

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 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): May 7, 2025

HEALTH CATALYST, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation)

001-38993
(Commission File Number)

45-3337483
(IRS Employer
Identification No.)

10897 South River Front Parkway #300
South Jordan, UT 84095
(Address of principal executive offices, including zip code)

(801) 708-6800
(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:

- 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
Common Stock, par value \$0.001 per share

Trading Symbol(s)
HCAT

Name of exchange on which registered
The Nasdaq Global Select Market

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.



Health Catalyst Reports First Quarter 2025 Results

SALT LAKE CITY, UT, May 7, 2025 — Health Catalyst, Inc. (“Health Catalyst,” Nasdaq: HCAT), a leading provider of data and analytics technology and services to healthcare organizations, today reported financial results for the quarter ended March 31, 2025.

“For the first quarter of 2025, I am pleased by our strong financial results, including total revenue of \$79.4 million and Adjusted EBITDA of \$6.3 million, with these results beating our quarterly guidance on each metric.” said Dan Burton, CEO of Health Catalyst. “Additionally, we are happy to share that we added 10 net new Platform Clients in Q1 2025. This is especially encouraging given that Q1 is typically a quieter bookings quarter, and this performance gives us increased confidence of hitting our target of 40 net new Platform Client additions in 2025.”

Financial Highlights for the Three Months Ended March 31, 2025

Key Financial Metrics

	Three Months Ended March 31,		Year over Year Change
	2025	2024	
	(in thousands, except percentages, unaudited)		
GAAP Financial Measures:			
Total revenue	\$ 79,413	\$ 74,723	6%
Gross profit	\$ 28,659	\$ 29,321	(2)%
Gross margin	36 %	39 %	
Net loss	\$ (23,742)	\$ (20,587)	(15)%
Non-GAAP Financial Measures:⁽¹⁾			
Adjusted Gross Profit	\$ 39,048	\$ 38,319	2%
Adjusted Gross Margin	49 %	51 %	
Adjusted EBITDA	\$ 6,279	\$ 3,377	86%

(1) These measures are not calculated in accordance with generally accepted accounting principles in the United States (GAAP). See the accompanying "Non-GAAP Financial Measures" section below for more information about these financial measures, including the limitations of such measures, and for a reconciliation of each measure to the most directly comparable measure calculated in accordance with GAAP.

Financial Outlook

Health Catalyst provides forward-looking guidance on total revenue, a GAAP measure, and Adjusted EBITDA, a non-GAAP measure.

For the second quarter of 2025, we expect:

- Total revenue of approximately \$80.5 million, and
- Adjusted EBITDA of approximately \$8 million

For the full year of 2025, we expect:

- Total revenue of approximately \$335 million,
- Technology revenue of approximately \$220 million, and
- Adjusted EBITDA of approximately \$41 million

We have not provided forward-looking guidance for net loss, the most directly comparable GAAP measure to Adjusted EBITDA, and therefore have not reconciled guidance for Adjusted EBITDA to net loss, because there are items that may impact net loss, including stock-based compensation, that are not within our control or cannot be reasonably forecasted.

Quarterly Conference Call Details

We will host a conference call to review the results today, Wednesday, May 7, 2025, at 5:00 p.m. E.T. The conference call can be accessed by dialing (800) 343-5172 for U.S. participants, or (203) 518-9856 for international participants, and referencing conference ID "HCATQ125." A live audio webcast will be available online at <https://ir.healthcatalyst.com/>. A replay of the call will be available via webcast for on-demand listening shortly after the completion of the call, at the same web link, and will remain available for approximately 90 days.

About Health Catalyst

Health Catalyst (Nasdaq: HCAT) is a leading provider of data and analytics technology and services that ignite smarter healthcare, lighting the path to measurable clinical, financial, and operational improvement. More than 1,000 organizations worldwide rely on Health Catalyst's offerings, including our cloud-based technology ecosystem Health Catalyst Ignite™, AI-enabled data and analytics solutions, and expert services to drive meaningful outcomes across hundreds of millions of patient records. Powered by high-value data, standardized measures and registries, and deep healthcare domain expertise, Ignite helps organizations transform complex information into actionable insights. Backed by a multi-decade mission and a proven track record of delivering billions of dollars in measurable results, Health Catalyst continues to serve as the catalyst for massive, measurable, data-informed healthcare improvement and innovation.

Available Information

Our investors and others should note that we announce material information to the public about our company, products and services, and other matters related to our company through a variety of means, including our website (<https://www.healthcatalyst.com/>), our investor relations website (<https://ir.healthcatalyst.com/>), press releases, SEC filings, public conference calls, and social media, including our and our CEO's social media accounts such as LinkedIn (<https://www.linkedin.com/>), in order to achieve broad, non-exclusionary distribution of information to the public and to comply with our disclosure obligations under Regulation FD.

Forward-Looking Statements

This release contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, and the Private Securities Litigation Reform Act of 1995, as amended. These forward-looking statements include statements regarding our future growth and our financial outlook for the second quarter and full year 2025. Forward-looking statements are subject to risks and uncertainties and are based on potentially inaccurate assumptions that could cause actual results to differ materially from those expected or implied by the forward-looking statements. Actual results may differ materially from the results predicted, and reported results should not be considered as an indication of future performance.

Important risks and uncertainties that could cause our actual results and financial condition to differ materially from those indicated in the forward-looking statements include, among others, the following: (i) changes in laws and regulations applicable to our business model; (ii) changes in market or industry conditions, regulatory environment, and receptivity to our technology and services; (iii) results of litigation or a security incident; (iv) the loss of one or more key clients or partners; (v) macroeconomic challenges (including high inflationary and/or high interest rate environments, tariffs, or market volatility and measures taken in response thereto) and natural disasters or new public health crises; and (vi) changes to our abilities to recruit and retain qualified team members. For a detailed discussion of the risk factors that could affect our actual results, please refer to the risk factors identified in our SEC reports, including, but not limited to the Quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 2025, expected to be filed with the SEC on or about May 12, 2025, and the Annual Report on Form 10-K for the year ended December 31, 2024, filed with the SEC on February 26, 2025. All information provided in this release and in the attachments is as of the date hereof, and we undertake no duty to update or revise this information unless required by law.

Condensed Consolidated Balance Sheets
(in thousands, except share and per share data, unaudited)

	As of March 31, 2025 <i>(unaudited)</i>	As of December 31, 2024
Assets		
Current assets:		
Cash and cash equivalents	\$ 341,968	\$ 249,645
Short-term investments	—	142,355
Accounts receivable, net	64,046	57,182
Prepaid expenses and other assets	16,702	16,468
Total current assets	422,716	465,650
Property and equipment, net	31,648	29,394
Intangible assets, net	106,400	86,052
Operating lease right-of-use assets	11,877	12,058
Goodwill	313,380	259,759
Other assets	5,521	6,016
Total assets	\$ 891,542	\$ 858,929
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable	\$ 8,946	\$ 11,433
Accrued liabilities	23,795	26,340
Deferred revenue	71,497	53,281
Operating lease liabilities	3,760	3,614
Current portion of long-term debt	231,563	231,182
Total current liabilities	339,561	325,850
Long-term debt, net of current portion	151,291	151,178
Deferred revenue, net of current portion	407	249
Operating lease liabilities, net of current portion	15,751	16,291
Contingent consideration liabilities, net of current portion	7,313	—
Other liabilities	408	154
Total liabilities	514,731	493,722
Stockholders' equity:		
Preferred stock, \$0.001 par value per share; 25,000,000 shares authorized and no shares issued and outstanding as of March 31, 2025 and December 31, 2024	—	—
Common stock, \$0.001 par value per share, and additional paid-in capital; 500,000,000 shares authorized as of March 31, 2025 and December 31, 2024; 69,481,638 and 64,043,799 shares issued and outstanding as of March 31, 2025 and December 31, 2024, respectively	1,587,085	1,552,714
Accumulated deficit	(1,210,414)	(1,186,672)
Accumulated other comprehensive income (loss)	140	(835)
Total stockholders' equity	376,811	365,207
Total liabilities and stockholders' equity	\$ 891,542	\$ 858,929

Condensed Consolidated Statements of Operations
(in thousands, except per share data, unaudited)

	Three Months Ended March 31,	
	2025	2024
Revenue:		
Technology	\$ 51,482	\$ 46,966
Professional services	27,931	27,757
Total revenue	79,413	74,723
Cost of revenue, excluding depreciation and amortization:		
Technology ⁽¹⁾⁽²⁾⁽³⁾	17,565	15,315
Professional services ⁽¹⁾⁽²⁾⁽³⁾	25,613	23,202
Total cost of revenue, excluding depreciation and amortization	43,178	38,517
Operating expenses:		
Sales and marketing ⁽¹⁾⁽²⁾⁽³⁾	14,738	19,058
Research and development ⁽¹⁾⁽²⁾⁽³⁾	15,186	14,871
General and administrative ⁽¹⁾⁽²⁾⁽³⁾⁽⁴⁾	14,162	14,564
Depreciation and amortization	12,320	10,525
Total operating expenses	56,406	59,018
Loss from operations	(20,171)	(22,812)
Interest and other (expense) income, net	(3,356)	2,338
Loss before income taxes	(23,527)	(20,474)
Income tax provision	215	113
Net loss	\$ (23,742)	\$ (20,587)
Net loss per share, basic and diluted	\$ (0.35)	\$ (0.35)
Weighted-average shares outstanding used in calculating net loss per share, basic and diluted	68,552	58,592

(1) Includes stock-based compensation expense as follows:

	Three Months Ended March 31,	
	2025	2024
Stock-Based Compensation Expense:		
Cost of revenue, excluding depreciation and amortization:		
Technology	\$ 219	\$ 365
Professional services	1,002	1,332
Sales and marketing	2,162	3,990
Research and development	1,133	1,844
General and administrative	3,027	3,307
Total	\$ 7,543	\$ 10,838

(2) Includes acquisition-related costs, net, as follows:

	Three Months Ended March 31,	
	2025	2024
Acquisition-related costs, net:		
Cost of revenue, excluding depreciation and amortization:		
Technology	\$ 74	\$ 65
Professional services	120	91
Sales and marketing	498	64
Research and development	167	202
General and administrative	2,170	391
Total	\$ 3,029	\$ 813

(3) Includes restructuring costs as follows:

	Three Months Ended March 31,	
	2025	2024
Restructuring costs:	(in thousands)	
Cost of revenue, excluding depreciation and amortization:		
Technology	\$ 401	\$ 79
Professional services	997	181
Sales and marketing	352	449
Research and development	1,672	443
General and administrative	136	661
Total	\$ 3,558	\$ 1,813

(4) Includes non-recurring lease-related charges as follows:

	Three Months Ended March 31,	
	2025	2024
Non-recurring lease-related charges:	(in thousands)	
General and administrative	\$ —	\$ 2,200
Total	\$ —	\$ 2,200

Condensed Consolidated Statements of Cash Flows
(in thousands, unaudited)

	Three Months Ended March 31,	
	2025	2024
Cash flows from operating activities		
Net loss	\$ (23,742)	\$ (20,587)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Stock-based compensation expense	7,543	10,838
Depreciation and amortization	12,320	10,525
Impairment of long-lived assets	—	2,200
Non-cash operating lease expense	735	781
Amortization of debt discount, issuance costs, and deferred financing costs	1,208	379
Investment discount and premium accretion	(914)	(1,965)
Provision for expected credit losses	810	2,405
Deferred tax provision	67	14
Other	(292)	4
Change in operating assets and liabilities:		
Accounts receivable, net	(6,067)	4,011
Prepaid expenses and other assets	764	300
Accounts payable, accrued liabilities, and other liabilities	(7,196)	(5,495)
Deferred revenue	15,988	7,801
Operating lease liabilities	(944)	(945)
Net cash provided by operating activities	280	10,266
Cash flows from investing activities		
Proceeds from the sale and maturity of short-term investments	143,208	137,000
Purchase of short-term investments	—	(50,197)
Acquisition of businesses, net of cash acquired	(41,122)	—
Capitalization of internal-use software	(4,661)	(2,530)
Purchase of intangible assets	—	(84)
Purchases of property and equipment	(670)	(208)
Proceeds from the sale of property and equipment	7	3
Net cash provided by investing activities	96,762	83,984
Cash flows from financing activities		
Proceeds from employee stock purchase plan	695	843
Proceeds from exercise of stock options	—	20
Repurchase of common stock	(5,000)	—
Repayment of debt	(407)	—
Net cash (used in) provided by financing activities	(4,712)	863
Effect of exchange rate changes on cash and cash equivalents	(7)	(19)
Net increase in cash and cash equivalents	92,323	95,094
Cash and cash equivalents at beginning of period	249,645	106,276
Cash and cash equivalents at end of period	\$ 341,968	\$ 201,370

Non-GAAP Financial Measures

To supplement our financial information presented in accordance with GAAP, we believe certain non-GAAP financial measures, including Adjusted Gross Profit, Adjusted Gross Margin, Adjusted EBITDA, Adjusted Net Income, and Adjusted Net Income per share, basic and diluted, are useful in evaluating our operating performance. For example, we exclude stock-based compensation expense because it is non-cash in nature and excluding this expense provides meaningful supplemental information regarding our operational performance and allows investors the ability to make more meaningful comparisons between our operating results and those of other companies. We use this non-GAAP financial information to evaluate our ongoing operations, as a component in determining employee bonus compensation, and for internal planning and forecasting purposes.

We believe that non-GAAP financial information, when taken collectively, may be helpful to investors because it provides consistency and comparability with past financial performance. However, non-GAAP financial information is presented for supplemental informational purposes only, has limitations as an analytical tool and should not be considered in isolation or as a substitute for financial information presented in accordance with GAAP. In addition, other companies, including companies in our industry, may calculate similarly-titled non-GAAP financial measures differently or may use other measures to evaluate their performance, all of which could reduce the usefulness of our non-GAAP financial measures as tools for comparison. A reconciliation is provided below for each non-GAAP financial measure to the most directly comparable financial measure stated in accordance with GAAP. Investors are encouraged to review the related GAAP financial measures and the reconciliation of these non-GAAP financial measures to their most directly comparable GAAP financial measures, and not to rely on any single financial measure to evaluate our business.

Adjusted Gross Profit and Adjusted Gross Margin

Gross profit is a GAAP financial measure that is calculated as revenue less cost of revenue, including depreciation and amortization of capitalized software development costs and acquired technology. We calculate gross margin as gross profit divided by our revenue. Adjusted Gross Profit is a non-GAAP financial measure that we define as gross profit, adjusted for (i) depreciation and amortization, (ii) stock-based compensation, (iii) acquisition-related costs, net, and (iv) restructuring costs, as applicable. We define Adjusted Gross Margin as our Adjusted Gross Profit divided by our revenue. We believe Adjusted Gross Profit and Adjusted Gross Margin are useful to investors as they eliminate the impact of certain non-cash expenses and allow a direct comparison of these measures between periods without the impact of non-cash expenses and certain other non-recurring operating expenses.

We present both of these measures for our technology and professional services business. We believe these non-GAAP financial measures are useful in evaluating our operating performance compared to that of other companies in our industry, as these metrics generally eliminate the effects of certain items that may vary from company to company for reasons unrelated to overall profitability.

The following is a calculation of our gross profit and gross margin and a reconciliation of gross profit and gross margin, the most directly comparable financial measures calculated in accordance with GAAP, to our Adjusted Gross Profit and Adjusted Gross Margin in total and for technology and professional services for the three months ended March 31, 2025 and 2024.

	Three Months Ended March 31, 2025		
	Technology	Professional Services	Total
Revenue	\$ 51,482	\$ 27,931	\$ 79,413
Cost of revenue, excluding depreciation and amortization	(17,565)	(25,613)	(43,178)
Amortization of intangible assets, cost of revenue	(4,596)	—	(4,596)
Depreciation of property and equipment, cost of revenue	(2,980)	—	(2,980)
Gross profit	26,341	2,318	28,659
Gross margin	51 %	8 %	36 %
Add:			
Amortization of intangible assets, cost of revenue	4,596	—	4,596
Depreciation of property and equipment, cost of revenue	2,980	—	2,980
Stock-based compensation	219	1,002	1,221
Acquisition-related costs, net ⁽¹⁾	74	120	194
Restructuring costs ⁽²⁾	401	997	1,398
Adjusted Gross Profit	\$ 34,611	\$ 4,437	\$ 39,048
Adjusted Gross Margin	67 %	16 %	49 %

- (1) Acquisition-related costs, net include deferred retention expenses attributable to the Upfront, Intraprise, ARMUS, and KPI Ninja acquisitions.
(2) Restructuring costs include severance and other team member costs from workforce reductions. For additional details, refer to Note 19 in our condensed consolidated financial statements.

	Three Months Ended March 31, 2024		
	Technology	Professional Services	Total
Revenue	\$ 46,966	\$ 27,757	\$ 74,723
Cost of revenue, excluding depreciation and amortization	(15,315)	(23,202)	(38,517)
Amortization of intangible assets, cost of revenue	(4,371)	—	(4,371)
Depreciation of property and equipment, cost of revenue	(2,514)	—	(2,514)
Gross profit	24,766	4,555	29,321
Gross margin	53 %	16 %	39 %
Add:			
Amortization of intangible assets, cost of revenue	4,371	—	4,371
Depreciation of property and equipment, cost of revenue	2,514	—	2,514
Stock-based compensation	365	1,332	1,697
Acquisition-related costs, net ⁽¹⁾	65	91	156
Restructuring costs ⁽²⁾	79	181	260
Adjusted Gross Profit	\$ 32,160	\$ 6,159	\$ 38,319
Adjusted Gross Margin	68 %	22 %	51 %

- (1) Acquisition-related costs, net include deferred retention expenses attributable to the ARMUS and KPI Ninja acquisitions.
(2) Restructuring costs include severance and other team member costs from workforce reductions. For additional details, refer to Note 19 in our condensed consolidated financial statements.

Adjusted EBITDA

Adjusted EBITDA is a non-GAAP financial measure that we define as net loss adjusted for (i) interest and other (income) expense, net, (ii) income tax provision, (iii) depreciation and amortization, (iv) stock-based compensation, (v) acquisition-related costs, net, (vi) restructuring costs, and (vii) non-recurring lease-related charges. We view acquisition-related expenses when applicable, such as transaction costs and changes in the fair value of contingent consideration liabilities that are directly related to business combinations, as costs that are unpredictable, dependent upon factors outside of our control, and are not necessarily reflective of operational performance during a period. We believe that excluding restructuring costs and non-recurring lease-related charges allows for more meaningful comparisons between operating results from period to period as these are separate from the core activities that arise in the ordinary course of our business and are not part of our ongoing operations. We believe Adjusted EBITDA provides investors with useful information on period-to-period performance as evaluated by management and a comparison with our past financial performance, and is useful in evaluating our operating performance compared to that of other companies in our industry, as this metric generally eliminates the effects of certain items that may vary from company to company for reasons unrelated to overall operating performance. The following is a reconciliation of our net loss, the most directly comparable financial measure calculated in accordance with GAAP, to Adjusted EBITDA for the three months ended March 31, 2025 and 2024:

	Three Months Ended March 31,	
	2025	2024
	(in thousands)	
Net loss	\$ (23,742)	\$ (20,587)
Add:		
Interest and other (income) expense, net	3,356	(2,338)
Income tax provision	215	113
Depreciation and amortization	12,320	10,525
Stock-based compensation	7,543	10,838
Acquisition-related costs, net ⁽¹⁾	3,029	813
Restructuring costs ⁽²⁾	3,558	1,813
Non-recurring lease-related charges ⁽³⁾	—	2,200
Adjusted EBITDA	<u>\$ 6,279</u>	<u>\$ 3,377</u>

(1) Acquisition-related costs, net include third-party fees associated with due diligence, deferred retention expenses, post-acquisition restructuring costs incurred as part of business combinations, and changes in fair value of contingent consideration liabilities for potential earn-out payments.

(2) Restructuring costs include severance and other team member costs from workforce reductions. For additional details, refer to Note 19 in our condensed consolidated financial statements.

(3) Non-recurring lease-related charges include the lease-related impairment charge related to our corporate office space designated for subleasing. For additional details, refer to Note 9 in our condensed consolidated financial statements.

Adjusted Net Income and Adjusted Net Income Per Share

Adjusted Net Income is a non-GAAP financial measure that we define as net loss adjusted for (i) stock-based compensation, (ii) amortization of acquired intangibles, (iii) restructuring costs, (iv) acquisition-related costs, net, including the change in fair value of contingent consideration liabilities, (v) non-recurring lease-related charges, and (vi) non-cash interest expense related to debt facilities. We believe Adjusted Net Income provides investors with useful information on period-to-period performance as evaluated by management and comparison with our past financial performance and is useful in evaluating our operating performance compared to that of other companies in our industry, as this metric generally eliminates the effects of certain items that may vary from company to company for reasons unrelated to overall operating performance. The following is a reconciliation of our net loss, the most directly comparable financial measure calculated in accordance with GAAP, to Adjusted Net Income, for the three months ended March 31, 2025 and 2024:

	Three Months Ended March 31,	
	2025	2024
(in thousands, except share and per share amounts)		
Numerator:		
Net loss	\$ (23,742)	\$ (20,587)
Add:		
Stock-based compensation	7,543	10,838
Amortization of acquired intangibles	8,732	7,251
Restructuring costs ⁽¹⁾	3,558	1,813
Acquisition-related costs, net ⁽²⁾	3,029	813
Non-recurring lease-related charges ⁽³⁾	—	2,200
Non-cash interest expense related to debt facilities	1,208	379
Adjusted Net Income	<u>\$ 328</u>	<u>\$ 2,707</u>
Denominator:		
Weighted-average shares outstanding used in calculating net loss per share, basic and diluted, and Adjusted Net Income per share, basic	68,552,084	58,591,514
Non-GAAP dilutive effect of stock-based awards	225,507	254,323
Non-GAAP weighted-average shares outstanding used in calculating Adjusted Net Income per share, diluted	<u>68,777,591</u>	<u>58,845,837</u>
Net loss per share, basic and diluted	<u>\$ (0.35)</u>	<u>\$ (0.35)</u>
Adjusted Net Income per share, basic and diluted	<u>\$ 0.01</u>	<u>\$ 0.05</u>

(1) Restructuring costs include severance and other team member costs from workforce reductions. For additional details, refer to Note 19 in our condensed consolidated financial statements.

(2) Acquisition-related costs, net includes third-party fees associated with due diligence, deferred retention expenses, post-acquisition restructuring costs incurred as part of business combinations, and changes in fair value of contingent consideration liabilities for potential earn-out payments.

(3) Non-recurring lease-related charges include the lease-related impairment charge related to our corporate office space designated for subleasing. For additional details, refer to Note 9 in our condensed consolidated financial statements.

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Health Catalyst Q1 2025 Financial Highlights, 2025 Guidance & Key Themes⁽¹⁾

Q1 2025 Results	<ul style="list-style-type: none"> Total Revenue of \$79.4M (+6%), exceeding Q1 2025 guidance of ~\$79M; Tech Revenue of \$51.5M (+10%) Net Loss of \$23.7M; no guidance was previously provided Adj. EBITDA⁽²⁾ of \$6.3M (+86%, 8% Margin), above Q1 2025 guidance of ~\$4M 10 net new Platform Clients⁽³⁾ added at ~\$500K aggregated average total ARR + non-recurring revenue
Q2 & FY 2025 Guidance and Forward-Looking Commentary	<ul style="list-style-type: none"> Q2 2025 Total Revenue: ~\$80.5M (+6%) Q2 2025 Adj. EBITDA⁽⁴⁾: ~\$8M (10% Margin) 2025 Tech BU with 'Rule of 30' profile – no change 2025 Dollar-Based Retention (Tech + TEMS)⁽⁵⁾: ~103% – no change 2025 net new Platform Clients⁽³⁾: ~40 (+90%), with average ARR + non-recurring revenue range expected to be \$300k to \$700k – no change We anticipate being approximately halfway to the ~40 net new Platform Client⁽³⁾ target by the end of Q2 2025 Total Revenue: ~\$335M (+9%) – no change 2025 Tech BU Revenue: ~\$220M (+13%) – no change 2025 Adj. EBITDA⁽⁴⁾: ~\$41M (+57%, 12% Margin) – no change 2025 Tech BU Adj. EBITDA⁽⁶⁾: ~\$40M (+60%, 18% Margin) – no change
Key Themes and Recent Wins	<ul style="list-style-type: none"> Sales Environment Is Dynamic: Health system operating margins remain relatively stable, supported by recent Kaufman Hall data and direct client feedback; encouraged by continued pipeline growth and remain confident in Ignite's relative durability in a dynamic environment. We are actively tracking developments related to Medicaid, research funding and tariffs; staying closely engaged with clients to assess potential impacts and ensure we remain well-positioned across a range of scenarios. Recent Wins Underscore Ignite's Momentum: New Ignite client wins—including a Midwest Health Information Exchange, Canopy Cancer Collective, and a major patient engagement opportunity—highlight the strength of Ignite plus our application portfolio. Confidence in Profitability Progress in Multiple End Market Scenarios: We remain confident in our ability to drive profitability, even amid a dynamic macroeconomic environment. We are on track to deliver ~\$41M in Adj. EBITDA in 2025 and believe there are several points of additional operating leverage in 2026. We also expect meaningful improvement in stock-based compensation as a percentage of revenue, reducing to mid-to-high single digits by 2026—two years ahead of our prior target.

Note: This summary contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, and the Private Securities Litigation Reform Act of 1995, as amended. These forward-looking statements include statements regarding our future growth and our financial outlook for Q2 and FY 2025. See press release dated May 7, 2025, furnished as Exhibit 99.1 on a Current Report on Form 8-K filed with the Securities and Exchange Commission on May 7, 2025 (the "Forward Release"), for additional information about our forward-looking statements.

(1) Other performance measures may vary from this performance.

(2) See "Non-GAAP Financial Measures—Adjusted EBITDA" in the Earnings Release.

(3) See Q1 2025 Earnings Release (Q1 2025) for a description of the definition of Platform Clients for 2025 and future years.

(4) We have not provided forward-looking guidance for net loss, the most directly comparable GAAP measure, to Adjusted EBITDA, and therefore have not received guidance for Adjusted EBITDA to net loss, because there are items that may impact net loss, including stock-based compensation, that are not within our control or cannot be reasonably forecasted.

(5) See Q1 2025 Earnings Release (Q1 2025) for a description of the definition of Dollar-Based Retention (Tech) – 103%.

(6) High-level financial metrics are disclosed on a range-adjusted, constant dollar basis, or on a dollar basis, for Technology and Professional Services based on allocating adjusted gross margin and operating expense by business unit. Adjusted gross margin segmented by Technology and Professional Services, operating expense allocated between Technology and Professional Services based on type of operating expense. Research & Development (R&D) expenses allocated to Technology business unit. Sales & Marketing expenses allocated between Technology and Professional Services by percentage of adjusted gross profit. General & Administrative expenses allocated between Technology and Professional Services by percentage of total cost of revenue (including depreciation and amortization) and R&D.

