA as a percentage of revenue. Adjusted net income is a non-GAAP financial measure equal to net income, the most directly comparable financial measure based on US GAAP, adjusted to exclude share-based compensation expense, amortization of share-based compensation capitalized in intangible assets, acquisition-related costs, litigation costs, and write-off of long-lived assets, and to include the tax effect of adjustments. We define adjusted earnings per share as adjusted net income divided by the weighted average shares outstanding. We define adjusted gross profit as gross profit plus depreciation and amortization of certain intangible assets, 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.

FORWARD-LOOKING STATEMENTS

This press release 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 are subject to risks and uncertainties that are often difficult to predict, are beyond our control and which may cause results to differ materially from expectations, including whether we will remain focused on deepening workflow integration, advancing our technology differentiation, and driving sustainable long-term value for shareholders. Readers are cautioned not to place undue reliance on these forward-looking statements, which are based on our expectations as of the date of this press release and speak only as of the date of this press release and are advised to consider the factors listed above together with the additional factors under the heading "Cautionary Note Regarding Forward-Looking Statements" and "Risk Factors" in red violet's Form 10-K for the year ended December 31, 2024 filed on February 27, 2025, as may be supplemented or amended by the Company's other Securities and Exchange Commission ("SEC") filings, including the Form 10-K for year ended December 31, 2025 expected to be filed today. 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.

RED VIOLET, INC.
CONSOLIDATED BALANCE SHEETS
(Amounts in thousands, except share data)

	December 31, 2025	December 31, 2024
ASSETS:		
Current assets:		
Cash and cash equivalents	\$ 43,557	\$ 36,504
Accounts receivable, net of allowance for doubtful accounts of \$231 and \$188 as of December 31, 2025 and 2024, respectively	10,697	8,061
Prepaid expenses and other current assets	2,281	1,627
Total current assets	56,535	46,192
Property and equipment, net	882	545
Intangible assets, net	39,264	35,997
Goodwill	5,227	5,227
Right-of-use assets	2,570	1,901
Deferred tax assets	6,585	7,496
Other noncurrent assets	949	1,173
Total assets	\$ 112,012	\$ 98,531
LIABILITIES AND SHAREHOLDERS' EQUITY:		
Current liabilities:		
Accounts payable	\$ 1,977	\$ 2,127
Accrued expenses and other current liabilities	4,469	2,881
Current portion of operating lease liabilities	396	406
Deferred revenue	1,028	712
Dividend payable	-	4,181
Total current liabilities	7,870	10,307
Noncurrent operating lease liabilities	2,396	1,592
Other noncurrent liabilities	820	-
Total liabilities	11,086	11,899
Shareholders' equity:		
Preferred stock—\$0.001 par value, 10,000,000 shares authorized, and 0 shares issued and outstanding, as of December 31, 2025 and 2024	-	-
Common stock—\$0.001 par value, 200,000,000 shares authorized, 14,151,350 and 13,936,329 shares issued and outstanding, as of December 31, 2025 and 2024	14	14
Additional paid-in capital	88,628	87,488
Retained earnings (accumulated deficit)	12,284	(870)
Total shareholders' equity	100,926	86,632
Total liabilities and shareholders' equity	\$ 112,012	\$ 98,531

RED VIOLET, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(Amounts in thousands, except share data)

	Year Ended December 31,	
	2025	2024
Revenue	\$ 90,252	\$ 75,189
Costs and expenses⁽¹⁾:		
Cost of revenue (exclusive of depreciation and amortization)	14,675	13,997
Sales and marketing expenses	21,750	17,835
General and administrative expenses	30,017	25,875
Depreciation and amortization	10,672	9,562
Total costs and expenses	<u>77,114</u>	<u>67,269</u>
Income from operations	13,138	7,920
Interest income	1,420	1,400
Income before income taxes	14,558	9,320
Income tax expense	1,404	2,317
Net income	<u>\$ 13,154</u>	<u>\$ 7,003</u>
Earnings per share:		
Basic	\$ 0.94	\$ 0.51
Diluted	<u>\$ 0.91</u>	<u>\$ 0.50</u>
Weighted average shares outstanding:		
Basic	14,036,920	13,864,797
Diluted	<u>14,398,047</u>	<u>14,125,825</u>

(1) Share-based compensation expense in each category:

Sales and marketing expenses	\$ 764	\$ 606
General and administrative expenses	5,736	5,342
Total	<u>\$ 6,500</u>	<u>\$ 5,948</u>

RED VIOLET, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Amounts in thousands)

	Year Ended December 31,	
	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	\$ 13,154	\$ 7,003
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	10,672	9,562
Share-based compensation expense	6,500	5,948
Write-off of long-lived assets	3	85
Provision for bad debts	760	342
Noncash lease expenses	509	556
Deferred income tax expense	911	2,018
Changes in assets and liabilities:		
Accounts receivable	(3,396)	(1,268)
Prepaid expenses and other current assets	(654)	(514)
Other noncurrent assets	199	(656)
Accounts payable	(150)	496
Accrued expenses and other current liabilities	884	936
Deferred revenue	316	22
Operating lease liabilities	(359)	(570)
Net cash provided by operating activities	<u>29,349</u>	<u>23,960</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property and equipment	(563)	(169)
Capitalized costs included in intangible assets	(10,593)	(9,398)
Net cash used in investing activities	<u>(11,156)</u>	<u>(9,567)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Taxes paid related to net share settlement of vesting of restricted stock units	(6,044)	(4,068)
Repurchases of common stock	(915)	(5,853)
Dividend payable	(4,181)	-
Net cash used in financing activities	<u>(11,140)</u>	<u>(9,921)</u>
Net increase in cash and cash equivalents	\$ 7,053	\$ 4,472
Cash and cash equivalents at beginning of period	36,504	32,032
Cash and cash equivalents at end of period	<u>\$ 43,557</u>	<u>\$ 36,504</u>
SUPPLEMENTAL DISCLOSURE INFORMATION:		
Cash paid for interest	\$ -	\$ -
Cash paid for income taxes	\$ 629	\$ 607
Share-based compensation capitalized in intangible assets	\$ 1,599	\$ 1,627
Retirement of treasury stock	\$ 6,959	\$ 10,065
Right-of-use assets obtained in exchange of operating lease liabilities	\$ 1,153	\$ -
Dividend declared not yet paid	\$ -	\$ 4,181

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 net income, adjusted earnings per share, adjusted gross profit, adjusted gross margin, and FCF. Adjusted EBITDA is a non-GAAP financial measure equal to net income, the most directly comparable financial measure based on US GAAP, excluding interest income, income tax (benefit) expense, depreciation and amortization, share-based compensation expense, acquisition-related costs, litigation costs, and write-off of long-lived assets. We define adjusted EBITDA margin as adjusted EBITDA as a percentage of revenue. Adjusted net income is a non-GAAP financial measure equal to net income, the most directly comparable financial measure based on US GAAP, adjusted to exclude share-based compensation expense, amortization of share-based compensation capitalized in intangible assets, acquisition-related costs, litigation costs, and write-off of long-lived assets, and to include the tax effect of adjustments. We define adjusted earnings per share as adjusted net income divided by the weighted average shares outstanding. We define adjusted gross profit as gross profit plus depreciation and amortization of certain intangible assets, 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.

The following is a reconciliation of net income, the most directly comparable US GAAP financial measure, to adjusted EBITDA:

(Dollars in thousands)	Three Months Ended December 31,		Year Ended December 31,	
	2025	2024	2025	2024
Net income	\$ 2,815	\$ 863	\$ 13,154	\$ 7,003
Interest income	(387)	(368)	(1,420)	(1,400)
Income tax (benefit) expense	(828)	(124)	1,404	2,317
Depreciation and amortization	2,769	2,481	10,672	9,562
Share-based compensation expense	1,371	1,496	6,500	5,948
Acquisition-related costs	-	-	358	7
Litigation costs	208	117	281	124
Write-off of long-lived assets	-	3	3	85
Adjusted EBITDA	\$ 5,948	\$ 4,468	\$ 30,952	\$ 23,646
Revenue	\$ 23,392	\$ 19,565	\$ 90,252	\$ 75,189
Net income margin	12%	4%	15%	9%
Adjusted EBITDA margin	25%	23%	34%	31%

The following is a reconciliation of net income, the most directly comparable US GAAP financial measure, to adjusted net income:

(Dollars in thousands, except share data)	Three Months Ended December 31,		Year Ended December 31,	
	2025	2024	2025	2024
Net income	\$ 2,815	\$ 863	\$ 13,154	\$ 7,003
Share-based compensation expense	1,371	1,496	6,500	5,948
Amortization of share-based compensation capitalized in intangible assets	411	402	1,646	1,540
Acquisition-related costs	-	-	358	7
Litigation costs	208	117	281	124
Write-off of long-lived assets	-	3	3	85
Tax effect of adjustments ⁽¹⁾	(1,744)	(879)	(3,273)	(1,712)
Adjusted net income	\$ 3,061	\$ 2,002	\$ 18,669	\$ 12,995
Earnings per share:				
Basic	\$ 0.20	\$ 0.06	\$ 0.94	\$ 0.51
Diluted	\$ 0.19	\$ 0.06	\$ 0.91	\$ 0.50
Adjusted earnings per share:				
Basic	\$ 0.22	\$ 0.14	\$ 1.33	\$ 0.94
Diluted	\$ 0.21	\$ 0.14	\$ 1.30	\$ 0.92
Weighted average shares outstanding:				
Basic	14,101,986	13,900,091	14,036,920	13,864,797
Diluted	14,554,080	14,366,545	14,398,047	14,125,825

(1) The tax effect of adjustments is calculated using the expected combined federal and state statutory income tax rate, which was approximately 26.0% for the three months and the years ended December 31, 2025 and 2024.

We refined the methodology for calculating the tax effect of adjustments used in arriving at non-GAAP adjusted net income. Prior period amounts have been revised to conform to the current presentation. These revisions did not affect previously reported GAAP financial statements.

The following is a reconciliation of gross profit, the most directly comparable US GAAP financial measure, to adjusted gross profit:

(Dollars in thousands)	Three Months Ended December 31,		Year Ended December 31,	
	2025	2024	2025	2024
Revenue	\$ 23,392	\$ 19,565	\$ 90,252	\$ 75,189
Cost of revenue (exclusive of depreciation and amortization)	(3,891)	(3,472)	(14,675)	(13,997)
Depreciation and amortization related to cost of revenue	(2,703)	(2,431)	(10,449)	(9,349)
Gross profit	<u>16,798</u>	<u>13,662</u>	<u>65,128</u>	<u>51,843</u>
Depreciation and amortization of certain intangible assets ⁽¹⁾	2,665	2,431	10,292	9,349
Adjusted gross profit	<u>\$ 19,463</u>	<u>\$ 16,093</u>	<u>\$ 75,420</u>	<u>\$ 61,192</u>
Gross margin	<u>72%</u>	<u>70%</u>	<u>72%</u>	<u>69%</u>
Adjusted gross margin	<u>83%</u>	<u>82%</u>	<u>84%</u>	<u>81%</u>

(1) Depreciation and amortization of certain intangible assets primarily consists of the amortization of capitalized internal-use software development costs, which are included within intangible assets and amortized over their estimated useful lives.

The following is a reconciliation of net cash provided by operating activities, the most directly comparable US GAAP financial measure, to FCF:

(Dollars in thousands)	Three Months Ended December 31,		Year Ended December 31,	
	2025	2024	2025	2024
Net cash provided by operating activities	\$ 6,689	\$ 6,691	\$ 29,349	\$ 23,960
Less:				
Purchase of property and equipment	(124)	(17)	(563)	(169)
Capitalized costs included in intangible assets	(2,914)	(2,280)	(10,593)	(9,398)
Free cash flow	<u>\$ 3,651</u>	<u>\$ 4,394</u>	<u>\$ 18,193</u>	<u>\$ 14,393</u>

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 net income, adjusted earnings per share, adjusted gross profit, adjusted gross margin, and FCF 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 net income, adjusted earnings per share, adjusted gross profit, adjusted gross margin, and FCF 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, and share-based compensation expense, and the impact of other items not indicative of our ongoing operating performance. Adjusted EBITDA margin is calculated as adjusted EBITDA as a percentage of revenue. We believe adjusted net income provides additional means of evaluating period-over-period operating performance by eliminating certain non-cash expenses and other items that might otherwise make comparisons of our ongoing business with prior periods more difficult and obscure trends in ongoing operations. Adjusted net income is a non-GAAP financial measure equal to net income, excluding share-based compensation expense, amortization of share-based compensation capitalized in intangible assets, and other items not indicative of our ongoing operating performance, and to include the tax effect of adjustments. We define adjusted earnings per share as adjusted net income divided by the weighted average shares outstanding. 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. We define adjusted gross profit as gross profit plus depreciation and amortization of certain intangible assets. We believe adjusted gross profit provides useful information to our investors by eliminating the impact of certain non-cash depreciation and amortization, and primarily 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. We believe FCF is an important liquidity measure of the cash that is available, after capital expenditures, for operational expenses and investment in our business. FCF is a measure used by management to understand and evaluate the business's operating performance and trends over time. FCF is calculated by using net cash provided by operating activities, less purchase of property and equipment and capitalized costs included in intangible assets.

Adjusted EBITDA, adjusted EBITDA margin, adjusted net income, adjusted earnings per share, adjusted gross profit, adjusted gross margin, and FCF 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 US GAAP. In addition, FCF is not intended to represent our residual cash flow available for discretionary expenses and is not necessarily a measure of our ability to fund our cash needs. The way we measure adjusted EBITDA, adjusted EBITDA margin, adjusted net income, adjusted earnings per share, adjusted gross profit, adjusted gross margin, and FCF 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.

SUPPLEMENTAL METRICS

The following metrics are intended as a supplement to the financial statements found in this release 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)	(Unaudited)							
	Q1'24	Q2'24	Q3'24	Q4'24	Q1'25	Q2'25	Q3'25	Q4'25
Customer metrics								
IDI - billable customers ⁽¹⁾	8,241	8,477	8,743	8,926	9,241	9,549	9,853	10,022
FOREWARN - users ⁽²⁾	236,639	263,876	284,967	303,418	325,336	346,671	372,209	390,018
Revenue metrics								
Contractual revenue % ⁽³⁾	78%	74%	77%	77%	74%	77%	75%	77%
Gross revenue retention % ⁽⁴⁾	93%	94%	94%	96%	96%	97%	96%	95%
Other metrics								
Employees - sales and marketing	76	86	93	95	90	92	105	99
Employees - support	10	10	11	11	11	11	11	12
Employees - infrastructure	29	27	29	28	29	29	32	37
Employees - engineering	51	56	58	57	62	63	66	73
Employees - administration	25	25	26	25	24	28	28	29

- (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. Our gross revenue retention calculation excludes revenue from idiVERIFIED, which is purely transactional and currently represents less than 3% of total revenue.

Exhibit 99.2

Red Violet, Inc. (NASDAQ: RDVT)

Fourth Quarter 2025 Earnings Results Conference Call

Company Participants:

Camilo Ramirez, Senior Vice President, Finance and Investor Relations

Derek Dubner, Chairman and Chief Executive Officer

Dan MacLachlan, Chief Financial Officer

Operator:

Good day ladies and gentlemen, and welcome to red violet's fourth quarter 2025 earnings conference call. At this time, all participants are in a listen only mode. Later we will conduct a question and answer session and instructions will follow at that time.

As a reminder this call is being recorded.

I would now like to introduce your host for today's conference Camilo Ramirez, Senior Vice President, Finance and Investor Relations. Please go ahead.

Camilo Ramirez:

Good afternoon and welcome. Thank you for joining us today to discuss our fourth quarter and full year 2025 financial results.

With me today is Derek Dubner, our Chairman and Chief Executive Officer, and Dan MacLachlan, our Chief Financial Officer. Our call today will begin with comments from Derek and Dan, followed by a question and answer session.

I would like to remind you that this call is being webcast live and recorded. A replay of the event will be available following the call on our website. To access the webcast, please visit our Investors page on our website www.redviolet.com.

Before we begin, I would like to advise listeners that certain information discussed by management during this conference call are forward-looking statements covered under the Safe Harbor Provisions of the Private Securities Litigation Reform Act of 1995. Actual results could differ materially from those stated or implied by our forward-looking statements due to risks and uncertainties associated with the company's business. The company undertakes no obligation to update the information provided on this call. For a discussion of risks and uncertainties associated with red violet's business, I encourage you to review the company's filings with the Securities and Exchange Commission, including the most recent Annual Report on Form 10-K and the subsequent 10-Qs.

During the call, we may present certain non-GAAP financial information relating to adjusted gross profit, adjusted gross margin, adjusted EBITDA, adjusted EBITDA margin, adjusted net income, adjusted earnings per share, and free cash flow. Reconciliations of these non-GAAP financial measures to their most directly comparable US GAAP financial measure are provided in the earnings press release issued earlier today. In addition, certain supplemental metrics that are not necessarily derived from any underlying financial statement amounts may be discussed and these metrics and their definitions can also be found in the earnings press release issued earlier today.

With that, I am pleased to introduce red violet's Chairman and Chief Executive Officer, Derek Dubner.

Derek Dubner

Good afternoon and thank you for joining us today to discuss our fourth quarter and full-year 2025 financial results.

We are pleased to report a record fourth quarter and a strong finish to 2025. The year was defined by disciplined execution, sustained momentum, and broad-based demand across our markets. Adoption of our solutions remained robust, driven by the strength of our cloud-native intelligence platform and the expanding integration of our identity graph within customer workflows. Our team executed at a high level, and the strategic investments we have made over the past two years are translating into measurable operating performance. We enter 2026 from a position of strength, with confidence in our architecture, our trajectory, and the opportunity ahead.

Let's briefly run through the numbers. Revenue for the quarter was up 20% to a record \$23.4 million, producing record adjusted gross profit of \$19.5 million, translating to adjusted gross margin of 83%. Adjusted EBITDA for the quarter was up 33% to \$5.9 million, producing an adjusted EBITDA margin of 25%. Adjusted net income increased 53% to \$3.1 million, resulting in adjusted earnings of 21 cents per diluted share. We generated free cash flow of \$3.7 million during the quarter. For the second consecutive year, we bucked the fourth quarter seasonality we had traditionally experienced, delivering sequential revenue growth and establishing a new record quarter.

Our IDI billable customer base grew by 169 customers sequentially from the third quarter, ending the fourth quarter at 10,022 customers. FOREWARN added 17,809 users during the fourth quarter, ending the quarter at 390,018 users. Over 620 Realtor® Associations are now contracted to use FOREWARN.

For the year, revenue increased 20% to \$90.3 million, producing adjusted gross profit of \$75.4 million and adjusted EBITDA of \$31.0 million. Adjusted EBITDA margin was 34% for the year. We saw continued growth in the onboarding of top-tier customers, with 127 customers contributing over \$100,000 of revenue in 2025 compared to 96 customers in 2024. We generated \$18.2 million in free cash flow in 2025, compared to generating \$14.4 million in 2024.

The momentum we generated in the first three quarters extended through the fourth quarter and capped a strong year overall. Demand was well-balanced across our verticals, underscoring the versatility of our platform and its growing integration into regulated and mission-critical environments. We continue to see expanding enterprise adoption, as customers embed our intelligence more deeply into core operational workflows, further strengthening the durability and visibility of our revenue base.

Throughout the year, we continued to execute against a robust product roadmap, advancing capabilities across our cloud-native, AI-enabled platform. We made targeted investments in data science, product development, and go-to-market resources to support innovation and long-term growth. At the same time, we executed upon our strategic plan announced last year of increased automation across key areas of the organization, enhancing efficiency and productivity while maintaining operating discipline. We believe there remains meaningful opportunities to further

automate and optimize workflows across the business, which we expect will continue to improve performance and scalability over time.

On the pervasive topic of AI, there has been significant discussion in the market about artificial intelligence potentially commoditizing software. We believe it is important to distinguish between AI as a capability and the infrastructure required to deliver mission-critical intelligence at scale. Our platform is not a front-end application layered on top of a model. It is a full technology stack: a purpose-built cloud infrastructure, distributed and parallel computing architecture, proprietary data ingestion and normalization systems, rigorous validation frameworks, governance and security controls, API layers, and embedded machine learning workflows, all integrated to create and continuously refine a longitudinal identity graph developed and validated over many years.

Our management team has been building platforms and companies in this sector for nearly three decades. This is our third platform in the identity and analytics space, and throughout that time we have repeatedly been asked how we compete with larger incumbents or what prevents new entrants from replicating what we build. The answer has never been a single model or a single dataset. It has been the integration of architectural design, proprietary engineering, accumulated data intelligence, regulatory alignment, and disciplined execution over time.

From the earliest days of our first company in the late 1990s, we recognized that solving identity at scale required parallel computing and proprietary processing frameworks. We developed our own internal language and systems to ingest, normalize, validate, and unify large volumes of structured and unstructured data. IRON™ is our proprietary entity resolution, data processing, and machine learning framework, purpose-built to resolve identities with precision, scalability, and computational efficiency that generic frameworks cannot easily replicate. It serves as the core intelligence layer within our architecture, enabling high-confidence identity resolution across complex and fragmented data environments. Our AI-assisted development capabilities operate natively within this framework, allowing us to further optimize performance and accelerate innovation. This intellectual property is not publicly available and remains foundational to the construction and continuous refinement of our identity graph. These capabilities were not developed in response to the current AI cycle; they have been embedded in our architecture and our operating philosophy from inception.

Artificial intelligence, including generative AI, is a powerful accelerator. It can shorten development cycles, enhance automation, and improve analytical precision. But AI alone does not create a durable platform, a unified longitudinal identity graph, or the regulatory-grade workflows that our customers depend upon -- environments where accuracy, consistency, and auditability are essential.

As AI capabilities continue to evolve, we believe the platforms that will benefit most are those already architected with embedded AI, deep analytical frameworks, and secure, cloud-native infrastructure. In that respect, AI strengthens and extends the advantages we have built. It does not replace them. Moreover, certain competitors continue to operate on legacy, on-premises, or hybrid architectures that were not designed for modern cloud-native deployment or deeply embedded machine learning. Because our platform was architected from inception as a cloud-native system with AI integrated directly into core workflows, we believe we are structurally better positioned to incorporate new advancements rapidly and continue widening our competitive moat.

Much of the current AI discussion has centered on agent-based automation and what that could mean for traditional per-seat software models. It is important to understand that our revenue model is, and always has been, usage-based, supported by contractual minimums. Approximately 90% of our revenue is volume-driven. The limited portion that is seat-based exists primarily in regulated environments, including law enforcement and collections, where seats are limited to direct human interaction and any automated use is converted to volume-based pricing.

Importantly, we view increasing AI adoption by our customers, including agent-based automation and workflow augmentation, as a productivity enhancer. As automation reduces manual effort and accelerates decision-making, we expect transaction volumes and data velocity across our platform to increase. In that context, AI is not a substitute for our solutions; it is a catalyst for greater utilization of them.

Expanding the depth and breadth of data within our intelligence engine to serve additional use cases and industries has long been a core element of our strategy. We have consistently enriched our identity graph with new data attributes and analytical capabilities to broaden its applicability across verticals. As AI reduces the cost and time required to build application layers and

orchestration tools, we believe competitive advantage increasingly shifts toward platforms that control the intelligence engine. Because we control that engine via our cloud-native platform and longitudinal identity graph, we are now positioned not only to continue expanding horizontally across industries, but also to expand vertically by building and integrating more workflow, case management, and application-layer capabilities directly on top of our platform, allowing us to internalize key orchestration layers and further embed our intelligence at the center of customer operations.

At the same time, we continue to deploy AI-enabled capabilities to aggregate and contextualize fragmented data across our identity graph, uncover deeper relational linkages between entities, identify and surface risk signals with greater precision, and deliver more intuitive, workflow-driven interfaces. Advancements in AI-assisted development are accelerating our roadmap, compressing development cycles, and broadening the solutions we can deliver. In that respect, AI is not simply enhancing our existing capabilities; it is expanding the strategic scope of our platform and deepening our integration within customer workflows.

Now, I'll turn it over to Dan to discuss the financials.

Dan MacLachlan

Thank you, Derek, and good afternoon, everyone. The fourth quarter marked a record finish to an exceptional year for red violet, defined by strong revenue growth, expanding margins, and meaningful cash generation. Importantly, we accomplished this while continuing to invest in the business for the long term, adding more than 30 team members during the year with a focus on product development and go-to-market expansion. These investments were deliberate and strategic, expanding our AI-driven capabilities and broadening our market reach, all without compromising financial performance.

We continue to scale the business both vertically — deepening adoption across existing markets, customers, and use cases — and horizontally by introducing new products and expanding into new industries. That strategy is translating into larger and more valuable customer relationships, with 127 customers now contributing over \$100,000 in annual revenue in 2025, up 31 customers from the prior year. It is also expanding the reach of our platform, as we surpassed 10,000 customers on IDI and more than 620 REALTOR® associations contracted to use

FOREWARN. Collectively, these results position us with strong momentum as we enter 2026, supported by a larger and more diversified customer base, expanding platform adoption, and continued operating leverage. Turning now to our fourth quarter results, for clarity, all the comparisons I will discuss today will be against the fourth quarter of 2024, unless noted otherwise.

Total revenue was a record \$23.4 million, up 20% over the prior year. We generated a record \$19.5 million in adjusted gross profit, delivering adjusted gross margin of 83%, up 1-percentage point. As is typical in the fourth quarter, personnel costs include year-end incentive compensation tied to annual performance. Even with this seasonal expense, adjusted EBITDA increased 33% to \$5.9 million, producing adjusted EBITDA margin of 25%, up 2-percentage points. Adjusted net income increased 53% to \$3.1 million, resulting in adjusted earnings of 21 cents per diluted share.

Turning to the details of our P&L, revenue for the fourth quarter was a record \$23.4 million. For the second consecutive year, we outperformed the typical fourth quarter seasonality, delivering sequential revenue growth and establishing a new quarterly high. Within IDI, we continue to see strong demand for our solutions and healthy customer expansion, adding 169 billable customers sequentially to end the quarter with 10,022 customers.

Our Financial and Corporate Risk vertical continues to deliver consistent, strong revenue performance, driven by solid results across our core financial services customers, including Banking, Insurance, and broader Corporate Risk. The Background Screening industry also continues to perform exceptionally well, supported by the introduction of additional products, enhanced functionality, and new integrations over the past year, driving meaningful growth and momentum in the fourth quarter.

Our Investigative vertical delivered another strong quarter, supported by continued demand across state and local law enforcement agencies, as well as broader investigative customers. We added approximately 200 law enforcement customers in 2025, reflecting the growing reliance on our platform within the public safety community. Performance in the quarter was driven by increased transaction volumes, new agency wins, and the further embedding of our solutions into day-to-day investigative workflows.

Our Emerging Markets vertical was an important contributor to revenue growth in the fourth quarter, generating meaningful expansion across a broad and diverse set of customer segments. While we remain in the early stages of penetration within many of these markets, adoption continues to build, providing clear runway for sustained growth.

Collections maintained its positive trajectory in the quarter, delivering another period of high-teens revenue growth. The continued recovery in this vertical is translating into sustained demand and improved activity levels, reinforcing our competitive position and long-term opportunity in the market.

Lastly, IDI's Real Estate vertical, excluding FOREWARN, declined modestly year over year, as elevated home prices and interest rates continued to constrain affordability and dampen overall housing activity.

Turning to FOREWARN, revenue growth remained robust in the fourth quarter, driven by the platform's increasing adoption within the daily workflows of real estate professionals. We ended the year with over 620 REALTOR® Associations under contract and more than 390,000 users on the platform.

Contractual revenue represented 77% of total revenue in the quarter, consistent with the prior year. Gross revenue retention remained strong at 95%, down one percentage point.

Moving back to the P&L, our cost of revenue (exclusive of depreciation and amortization) increased \$0.4 million, or 12%, to \$3.9 million. Adjusted gross profit increased 21% to a record \$19.5 million, resulting in an adjusted gross margin of 83%, up 1-percentage point from the prior year.

Our sales and marketing expenses increased \$0.4 million, or 9%, to \$5.3 million for the quarter, driven primarily by higher personnel-related expenses.

General and administrative expenses increased \$1.5 million, or 18%, to \$9.8 million, primarily reflecting higher personnel-related costs. Personnel expenses are typically elevated in the fourth quarter due to year-end incentive compensation and bonus accruals tied to annual performance for the executive leadership team.

Depreciation and amortization increased \$0.3 million, or 12%, to \$2.8 million for the quarter.

Net income increased \$1.9 million, or 226%, to \$2.8 million for the quarter.

Adjusted net income increased \$1.1 million, or 53%, to \$3.1 million, resulting in adjusted earnings of 21 cents per diluted share.

Moving on to the balance sheet. Cash and cash equivalents were \$43.6 million at December 31, 2025, compared to \$36.5 million at December 31, 2024. Current assets totaled \$56.5 million, compared to \$46.2 million, while current liabilities were \$7.9 million, down from \$10.3 million.

We generated \$6.7 million in cash from operating activities in the fourth quarter, unchanged over prior year.

Free cash flow for the quarter was \$3.7 million, compared to \$4.4 million in the same period last year.

In the fourth quarter and through February 27, 2026, we purchased 57,812 shares of Company stock at an average price of \$44.01 per share. In total, we have purchased 611,733 shares at an average price of \$22.26 per share under our stock repurchase program. As of February 27, 2026, we had \$16.4 million remaining under the repurchase program.

In closing, 2025 marked another year of disciplined execution and record financial performance for red violet. We delivered 20% revenue growth, expanded adjusted gross margin to 84%, adjusted EBITDA margin to 34%, and generated \$18.2 million in free cash flow. This performance reflects the consistent execution of our team and the increasing efficiency of the business. We believe the scale and financial strength we have built provide a durable base for continued profitable growth.

With that, our operator will now open the line for Q&A?

Q&A

Operator (Operator Instructions)

Our first question for today will be coming from the line of Josh Nichols of B. Riley Securities. Your line is open.

Josh Nichols

Yes thanks. Great to see the company bucking the 4Q seasonality trend yet again. Looking at the enterprise pipeline, I know you secured a couple of wins. You mentioned like a toll authority and payroll processor, I think the other quarter. Just any update on how that progressing, or generally what you're seeing in terms of like the enterprise customer pipeline when we look at 2026?

Daniel MacLachlan

Yes. Thanks, Josh. This is Dan, and I'll take that question. So yes, I mean when we look at that enterprise pipeline and specifically that higher tier customer, we've been excited and we've given some color on some recent wins. Obviously we just announced a record number of customers in excess of \$100,000 a year, almost a 30% increase -- just over a 30% increase in that customer cohort. And that's really representative of how that pipeline is developed and how that pipeline continues to develop.

So we're excited about the investments we've made, the continued execution to move from lower to medium to higher tier customers, and it's reflected in the cohort as announced today. 127 customers in excess of \$100,000 in revenue a year. And so that pipeline continues to develop well and we're converting into real meaningful customer wins.

Josh Nichols

Thanks. And then just a follow-up. A lot of additions continue to see in like the law enforcement agency vertical 200-plus this year. When you look at the 2026 growth trajectory, what are the top one or two opportunities that you think are going to move the needle specifically in those end markets, because you serve so many?

Derek Dubner

Yes. Thanks, Josh, Derek here. Great to talk to you. The end markets that I think that today, at least, we are most excited about continue to be public sector and background screening support. And I think as Dan mentioned, we announced we won a large payroll processor in Q3 last year. That contract kicks in this year. And so we're very excited about that. That proves our differentiation in the marketplace, testing and winning against very strong competition out there.

And then in public sector, we continue to make very nice traction, as Dan talked about, and you talked about in law enforcement. And we are seeing some great progress at the state level as well, with a number of use cases in the way of eligibility requirements and identity verification. And those use cases really are so broad. They capture so many of various state agencies, if you will, use cases.

So, we continue to see progress there, and we continue to win those. And again, I think we've got a model that's very replicable, and we can replicate it across every state, given the uptake there.

Josh Nichols

Appreciate it, thank you.

Derek Dubner

Thanks Josh.

Operator

And our next question is coming from the line of Eric Martinuzzi of Lake Street Capital Markets. Your line is open.

Eric Martinuzzi

I also wanted to focus on the higher tier customers that is very substantial growth there in those accounts that are doing over \$100,000 annually. I know you've talked when you're asked the question about hey, where can the business go? That there are, let's call them, whale-sized accounts in the \$5 million to \$10 million annually. Are there any of those prospects, those types of whale prospects in the pipeline that you guys feel are -- or closer could happen in 2026? Or is it still too soon to consider them in the funnel?

Daniel MacLachlan

Hi Eric, this is Dan. I appreciate the question. And yes, I mean we have those opportunities now in the pipeline. We also have those opportunities as customers. The third quarter reference we made to one of the largest payroll processors in the country that we won. Ultimately, the volume

of that customer over time as we continue to expand that relationship can be a multimillion dollar a year customer. The minimum commitment is probably around low to mid-six figures starting in 2026, which is great.

But we think the opportunity to expand that relationship goes into the seven figures and plus. So yes, we're really excited about the pipeline, but we're also excited about some of these recent large wins that are really representative of those type of customers you're talking about.

Eric Martinuzzi

Okay. And I know it was probably last summer, you had a pretty substantial data rights agreement that you're able to renew on favorable terms. As far as 2026 goes, do we have anything of that nature, of substantial data rights exposure that we're working on? Or is it relatively small in comparison?

Daniel MacLachlan

Yes. There's really no material licensing renewal agreement that is coming up. I mean we structure these agreements, as you know long term unlimited use, fixed fee structures. We obviously entered into a renewal for another six years at the time which would bring us past 2030 of our largest data provider, and we announced that, of course, midyear this year which was great. But no, at this time in the near term, there really is no material license agreements that are coming up for renewal.

Eric Martinuzzi

Okay. And then as far as the 2026 outlook goes, you just finished the year where you grew 20%, and a quarter where you grew 20%. I know you're not in the guidance business, but right now I've got kind of a mid-teens growth rate for 2026. Is that a good place to start out? Or are you confident that it's going to be 20% plus?

Daniel MacLachlan

Yes, Eric. No, look, I appreciate the question. And as you know we don't provide formal guidance. Going back to the start of 2024, our goal really, and we publicly disclosed this, was to reaccelerate revenue growth and sustain that momentum over the next several years. 2024 was a great year of growth.

As you mentioned, 2025 was a strong 20% growth. And we would expect 2026 to continue to deliver healthy top line expansion. So yes, I mean our goal for the business is to continue to accelerate and drive the business at what you've seen consistently in the last couple of years. But we're not going to provide any formal guidance as it sits today.

Eric Martinuzzi

All right. And then you generated cash in the quarter, you did put some cash to work on your share repurchase program. Number of different levers you can pull there. You've done things like a onetime dividend in the past. You've used it to invest in data rights. M&A. What's the -- here in the next six months, what's the likely use of cash?

Derek Dubner

Thanks, Eric. It's Derek. The likely use of cash is definitely going to be investing in this business. There just is, as I mentioned in my commentary, so much opportunity. And the AI-enabled development that's occurring which is accelerating deployments and creating such opportunities across everybody's environment, it's especially true for us.

So that horizontal expansion I talked about, that was always part of our key strategic plan, has now become also a vertical expansion where we know how our customers interact with us and we can provide them better tools. And we can do that, we believe, in rather fast fashion in the development world as far as time goes so that we can get even further ingrained in their workflows. So that is our priority number one.

Eric Martinuzzi

Yes. Thanks for taking my questions.

Derek Dubner

Thank you.

Operator (Operator Instructions)

Our next question will come from the line of David Polansky of Immersion Investments. Please go ahead.

David Polansky

Hey guys thanks for taking my question. Just to put a finer point on it. I think, Dan, you mentioned payroll processor. There was none of that in Q4. What about the toll authority? Was there any of that revenue in the Q4 number?

Daniel MacLachlan

So there was some revenue from the payroll processor in Q4. The contractual minimum commitment of that processor which is a multiyear agreement does not start until 2026. So we did see some of that revenue, but just early stages, nothing meaningful. And the toll authority at this point has been working on integration and some volume expansion, so very minimal revenue as a result of that win in Q4.

David Polansky

Great thank you. And I was hoping -- it was nice to see the growth in high-spending customers. But could you help us understand, is that coming from new customer wins on high initial commitments? Or is that from growth in existing customer spend?

Daniel MacLachlan

So, it's a combination of both, which is great. And it's not only just growth in that cohort. We're seeing that growth across other cohorts, not just moving from one to the other, but expanding in each, right? So, whether it's the \$10,000 to \$25,000 a year customer, the \$25,000 to \$100,000 a year customer, or the \$100,000+ customer, each of those cohorts are expanding nicely as we look at them.

But it's a combination of both. It's some customers increasing volume, right? So when we win a big customer, they don't necessarily move all their volume at once. But slowly over time we get

the majority of their volume or it's a new customer win that happens to be a large six-figure plus a year customer that we initially win. So it's been a good combination of both existing customers and new higher-tier customers.

David Polansky

So when I think about -- I know you don't provide breakdown of FOREWARN revenue versus IDI revenue. But if I were to say revenue per IDI customer were to go -- I mean I have it growing at a high single-digit rate, but then I'm also mixing in some new high initial commitment customers in there. Are you -- is it safe to assume that existing customers are growing spend at sort of a mid-single digit rate, like 5% to 6%, maybe a little bit more?

Daniel MacLachlan

It's safe to assume a little bit more than that, yes.

David Polansky

Okay. Great. And then on headcount, I was a little bit surprised to see the sales and marketing head count come down. I think we had initially discussed, you'd be hiring a little bit more aggressively, so I don't know if there was some shuffling there, or maybe phasing out less productive salespeople. Can you discuss that a little bit? And then what should we think about hiring and overall head count for '26?

Daniel MacLachlan

Yes. You're absolutely right in pointing that. It's kind of a little bit of end of the year. You're going to see a little ebb and flow. We always, as an organization, have focused on doing a really good job of bringing what I would say, the C and D players up to A and B levels. And unfortunately, if those C and D players are not able to kind of get to that level, to churn out the bottom, so to speak. So we had a little bit of that at the end of the year.

It makes sense, especially as you're kind of ending the year, looking at final MBOs then looking into next year and what your growth model and expectations should be for reps. So we had a little bit of that, but you'll see, I'm assuming here after we report the first quarter, kind of the reversion back in that sales and marketing line for some of those employees that just kind of we netted out at the end of the year.

I think as we look at 2026 from an overall growth perspective, I think it would be very consistent with what we saw in 2025. In 2025, we added just over 30 new team members mostly around product development and go to market. The expectation would be very similar to that in 2026, a focus on product development, AI, as well as go-to-market initiatives. So I think it'd be consistent with prior year.

David Polansky

All right. Great. And could you just highlight because you mentioned AI. I know it's embedded in the core engine, but just in terms of operational things, whether it's back office, finance, sales function. Are you utilizing AI to help the business at all maybe to keep head count growth less than where it's been?

Derek Dubner

Absolutely, David. Yes. This is Derek. And what I would say is that we announced in 2025, our strategic initiative to automate more. And so we've been doing that since we've been looking across the enterprise to understand where we can automate using AI. There are so many tools that we could be using. And, so we've been making good progress. But as I stated in my comments, that we would expect there is a lot more to do there. We're not a mature company. We didn't hire heavily during the pandemic. We're not looking to cut back. We're not citing AI for that. We are growing very quickly, and we're investing in the business. And that investment is for growth.

And, so as we continue to increase automation by hiring to do that, and increased productivity, then we would expect the out-years, if you will, or at least later that you're going to see all of that efficiency and productivity. So right now it's a little bit more investment, but then we will bear the fruit of that investment.

David Polansky

All right. Thanks guys I appreciate it.

Operator

And that concludes today's Q&A session. I would like to turn the call back over to Derek Dubner for closing remarks. Please go ahead.

Derek Dubner

Thank you. As we look ahead, we are still in the early innings of a much larger opportunity. The digital transformation of identity, risk, and decisioning continues to accelerate, and we have built the infrastructure and intelligence engine to serve as a foundational platform in that evolution. Our momentum, expanding enterprise relationships, and continued innovation around AI-enabled capabilities position us to extend our reach both horizontally across industries and vertically within customer workflows. We are building for scale, deepening our integration in mission-critical environments, and strengthening the long-term economics of the business. We are excited about where we stand today and even more excited about where this platform can go.

