

Investor Presentation

February 2024

LEGALZOOM





Forward-looking statements disclaimer

This presentation contains forward-looking statements. We intend such forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. All statements other than statements of historical facts contained in this presentation may be forward-looking statements. In some cases, you can identify forward-looking statements by terms such as “may,” “will,” “should,” “expects,” “plans,” “anticipates,” “could,” “intends,” “targets,” “projects,” “contemplates,” “believes,” “estimates,” “forecasts,” “predicts,” “potential” or “continue” or the negative of these terms or other similar expressions. Forward-looking statements contained in this presentation include, but are not limited to, statements regarding our annual and quarterly guidance and other long-term targets. The forward-looking statements in this presentation are only predictions. We have based these forward-looking statements largely on our current expectations and projections about future events and financial trends that we believe may affect our business, financial condition and results of operations. Forward-looking statements involve known and unknown risks, uncertainties and other important factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements, including but not limited to the following: our dependence on business formations and fluctuations or declines in the number of business formations may adversely affect our business; our dependence on customers expanding the use of our platform, including converting our transactional customers to subscribers and our subscribers renewing their subscriptions with us; the impact of macroeconomic challenges on our business, including as a result of inflation, global conflict, supply chain issues and recessionary concerns; our ability to sustain our revenue growth rate and remain profitable in the future; our ability to provide high-quality products and services, customer care and customer experience; our ability to continue to innovate and provide a platform that is useful to our customers and that meets our customers’ expectations; the competitive legal solutions market; our dependence on our brand and reputation; our ability to maintain and expand strategic relationships with third parties; our ability to hire and retain top talent and motivate our employees; risks and costs associated with complex and evolving laws and regulations; our ability to maintain effective in our internal control over financial reporting; and other factors discussed in the section titled “Risk Factors” included in our most recently filed Annual Report on Form 10-K or Quarterly Report on Form 10-Q as well as those in our subsequent filings with the Securities and Exchange Commission. The forward-looking statements in this presentation are based upon information available to us as of the date of this presentation, and while we believe such information forms a reasonable basis for such statements, such information may be limited or incomplete, and our statements should not be read to indicate that we have conducted an exhaustive inquiry into, or review of, all potentially available relevant information. These statements are inherently uncertain and investors are cautioned not to unduly rely upon these statements.

You should read this presentation with the understanding that our actual future results, levels of activity, performance and achievements may be materially different from what we expect. We qualify all of our forward-looking statements by these cautionary statements. Except as required by applicable law, we do not plan to publicly update or revise any forward-looking statements contained in this presentation, whether as a result of any new information, future events or otherwise.



About non-GAAP financial measures

This presentation includes certain non-GAAP financial measures including Adjusted EBITDA, Adjusted EBITDA margin, non-GAAP net income (loss), non-GAAP net income (loss) margin, adjusted gross profit, adjusted gross profit margin, certain non-GAAP expenses (including non-GAAP cost of revenue, non-GAAP sales and marketing, non-GAAP technology and development, and non-GAAP general and administrative), free cash flow and free cash flow margin. To supplement our consolidated financial statements, which are prepared and presented in accordance with U.S. generally accepted accounting principles, or GAAP, we use certain non-GAAP financial measures, as described below, to understand and evaluate our core operating performance. These non-GAAP financial measures, which may be different from similarly titled measures used by other companies, are presented to enhance investors' overall understanding of our financial performance and liquidity and should not be considered a substitute for, or superior to, the financial information prepared and presented in accordance with GAAP. We believe that these non-GAAP financial measures provide useful information about our financial performance and liquidity, enhance the overall understanding of our past performance and future prospects and allow for greater transparency with respect to important measures used by our management for financial and operational decision-making. We are presenting these non-GAAP measures to assist investors in seeing our financial performance using a management view and because we believe that these measures provide an additional tool for investors to use in comparing our core financial performance over multiple periods with other companies in our industry. The tables in the Appendix contain more details on the GAAP financial measures that are most directly comparable to non-GAAP financial measures and the related reconciliations between these financial measures. In addition, please see our earnings release and our filings with the SEC for the definitions of these non-GAAP financial measures and limitations on the use of such non-GAAP financial measures.



Our Mission: Unleash entrepreneurship





Focused on Stockholder Value

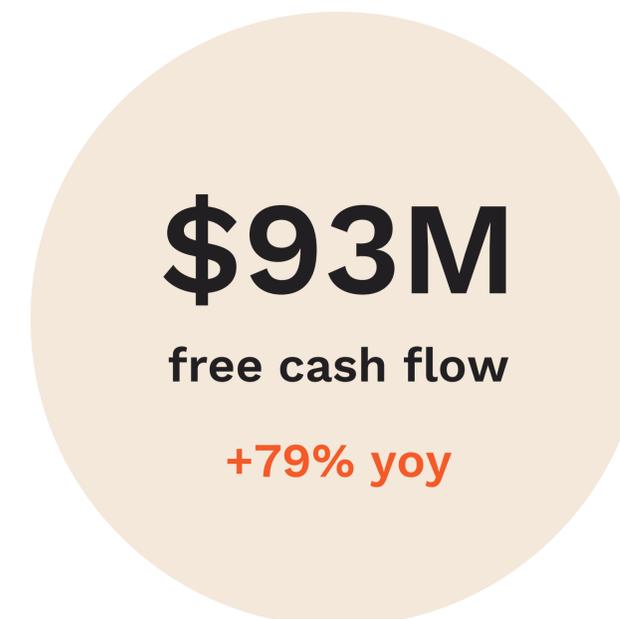
Driving growth



Expanding margins



Increasing FCF

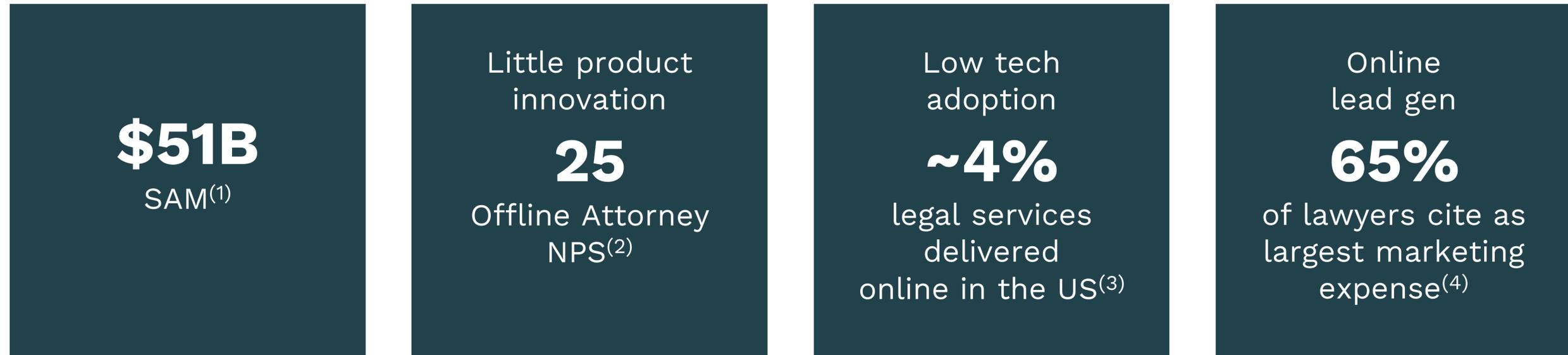




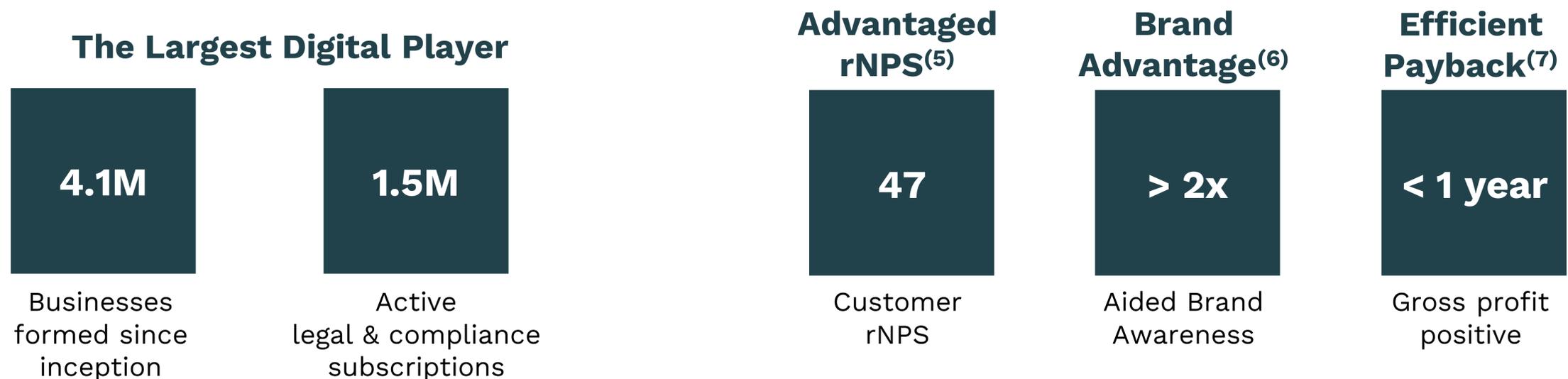
SMB legal, compliance, and financial is a big opportunity

And we are well-positioned to realize it

Our Market



Our Leadership



Unless otherwise noted, all information is as of December 31, 2023.

(1) Total SAM as of February 2024. U.S. Census Bureau; U.S. Small Business Administration; internal company estimates. (2) Net promoter score (NPS) in 2018, according to Clio Legal Trends Report. (3) In 2022, according to IBISWorld. (4) In 2014, according to Martindale Nolo. (5) Source: Dynata (for all LegalZoom customers). (6) Source: Dynata (LegalZoom vs. category competitors). (7) Customer Lifetime Value (LTV) to Customer Acquisition Cost (CAC) ratio for 2023 customer cohort.



Large SAM, significant opportunity, early innings

Progress made scaling formations; build out of ecosystem opens new SAM; early in our journey of expert services, which is the largest opportunity⁽¹⁾

The Opportunity...

Scale the Business

\$13B

The largest digital formations player, with only 11% market share⁽²⁾, leveraging our capabilities for estate planning services

- Entity Creation
- Estate Planning

Business Ecosystem

\$15B

During and post-formation, we offer a set of important services to operate a business

- Entity Compliance
- Bookkeeping
- Business Licenses
- Business Address – Virtual Mail
- Forms / eSignature⁽³⁾
- Insurance / Banking / Websites⁽⁴⁾

Expert Integration

\$23B

We offer access to attorneys and CPAs to help handle the most complex business matters and life events

- Business Tax Returns
- Intellectual Property
- Contracts and Legal Forms
- Other Legal Matters

(1) Total SAM as of February 2024. U.S. Census Bureau; U.S. Small Business Administration; internal company estimates. (2) For the twelve months ended December 31, 2023. Market share reflects the number of LegalZoom business formations versus U.S. Census non-seasonally adjusted business formations over the same period. We define the number of business formations in a given period as the number of LLC, incorporation, not-for-profit, and DBA orders placed through our platform in such period, excluding such orders from our operations in the United Kingdom. (3) Not included in Business Ecosystem SAM. (4) Reflects partnership ecosystem.



Our management team

Experienced in small business and consumer innovation at scale



Dan Wernikoff
Chief Executive Officer



Noel Watson
Chief Financial Officer



Rich Preece
Chief Operations Officer



Shrisha Radhakrishna
Chief Technology & Product Officer



Nicole Miller
General Counsel



Sheily Chhabria Panchal
Chief People Officer



Kathy Tsitovich
Chief Partnerships Officer



Daniel Lysaught
Chief Marketing Officer



Our customer, product and growth strategy



We solve three important problems for new businesses

With a focus on solopreneurs, an often-overlooked segment of customers

Entity creation and compliance is **complicated, time-consuming and expensive** to navigate on your own



44%
Of small businesses spend >40 hours each year dealing with regulations⁽¹⁾

10%
Of small businesses are fined for regulatory noncompliance⁽¹⁾

Immediately after launching, an SMB needs to **find the right solutions to operate and grow**



94%
Don't have a bookkeeping solution at formation⁽²⁾

84%
Don't have a website at formation⁽²⁾

SMBs have a **fear of navigating complex, oft-changing regulatory and tax matters**, but the cost of experts isn't accessible



96%
Haven't consulted an attorney at formation⁽²⁾

92%
Haven't consulted a tax professional at formation⁽²⁾

(1) 2017 NSBA Small Business Regulations Survey. (2) LegalZoom Magid customer study as of July 2023.



LegalZoom makes starting a business simple

Eliminating the friction of countless gov't agencies and disparate service providers

A Typical SMB use case*

- | | |
|--|--|
| ? Forming w/ Secretary of State⁽¹⁾ | ? Bookkeeping / Accounting⁽²⁾ |
| ? Establish a business address | ? Tax advice, tax elections⁽²⁾ |
| ? Assign a Registered Agent | ? Apply for business insurance⁽²⁾ |
| ? Obtain an EIN through the IRS⁽¹⁾ | ? File business / employer tax return^(1,2) |
| ? Open business bank account⁽²⁾ | ? Sales tax registration⁽¹⁾ |
| ? Create bylaws / Operating Agreement | ? POS / Ecommerce solution⁽²⁾ |
| ? File annual reports | ? Payroll, payments, capital⁽²⁾ |
| ? Get business licenses and permits^(1,2) | ? Create business email⁽²⁾ |
| ? An attorney must certify your incorporation application | ? Website, online presence⁽²⁾ |
| ? Review / Sign legal forms & documents | ? Consider updating your Estate Plan |
| | ? Protect IP: Trademark / Patents⁽¹⁾ |

Starting a business is complex

15

Hours spent researching formation⁽³⁾

5+

Separate Government agency requirements

10

Relevant company start up services

LegalZoom makes it easy, at scale

- **A single interface to 3,000 counties, 50 states, and various federal agencies**
- **#1 formations and trademark⁽⁴⁾ filer in the U.S.**
- **A single authoritative business profile leveraged across all filings**
- **ML/AI leveraged to automate filings and speed up turn around times**
- **~3 million annual care/sales contacts, 100,000+ annual attorney/CPA consultations⁽⁵⁾**
- **20+ transaction types often unique to different federal, state, and county agencies**
- **160+ customizable templates and legal forms**

**LegalZoom makes it easy by leveraging technology ...
... Defensible through a mix of AI/ML, people, & physical assets**

0

Government APIs requires ML/AI at scale to navigate ever changing regulations

> 700

Customer facing agents to support SMBs and interface with gov't agencies⁽⁶⁾

106

Staffed locations in all states per required Registered Agent regulations

*For illustrative purposes only. (1) Represents separate government agency. (2) Represents company start up service. (3) LegalZoom Magid Customer Study as of March 2021. (4) For U.S. based businesses, Trademarkia as of December 31, 2023. (5) For the year ended December 31, 2023. (6) As of December 31, 2023.



Three key strategic pillars

With clear priorities designed to drive long-term growth

Scale the Business

- Capture share by reducing transactional pricing to form a business
- Utilize technology to drive efficiencies in the formation and estate planning process
- Leverage brand leadership and freemium messaging to drive marketing efficiencies

Build the Ecosystem

- Build core offerings to help keep business compliant, protected and financially organized
- Drive ongoing usage, engagement and extend LTV
- Curate complementary third-party solutions

Integrate Experts

- Provide first-level insights by leveraging AI
- Manage complex legal matters while decreasing the cost to access an attorney
- Deliver meaningful tax advice and remove the fear of filing



Scale the Business:

Stable macro, strong relative performance

And there are tailwinds to drive further acceleration

4%

18-year small business formation CAGR⁽¹⁾

78%

years with positive U.S. small business formations growth⁽¹⁾

> 5M

business formed annually⁽²⁾

Tailwinds

Work From Home

More flexibility to form a business while employed – more than half of LegalZoom customers have another job⁽³⁾

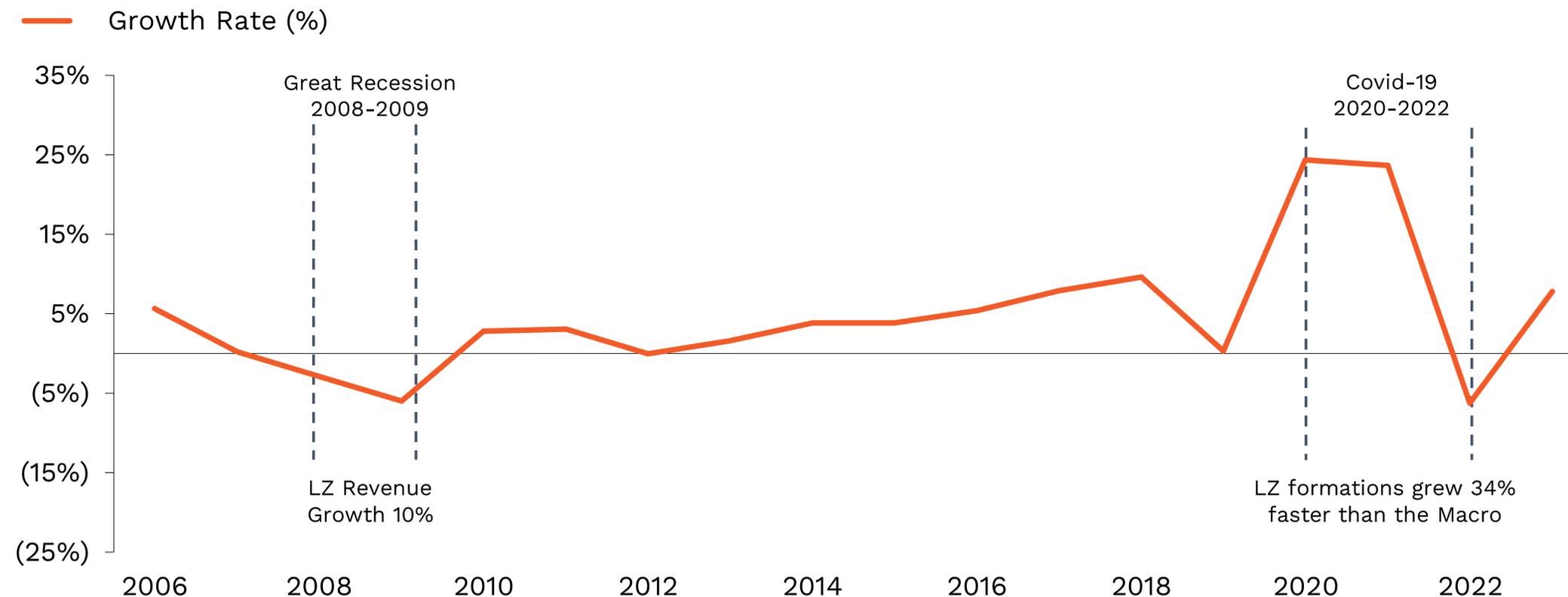
Digital Enablement Tools

An idea can become a digital business in days with minimal upfront capital required and gig platforms and SMB tools

Post-Covid Economy

Businesses are emerging and evolving to adjust to the new economy, onshoring, and industries that didn't exist before like NIL (name, image, likeness), Influencers, freelancing roles

U.S. Business Formations⁽¹⁾



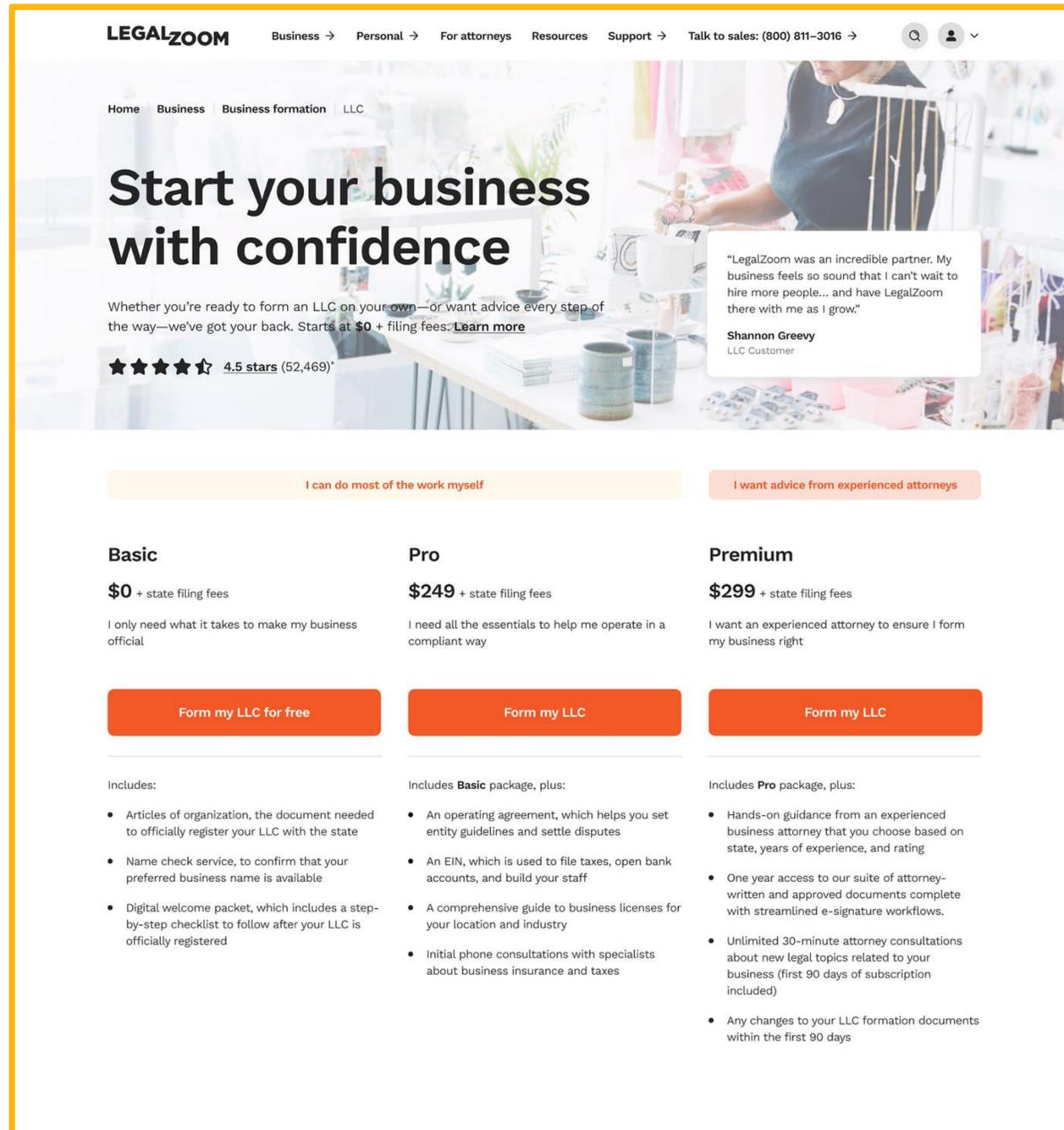
Source: U.S. Census Bureau business formation statistics non-seasonally adjusted business application units.

(1) Timeframe represents 2006 – 2023. (2) Timeframe represents 2021 – 2023. (3) LegalZoom Magid customer study as of June 2023.

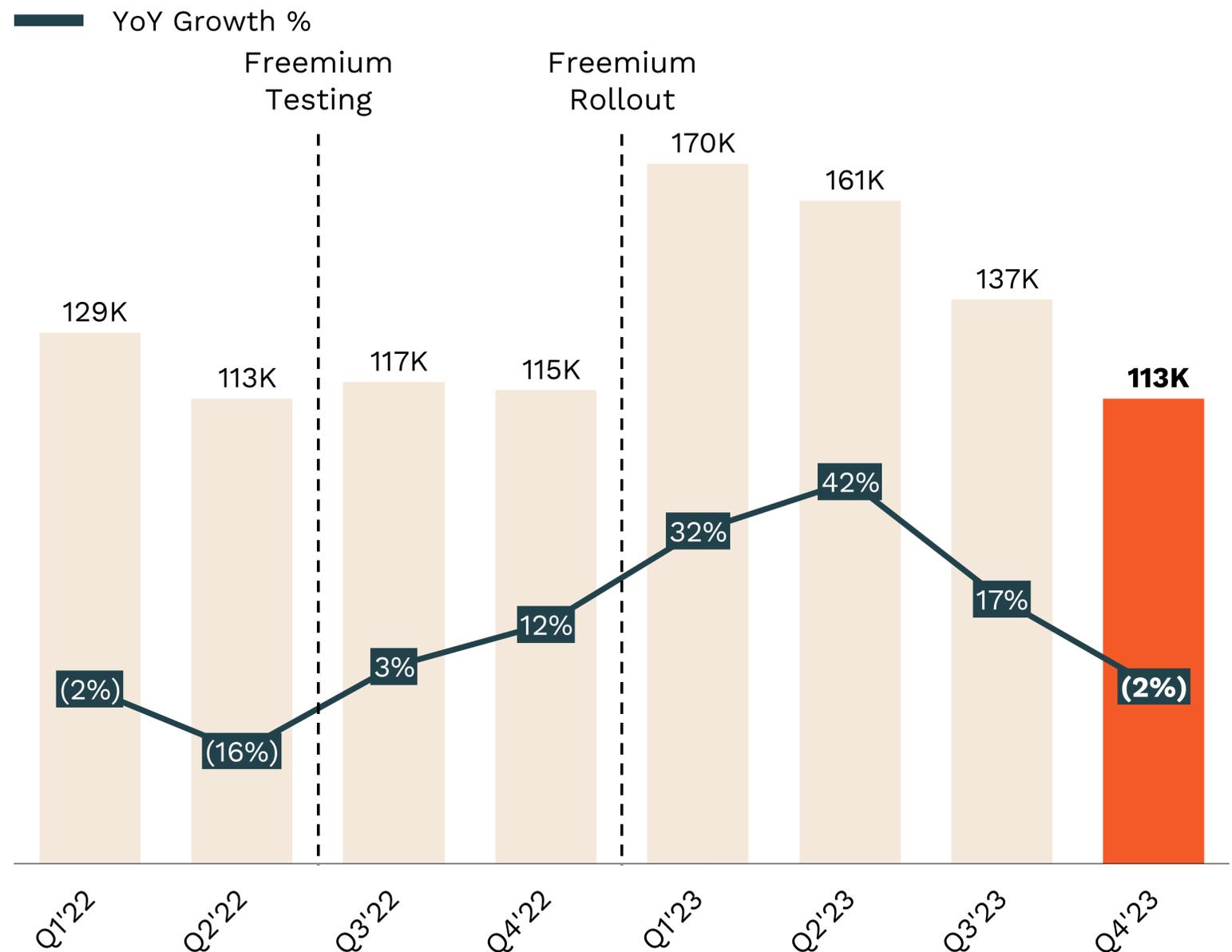


Scale the Business: Freemium

Driving share of formations through the conversion of non-consumption



23% YoY increase in business formations⁽¹⁾ in 2023

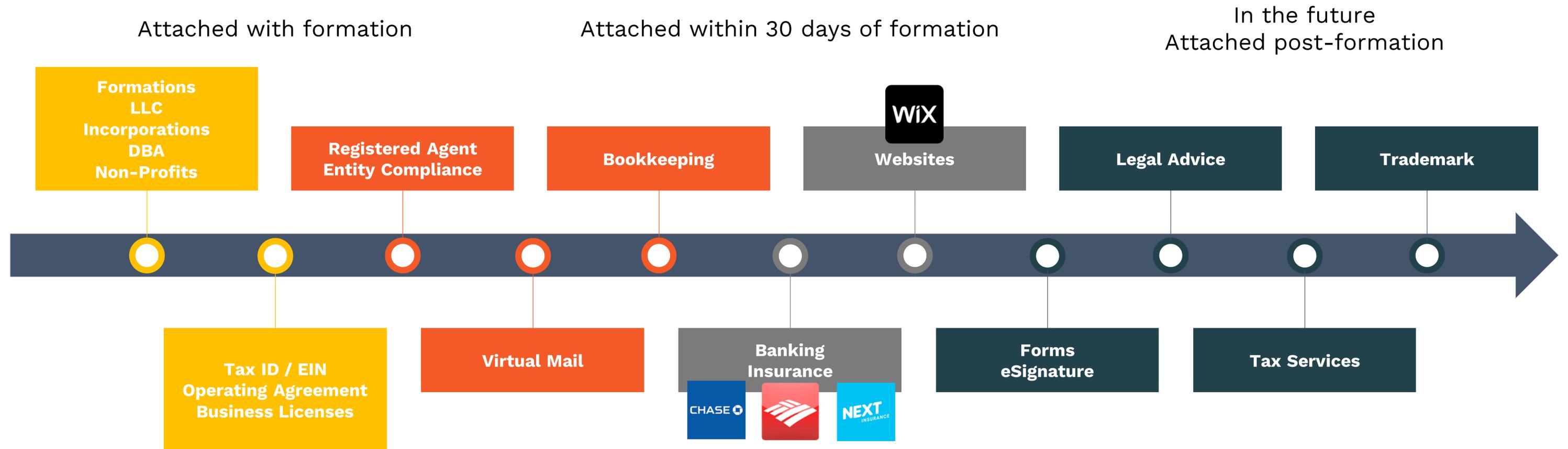


(1) For the year ended December 31, 2023. We define the number of business formations in a given period as the number of LLC, incorporation, not-for-profit and DBA orders placed through our platform in such period, excluding such orders from our operations in the United Kingdom.



Build the Ecosystem: A powerful channel

With a new opportunity, post-formation



○ Formation-related transactions
 ○ Formation-related subscriptions
 ○ Partnership solutions
 ○ Post-formation expert services & subscriptions

Technical sales / support available along the way

Bulk of attach occurring up front today

Early innings of post-formation opportunity



Build the Ecosystem: Rapidly launching new offerings

Five new services integrated in three years

LZ TAX

LZ VIRTUAL MAIL

LZ eSIGNATURE

LZ BOOKS

LZ BUSINESS LICENSES

July 2021

October 2022

April 2023

August 2023

November 2023

Tax prep software with integrated expert assistance

Virtual mailbox solution for small businesses

eSignature services designed to simplify document signing

Easy-to-use accounting software for SMBs

Personalized licenses service to help businesses operate legally

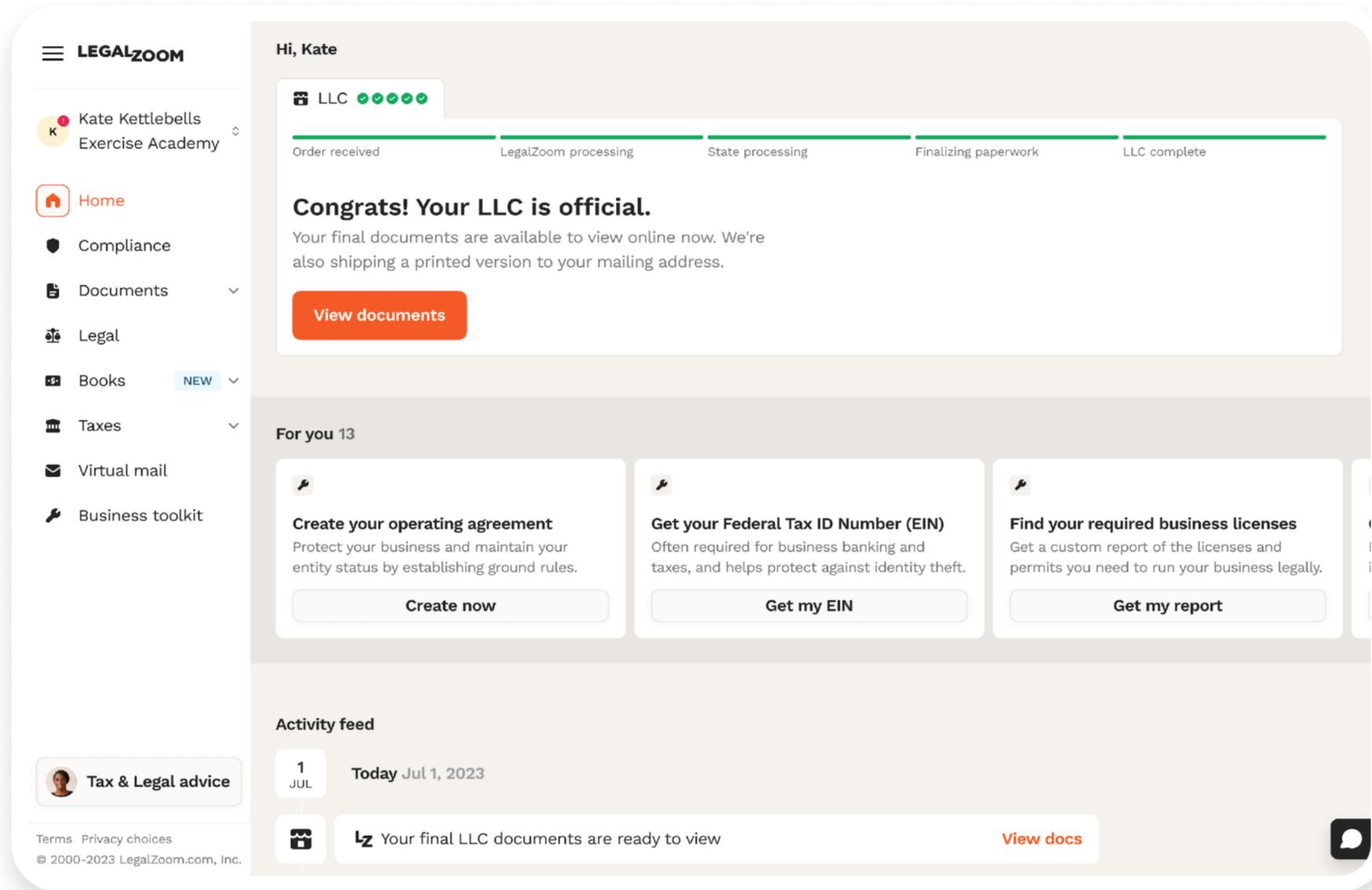
The image displays five screenshots of the LegalZoom ecosystem services, each connected to a timeline arrow. The screenshots are as follows:

- Tax Prep Software:** A screenshot of the 'Tax year 2023' interface, showing a 'Complete your tax year questionnaire' step with instructions and a progress indicator.
- Virtual Mailbox Solution:** A screenshot of the 'Virtual Mail' interface, showing a 'Your mail at-a-glance' summary with statistics like '1 item in scan queue' and '42 items in storage', along with a list of mail items.
- eSignature Services:** A screenshot of the 'eSignature' interface, showing a document list with columns for 'NAME', 'STATUS', 'CLIENT', and 'LAST UPDATED'. Documents include 'Independent contractor agreement', 'Security agreement', 'Kitchen contract', 'Photography proposal', '2022 files', and 'Security'.
- Accounting Software:** A screenshot of the 'Books' interface, showing a 'Available money' bar chart for 2023 with a total of \$13,500, and a 'For you 3' section with cards for 'Send invoice reminders', 'Open a business bank account', and 'You have a new active project!'.
- Business Licenses Service:** A screenshot of the 'LEGALZOOM' interface, showing a 'Here's what you may need' section with personalized recommendations based on business activities and address, including 'Federal (1)', 'Controlled Substances Registration', and 'Use Permit'.

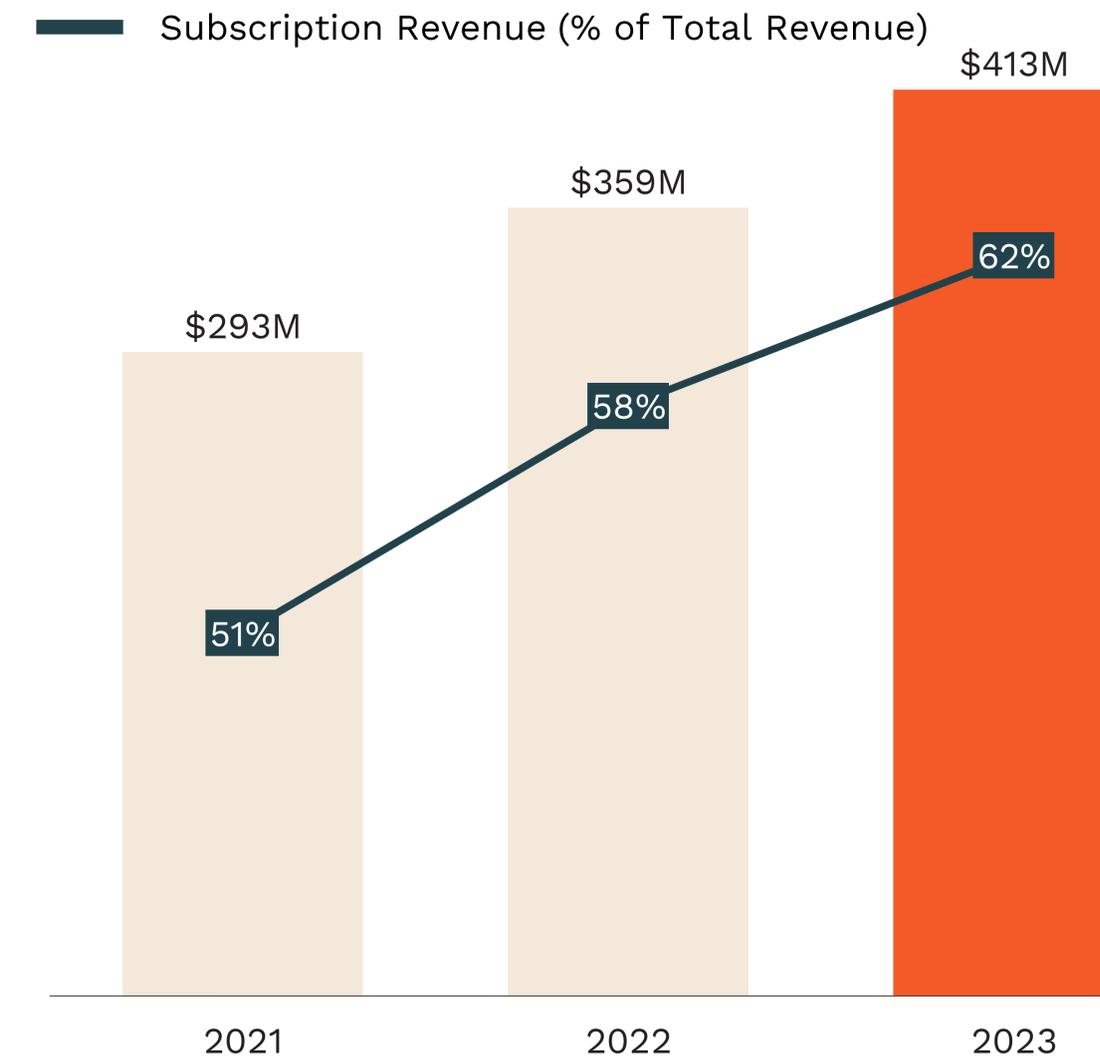


Build the Ecosystem: Bringing it together with MyLZ

Focused on creating a unified experience and application



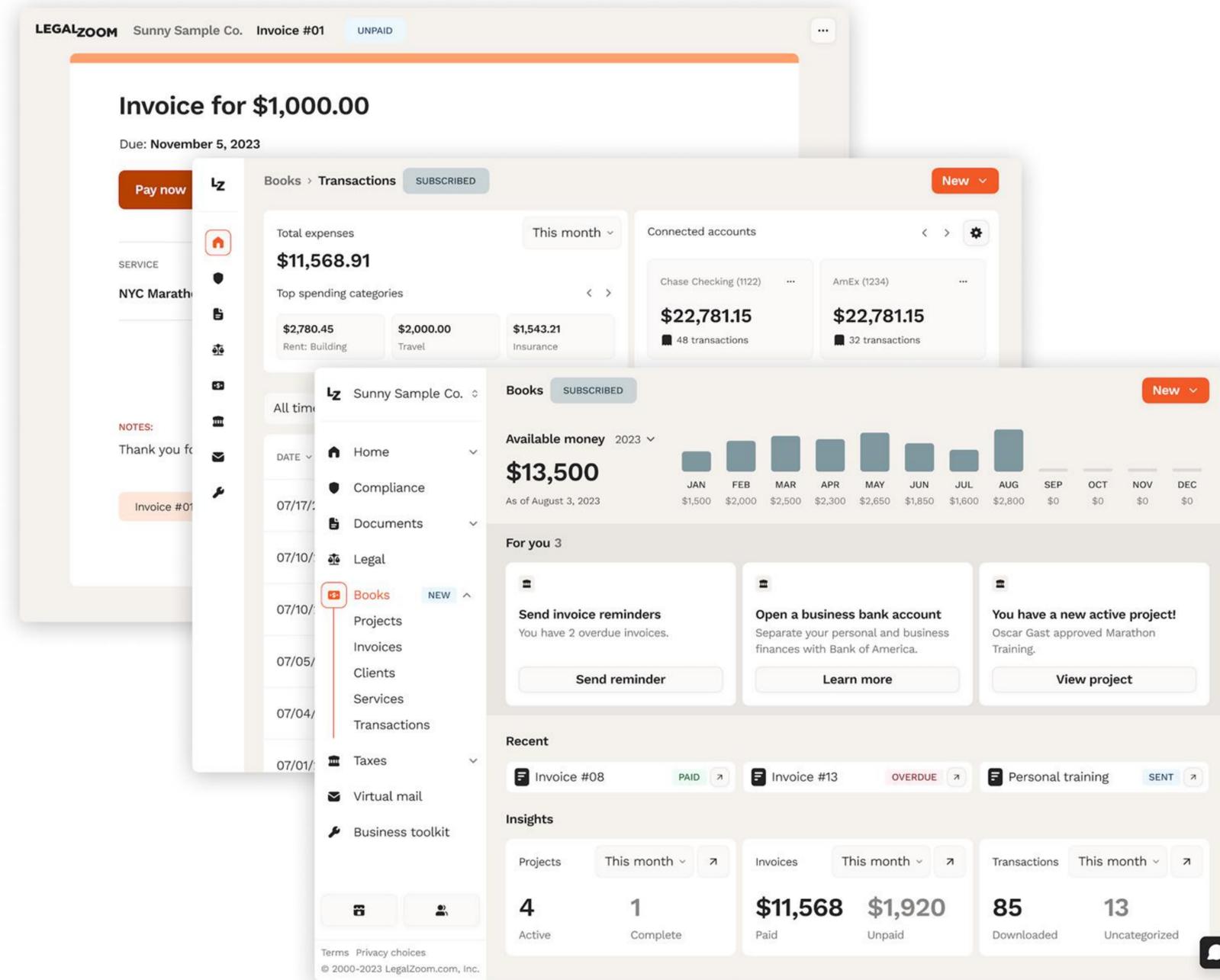
Growing our mix of subscription revenue





Build the Ecosystem: LZ Books

Our simple accounting solution designed for the solopreneur



Capabilities

- Automated income and expense categorization
- Customized proposals and invoices
- Payments
- Mileage tracking, receipt capture, bulk expense classification
- Seamless integration with LZ Tax

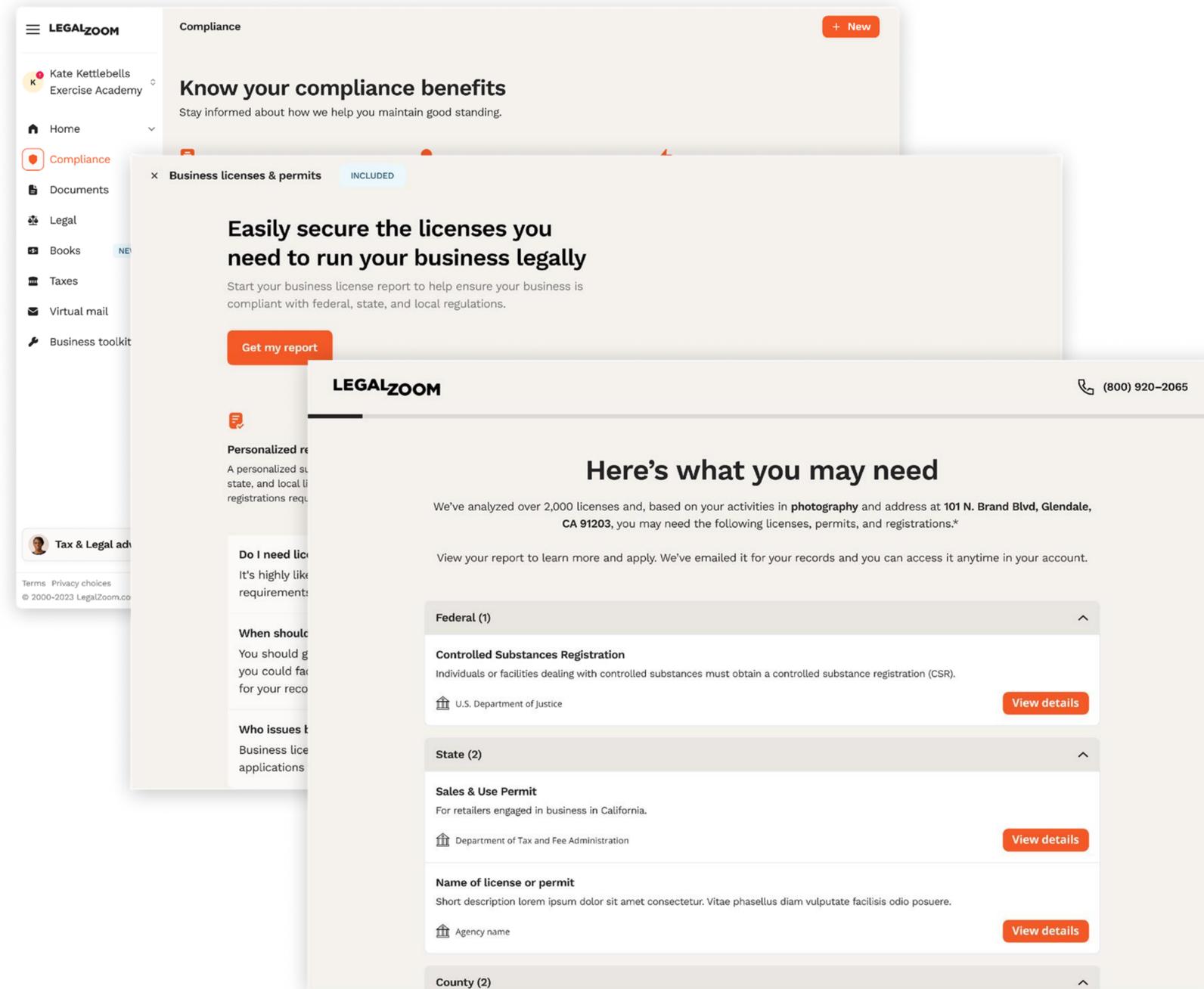
Opportunity

- New product and customer entry point
- Promotes ongoing customer engagement and cross-selling opportunities
- Cohesive integration with expert offerings



Build the Ecosystem: Business Licenses

Rounding out our compliance ecosystem



Capabilities

- Personalized summary of required licenses, permits and registrations
- Direct access to applications
- Proprietary nationwide database kept up-to-date down to local level requirements

Opportunity

- Essential need for our customer base, with the typical small business requiring a combination of licenses and permits from federal and state agencies
- Integrated offering and owned commercialization strategy drives future growth opportunities



Integrate Experts: ARPU opportunity

By evolving into a platform that enables access to experts at an accessible price

Attorney Led Trademarks



Trademark registration

LegalZoom Guarantee

\$599 + federal fees†

Register a trademark

Set up your mark for success. With attorney help, you have a 94% chance of registering a trademark.†

- ✓ If your first mark gets rejected, we'll cover our \$599 fee to register a different mark[§]
- ✓ Have peace of mind knowing your attorney will research your mark, file for you, and deal with minor roadblocks
- ✓ Get a free trademark search for a second mark if your attorney thinks there's an issue with your first choice

Business Advisory Plan



Get legal help from experienced business attorneys

Select your state

Start your plan

Get valuable legal services with unlimited 30-minute calls on new small business legal topics, such as company setup, contract review, hiring, and compliance for a monthly cost less than an hour with a traditional attorney.

Excellent ★★★★★ Trustpilot Learn more

LZ Tax



Most popular

Standard Tax Return + Tax Advisory

Best for solo owners

Prep and filing of personal and self-employed tax returns. Unlimited expert advice. Plus free LZ Books.

Monthly Yearly (Save \$360)

\$99/mo

Annual plan billed monthly

Select plan

Strong attorney network

- 1,000+ attorneys
- Coverage in all 50 states

Our own law firm

- Alternative Business Structure in Arizona (“ABS”)
- Ability to co-counsel on all matters

Expanding tax practice

- In-house CPAs and outsourced CPAs/Enrolled Agents, covering all 50 states
- Demonstrated ability to expand capacity in tax season

Integrate Experts: Doc Assist

Targeting non-consumption with AI-driven lead gen model

× LZ Independent contractor agreement [Get legal help](#) ...

Summary **Clause (6)** Q&A (9)

Independent contractor agreement

This Independent Contractor Agreement (this "Agreement") is made as of this 18 day of July, 2023, (the "Effective Date") by and between Eric Smith located at 283 Dusterberry Way, Fremont, CA 94536 ("Client") and John Doe located at 1431 Streambed Blvd, Dublin, CA 98452 ("Independent Contractor"). Client and Independent Contractor may each be referred to in this Agreement as a "Party" and collectively as the "Parties."

1. Services. Independent Contractor shall provide the following services to Client (the "Services"): Kitchen and Bathroom remodelling. In addition, Independent Contractor shall perform such other duties and tasks, or changes to the Services, as may be agreed upon by the Parties.

2. Term and Termination. Independent Contractor's engagement with Client under this Agreement shall commence on July 18, 2023. The Parties agree and acknowledge that this Agreement and Independent Contractor's engagement with Client under this Agreement shall terminate upon the completion by Independent Contractor of the Services. At the time of termination, Independent Contractor agrees to return all Client property used in performance of the Services, including but not limited to computers, cell phones, keys, reports and other equipment and documents. Independent Contractor shall reimburse Client for any Client property lost or damaged in an amount equal to the market price of such property. Either the Independent Contractor or Client may freely terminate this contract at any time regardless of the work or projects currently in progress, but they must do so with no less than 15 days' notice.

3. Compensation. In consideration for Independent Contractor's performance of the Services, Client shall pay Independent Contractor \$150.00 per hour. Independent Contractor will be paid on Saturday of every week.

4. Expenses. All costs and expenses incurred by Independent Contractor in connection with the performance of the Services shall be the sole responsibility of and paid by Independent Contractor.

5. Independent Contractor. The Parties agree and acknowledge that Independent Contractor is an independent contractor and is not, for any purpose, an employee of Client. Independent Contractor does not have any authority to enter into agreements or contracts on behalf of Client, and shall not represent that it possesses any such authority. Independent Contractor shall not be entitled to any of Client's benefits,

PRODUCT
Recitals
This clause identifies the Client, Eric Smith, and the Independent Contractor, John Doe. It also states that the effective date is July 18, 2023.

PRODUCT
Provision of Services
This clause states that the primary services to be completed are kitchen and bathroom remodeling.

PRODUCT
Termination
This clause establishes the start date of the agreement as July 18, 2023, and states that the agreement will terminate upon the completion of the services by the independent contractor. It is important to note that either the independent contractor or the client retains the right to terminate the contract at any time, regardless of ongoing work or projects; however, such termination requires a notice period of no less than 15 days.

ⓘ This appears to a shorter notice period than most other agreements of this type. You may want to discuss this clause with your attorney.

Need help? Comment to ask an attorney questions and get a response within 3 hrs.

Looking for some extra help? Subscribe to Legal to discuss and ask questions with an attorney

[Subscribe to legal](#)

PRODUCT
Miscellaneous

Capabilities

- Free document summarization product
- Leverages AI technology and 20+ years experience in legal forms space
- Distills clauses and prompts questions tailored by document type
- Promotes access to our attorney network

Opportunity

- Drives traffic
- Cross-sell of higher-value expert offerings

Competitive Positioning

- Accuracy and unauthorized practice of law regulations create roadblocks for standalone GenAI use
- Need for GenAI to be coupled with credentialed experts
- Brand / Channel enables data lead relative to competition



Integrate Experts: Legal Forms library

Another gateway to grow our expert offerings

LEGALZOOM Business Personal

Home > Templates

Create documents with forms drafted by attorneys.

Search templates

Popular: Amendment of Agreement, Employment Agreement, Bill of

Select from 150+ attorney-drafted form templates

Fill quickly and reduce errors with guided questions

Customize your needs with rich editor

Excellent ★★★★★ Trustpilot

Featured Templates

Amendment of Agreement

Arbitration Agreement

Mutual non-disclosure agreement PURCHASED

Get legal help Edit Sign Download

Signature

Activities

Info

19. EFFECTIVENESS.

This agreement will become effective when all parties have signed it. The date this agreement is signed

by the last party to sign it (as indicated by the date associated with that party's signature) will be deemed

the date of this agreement.

20. NECESSARY ACTS; FURTHER ASSURANCES.

Each party and its officers and directors shall use all reasonable efforts to take, or cause to be taken, all

actions necessary or desirable to consummate and make effective the transactions this agreement

contemplates or to evidence or carry out the intent and purposes of this agreement.

[SIGNATURE PAGE FOLLOWS]

Each party is signing this agreement on the date stated opposite that party's signature.

Kate Willams

Eric Smith

Sender Signature

Client Signature

Capabilities

- Free access to 160+ attorney certified forms
- Forms editor provides ability to customize, sign/send for eSignature, track document status and store documents securely for a fee
- Promotes access to our attorney network

Opportunity

- Drives traffic
- Cross-sell of higher-value expert offerings
- Cross-sell of eSignature tool



Investment highlights

The largest digital player in a large and fragmented formations market

- Ability to operate at scale in a complex, highly regulated industry with low technology adoption
- Leading brand and powerful customer acquisition channel with significant greenfield opportunity

Attractive and efficient business model, shifting to subscriptions

- Building an engaging ecosystem of post-formation subscription solutions
- Building an efficient integration of higher value expert services into our platform

Leadership team focused on growth and profitability

- Opportunities to gain share, develop the digital space and integrate high-value expert offerings
- Highly efficient business model driving growth in Adjusted EBITDA and free cash flow conversion

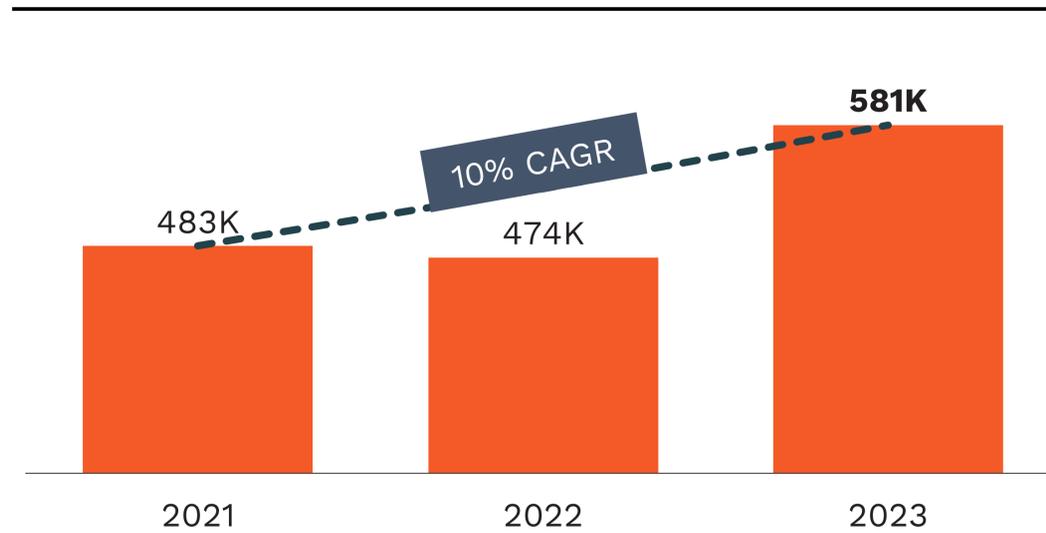
Financial update



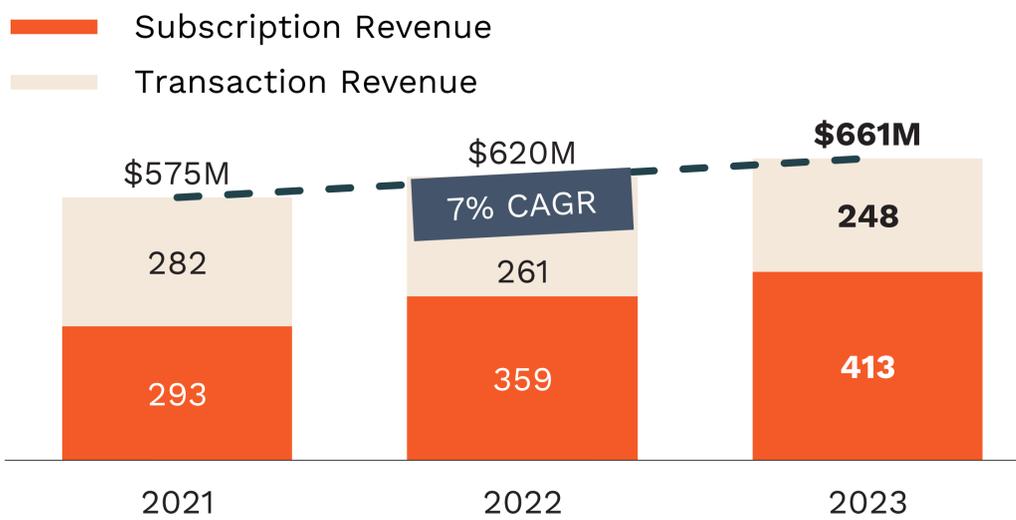
Strong financial performance

Driven by strategic pillars and cost discipline

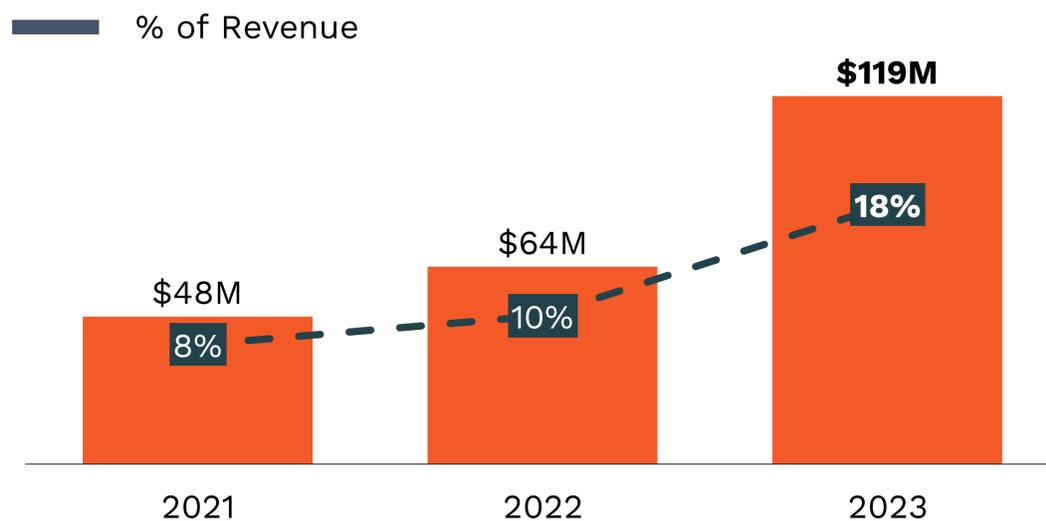
Business Formations⁽¹⁾



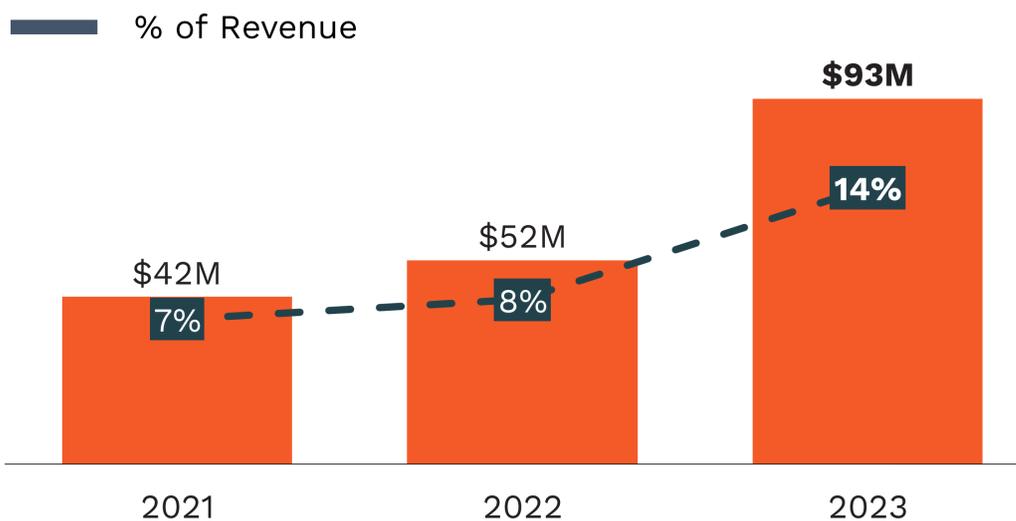
Revenue by Type⁽²⁾



Adjusted EBITDA⁽³⁾



Free Cash Flow⁽³⁾



Step-up in formation⁽¹⁾ growth

10% business formations CAGR outpaces 1% macro⁽⁴⁾ CAGR over the same period

Subscription revenue⁽²⁾ acceleration

41% growth in subscription revenue since 2021

Adjusted EBITDA margin⁽³⁾ expansion

117% increase in Adj. EBITDA margin since 2021

Increasing free cash flow⁽³⁾

Strong conversion of Adjusted EBITDA into free cash flow

(1) We define the number of business formations in a given period as the number of LLC, incorporation, not-for-profit and DBA orders placed through our platform in such period, excluding such orders from our operations in the United Kingdom. (2) Beginning in the fourth quarter of 2023, we no longer present partner revenue on a standalone basis and partner revenue is now included within transaction and subscription revenue. This change had no impact on total revenue. Prior period disclosures and amounts have been conformed to the current period presentation. (3) This is a non-GAAP measure. Refer to the Appendix for a reconciliation of this measure to the most directly comparable GAAP measure. (4) Macro refers to U.S. Census Bureau business formation statistics non-seasonally adjusted business application units.

Quarterly Q4 2023 snapshot

\$159M

total revenue

+8% yoy

\$108M

adjusted gross profit⁽¹⁾

68% margin⁽¹⁾

\$33M

adjusted ebitda⁽¹⁾

21% margin⁽¹⁾

113K

business formations

(2%) yoy

215K

transaction units

+2% yoy

1,545K

subscription units

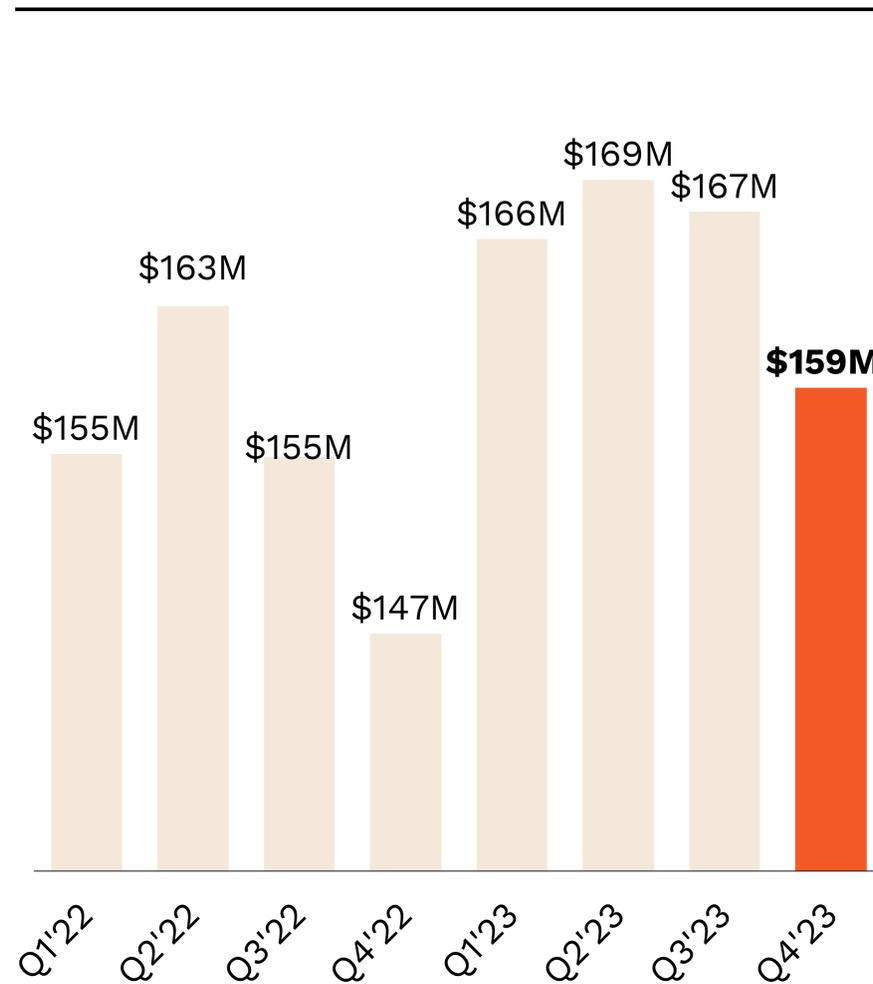
+7% yoy



Balanced focus on top and bottom-line growth

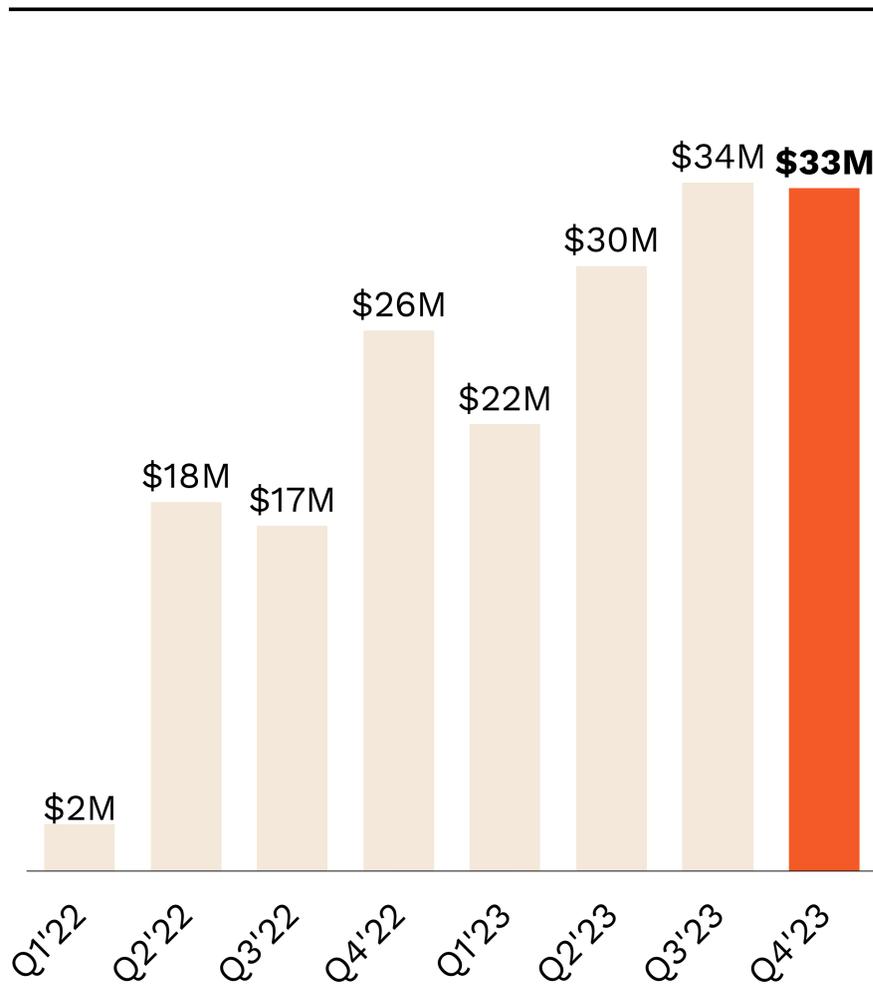
Improving profitability; high conversion of Adjusted EBITDA into Free Cash Flow

GAAP Revenue



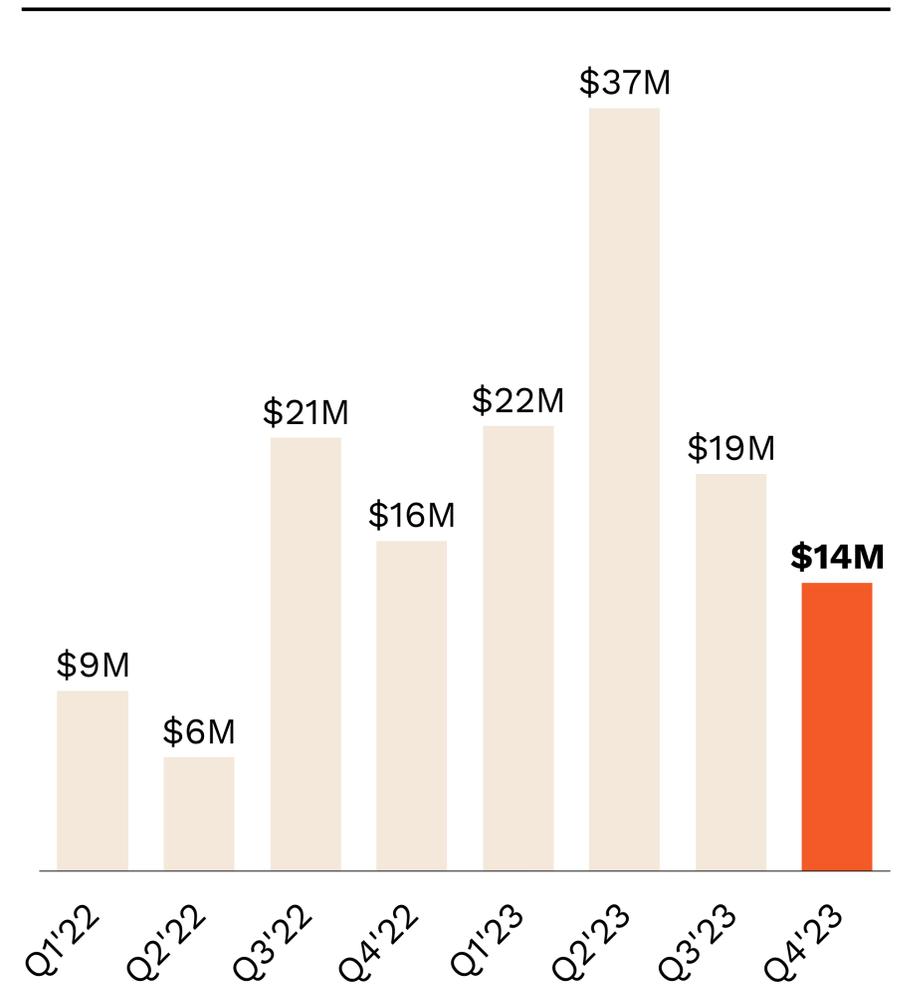
Year-over-year Growth %							
15%	8%	5%	3%	7%	4%	8%	8%

Adjusted EBITDA⁽¹⁾



% of Revenue ⁽¹⁾							
1%	11%	11%	18%	13%	18%	20%	21%

Free Cash Flow⁽¹⁾



% of Revenue ⁽¹⁾							
6%	3%	14%	11%	13%	22%	12%	9%

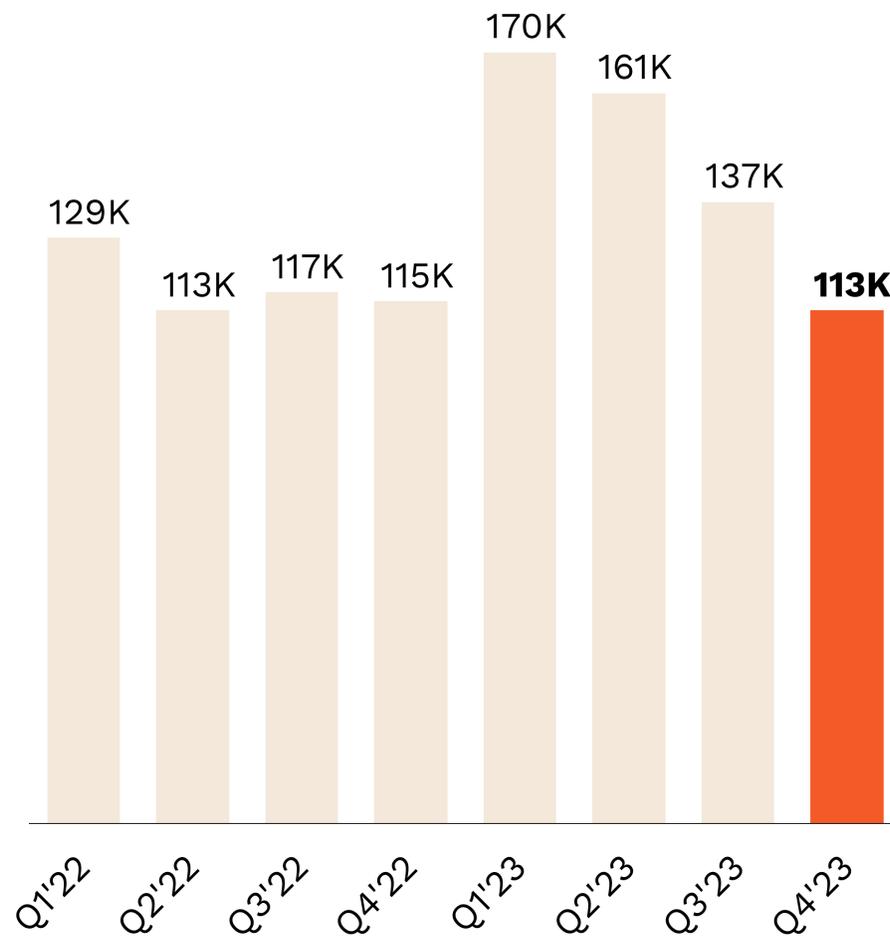
(1) This is a non-GAAP measure. Refer to the Appendix for a reconciliation of this measure to the most directly comparable GAAP measure.



Transaction revenue – our top of funnel

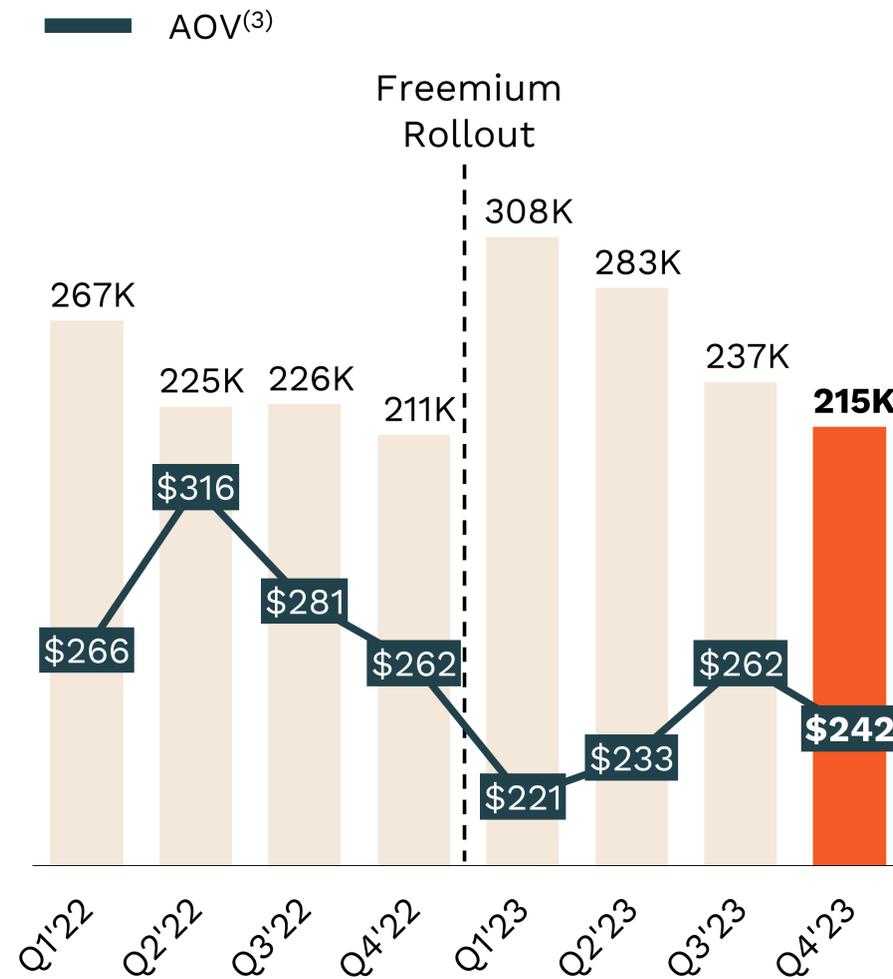
Focus on subscription growth, trading off transactional AOV/Revenue

Business Formations⁽¹⁾



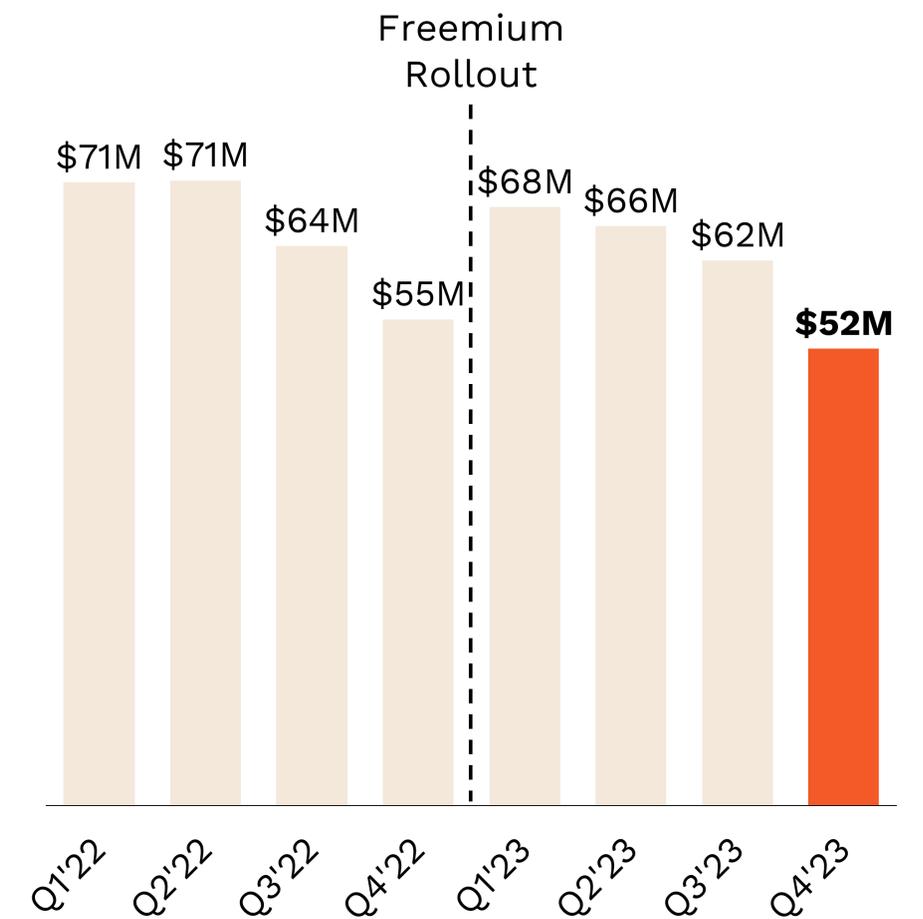
Year-over-year Growth %							
(2%)	(16%)	3%	12%	32%	42%	17%	(2%)

Transaction Units⁽²⁾



Year-over-year Growth %								
Units	(3%)	(13%)	(1%)	0%	15%	26%	5%	2%
AOV	8%	2%	(11%)	(9%)	(17%)	(26%)	(7%)	(8%)

Transaction Revenue⁽⁴⁾



Year-over-year Growth %							
5%	(11%)	(12%)	(10%)	(4%)	(7%)	(3%)	(6%)

(1) We define the number of business formations in a given period as the number of LLC, incorporation, not-for-profit and DBA orders placed through our platform in such period, excluding such orders from our operations in the United Kingdom. (2) We define the number of transaction units in a given period as gross transaction order volume, prior to refunds, on our platform during such period. Transactions may include one or more services purchased at the same time. Refunds, or partial refunds, may be issued under certain circumstances, pursuant to the terms of our customer satisfaction guarantee. (3) We define average order value for a given period as total transaction revenue divided by total number of transactions in such period. (4) Beginning in the fourth quarter of 2023, we no longer present partner revenue on a standalone basis and partner revenue is now included within transaction and subscription revenue. This change had no impact on total revenue. Prior period disclosures and amounts have been conformed to the current period presentation.

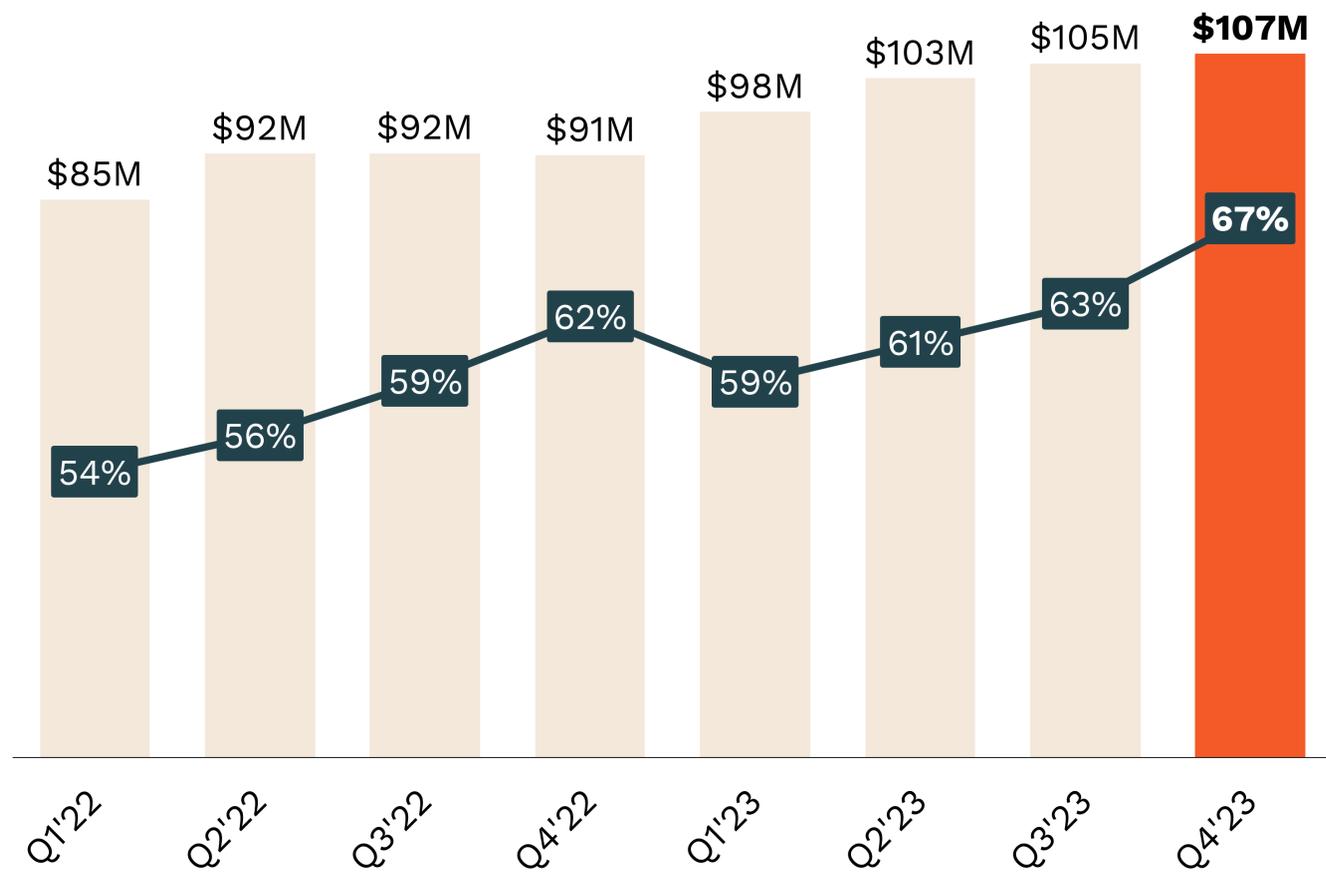


Subscription revenue – mix increasing

Growing subscription revenue and ARPU

Subscription Revenue⁽¹⁾

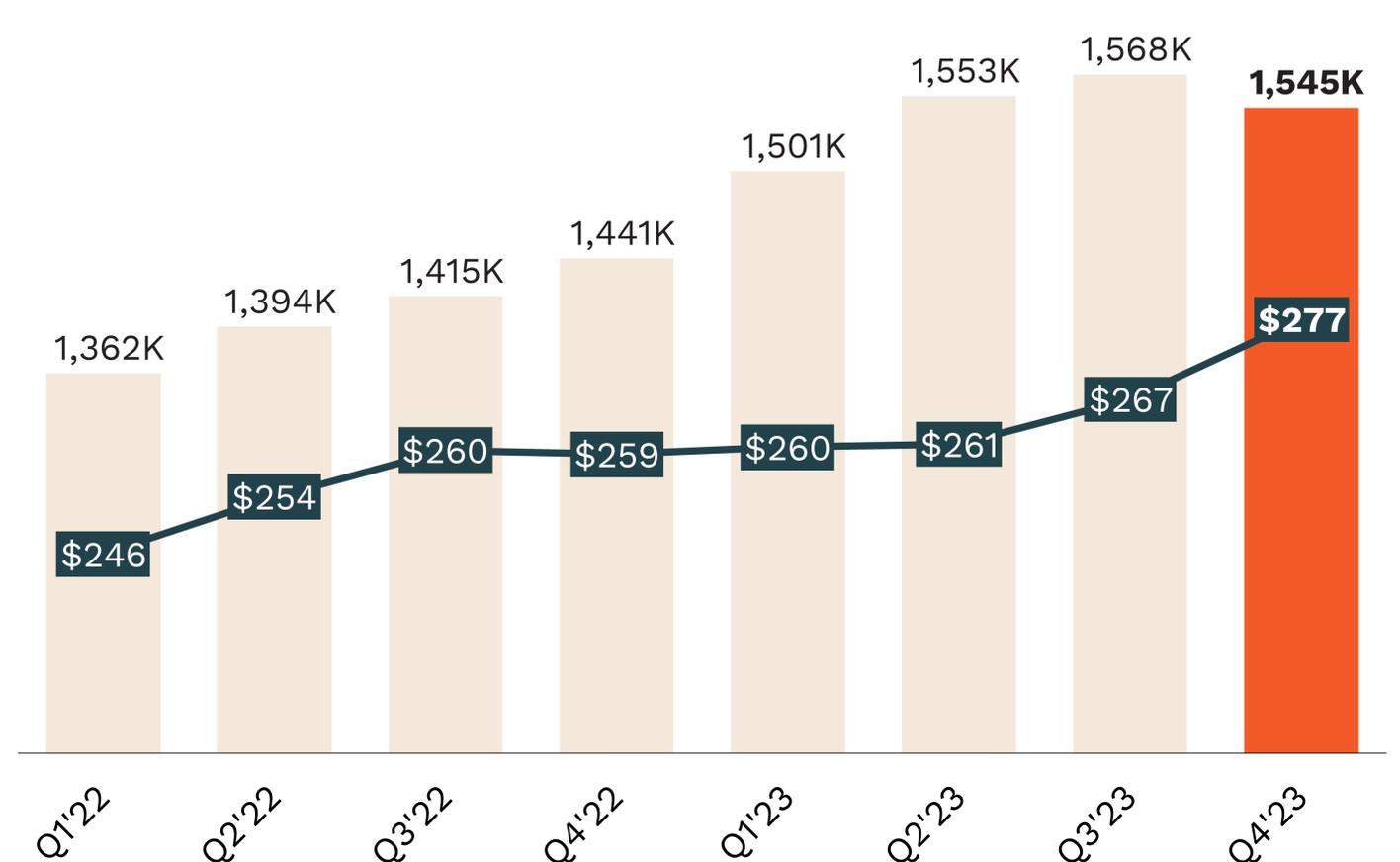
Subscription revenue (% of total revenue)



Year-over-year Growth %							
26%	30%	22%	13%	16%	12%	15%	17%

Subscription Units⁽²⁾

ARPU⁽³⁾



Year-over-year Growth %								
Sub Units	19%	15%	12%	8%	10%	11%	11%	7%

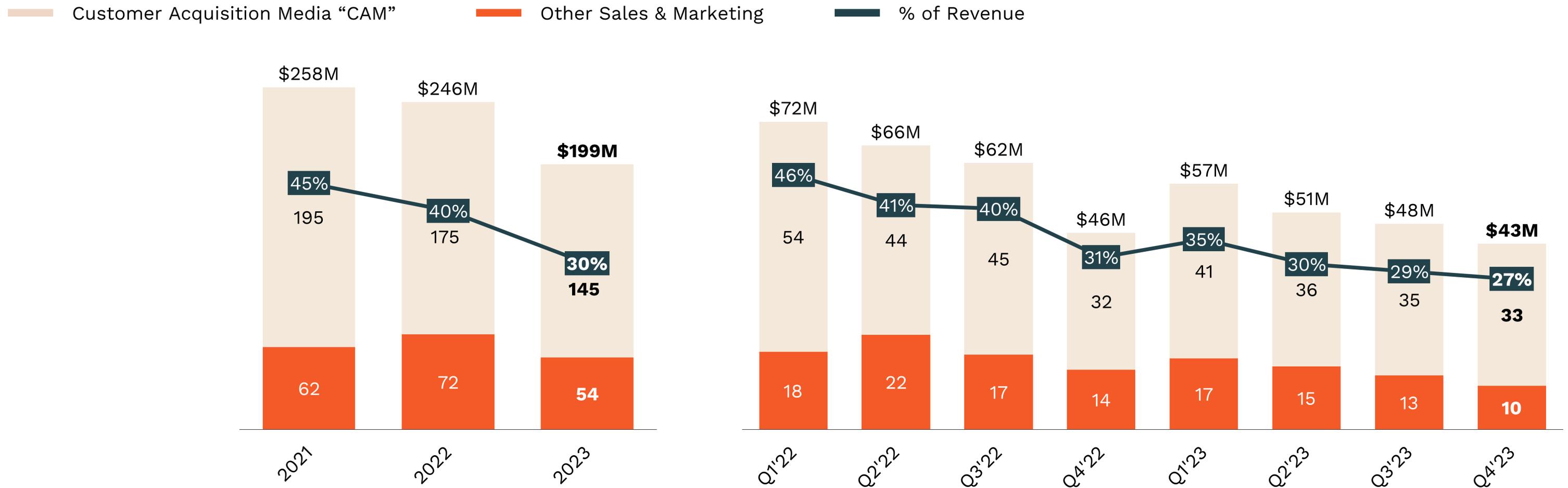
(1) Beginning in the fourth quarter of 2023, we no longer present partner revenue on a standalone basis and partner revenue is now included within transaction and subscription revenue. This change had no impact on total revenue. Prior period disclosures and amounts have been conformed to the current period presentation. (2) We define the number of subscription units in a given period as the paid subscriptions that remain active at the end of such period, including those that are not yet 60 days past their subscription order dates, excluding subscriptions from our employer group legal plan. Refunds, or partial refunds, may be issued under certain circumstances pursuant to the terms of our customer satisfaction guarantee. (3) We define average revenue per subscription unit, or ARPU, as of a given date as subscription revenue for the 12-month period ended on such date, or LTM, divided by the average number of subscription units at the beginning and end of the LTM period, excluding revenue and subscription units from our employer group legal plan.



Driving marketing efficiencies

Leveraging freemium messaging to drive efficient CAM spend

Sales & Marketing⁽¹⁾ (\$M)



Year-over-year Growth %			
Total Sales & Marketing	57%	(4%)	(19%)
CAM	64%	(11%)	(17%)
Other Sales & Marketing	40%	15%	(24%)

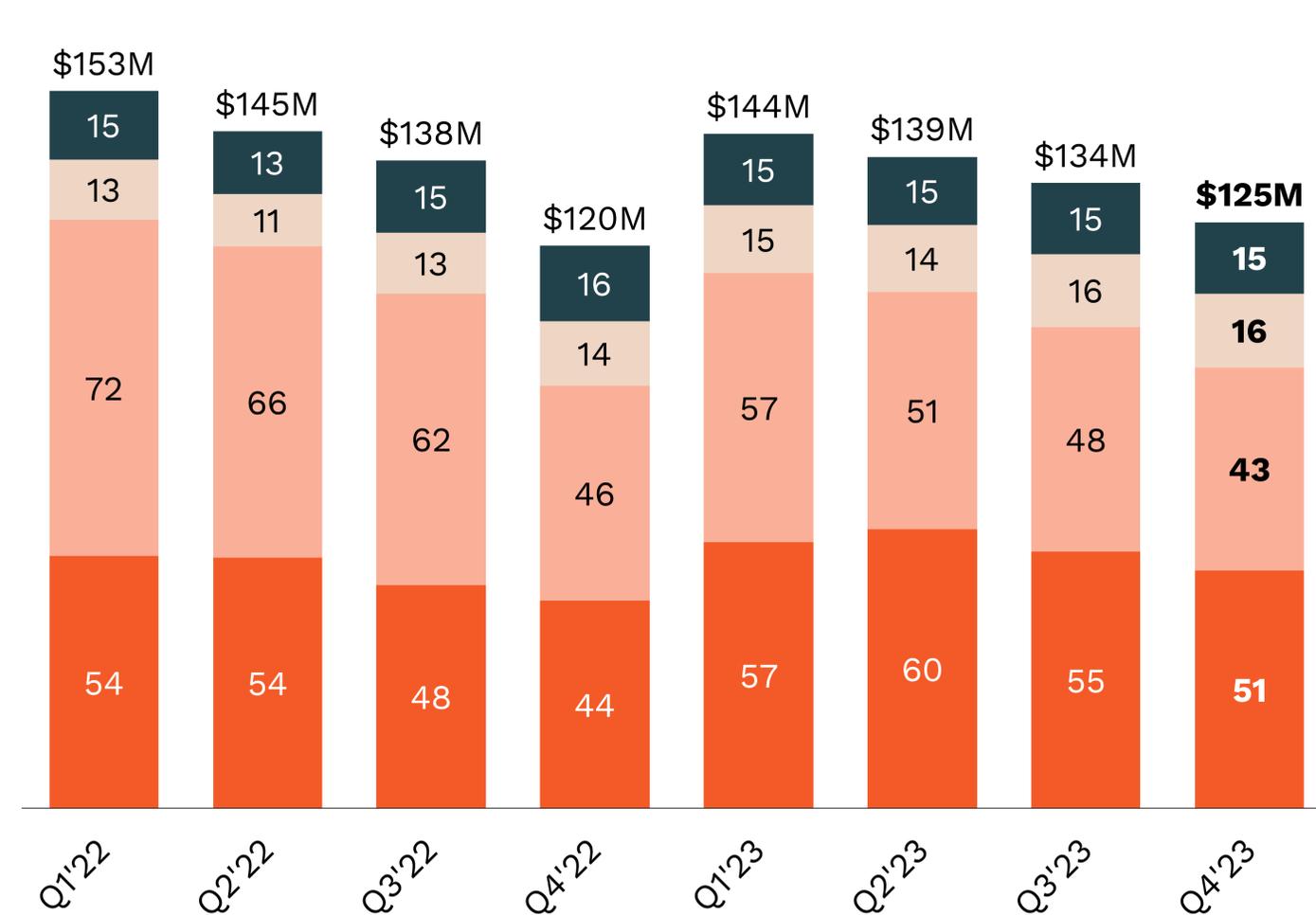
Year-over-year Growth %							
3%	12%	(4%)	(28%)	(20%)	(24%)	(23%)	(6%)
0%	(1%)	(10%)	(33%)	(24%)	(18%)	(21%)	4%
13%	53%	16%	(16%)	(8%)	(34%)	(28%)	(27%)

(1) These are non-GAAP financial measures. Refer to the Appendix for a reconciliation of these measures to the most directly comparable GAAP measures.

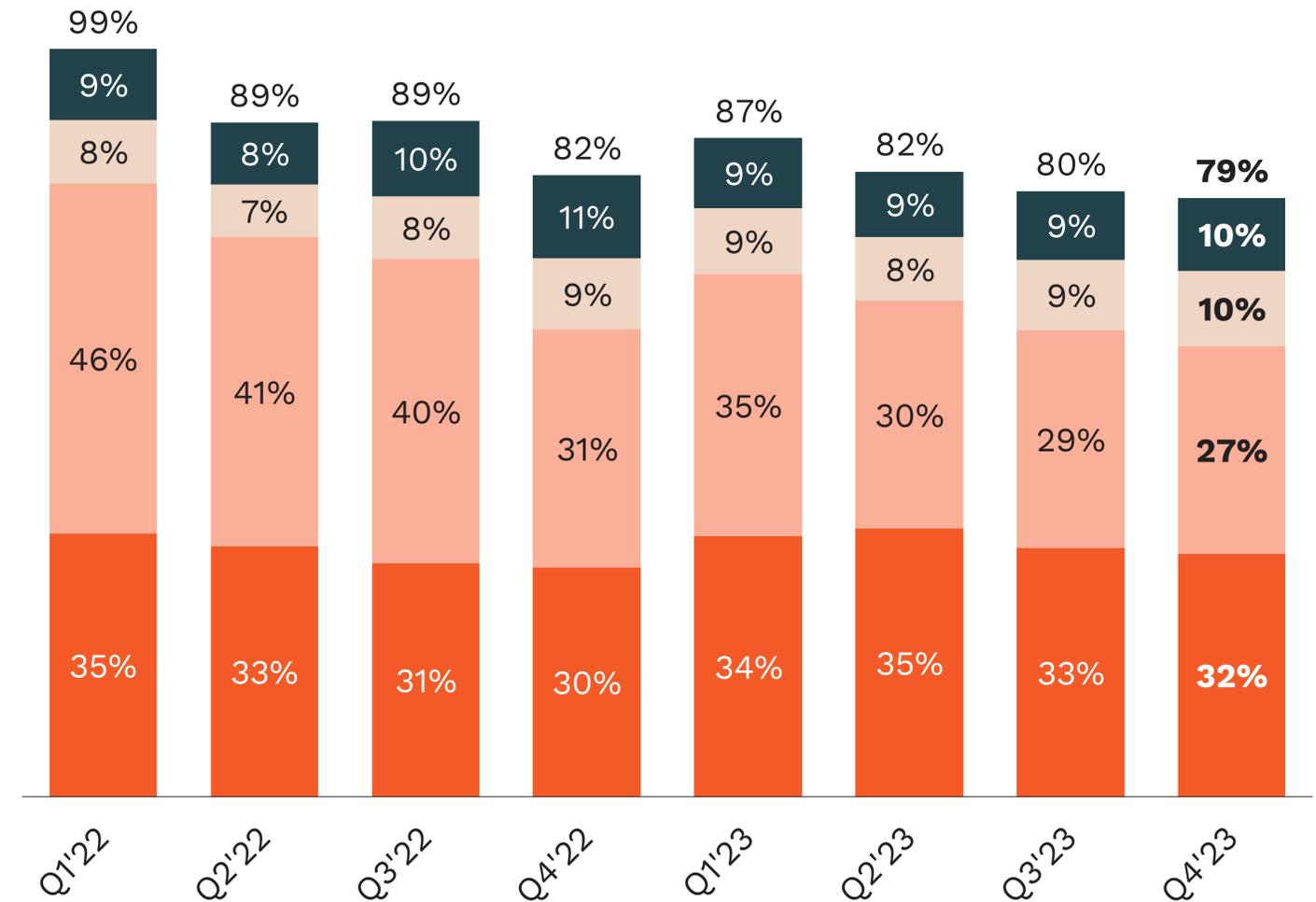


Non-GAAP expenses⁽¹⁾

\$M by Spend Category



% of Revenue by Spend Category



(1) These are non-GAAP financial measures. Refer to the Appendix for a reconciliation of these measures to the most directly comparable GAAP measures.



Q1 and FY24 guidance commentary

Q1 2024

Total Revenue	\$172M - \$176M
Adjusted EBITDA ⁽¹⁾	\$25M - \$27M

FY 2024

Total Revenue	\$700M - \$720M
Adjusted EBITDA ⁽¹⁾	\$135M - \$145M

Full Year Guidance

- 2024 revenue growth of 7% at the midpoint
 - We expect flat to low-single digit growth in the formations macro⁽²⁾ in 2024
- Continued margin expansion; expect 2024 Adjusted EBITDA⁽¹⁾ margin of 20% at the mid-point

(1) This is a non-GAAP financial measure. The Company has not reconciled this forward-looking non-GAAP measure to the most comparable GAAP measure because it is unable to provide a meaningful calculation or estimation of reconciling items and the information is not available without unreasonable effort. This is due to the inherent difficulty of forecasting the timing or amount of various items that would impact the most directly comparable forward-looking GAAP financial measure that have not yet occurred, are out of the Company's control and/or cannot be reasonably predicted. (2) Macro refers to U.S. Census Bureau business formation statistics non-seasonally adjusted business application units.



GAAP and non-GAAP long-term financial targets

GAAP and Non-GAAP Measures	'21A	'22A	'23A	Long-Term Targets ⁽²⁾
Revenue Growth	22%	8%	7%	24% +
Gross Margin (GAAP)	67%	66%	64%	71-73%
Customer Acquisition Marketing (CAM)	34%	28%	22%	18-22%
OpEx (exc. CAM) ⁽¹⁾	26%	29%	26%	21-23%
Adjusted EBITDA Margin ⁽¹⁾	8%	10%	18%	30% +
FCF Margin ⁽¹⁾	7%	8%	14%	25% +

(1) This is a non-GAAP financial measure. Refer to the Appendix for a reconciliation of this measure to the most directly comparable GAAP measure for the historical periods provided above. The Company has not reconciled this forward-looking non-GAAP measure to the most comparable GAAP measure because it is unable to provide a meaningful calculation or estimation of reconciling items and the information is not available without unreasonable effort. This is due to the inherent difficulty of forecasting the timing or amount of various items that would impact the most directly comparable forward-looking GAAP financial measure that have not yet occurred, are out of the Company's control and/or cannot be reasonably predicted. (2) These are not projections; they are goals and are forward-looking, subject to significant business, economic, regulatory and competitive uncertainties and contingencies, many of which are beyond the control of the company and its management, and are based upon assumptions with respect to future decisions, which are subject to change. Actual results will vary and those variations may be material. Please see the Forward-looking statements disclaimer slide at the beginning of this presentation. Nothing in this presentation should be regarded as a representation by any person that these goals will be achieved and the Company undertakes no duty to update its goals.

Appendix



Reconciliation of GAAP expenses to non-GAAP expenses

<i>FYE Dec 31, \$K</i>	2021	2022	2023	Q1'22	Q2'22	Q3'22	Q4'22	Q1'23	Q2'23	Q3'23	Q4'23
Cost of revenue	\$189,364	\$211,095	\$239,263	\$56,182	\$57,151	\$50,314	\$47,448	\$60,395	\$63,749	\$59,123	\$55,907
Stock-based compensation ⁽¹⁾	1,662	2,931	4,318	277	1,331	597	726	874	1,105	1,115	1,224
Depreciation and amortization	6,430	8,581	12,772	2,070	2,184	1,966	2,361	2,622	3,011	3,307	3,832
Other non-recurring items ⁽²⁾	—	—	—	—	—	—	—	—	—	—	—
Non-GAAP cost of revenue	181,272	199,583	222,173	53,835	53,636	47,751	44,361	56,899	59,633	54,791	\$50,851
Sales and marketing	279,281	263,884	210,872	76,874	71,721	67,369	47,920	60,150	53,525	51,071	46,126
Stock-based compensation ⁽¹⁾	15,721	10,144	6,096	3,125	3,536	2,972	511	1,532	1,447	1,623	1,494
Depreciation and amortization	6,017	7,014	5,286	1,875	1,879	1,754	1,506	1,257	1,354	1,400	1,275
Other non-recurring items ⁽²⁾	—	400	—	—	—	400	—	—	—	—	—
Non-GAAP sales and marketing	257,543	246,326	199,490	71,874	66,306	62,243	45,903	57,361	50,724	48,048	43,357
Customer Acquisition Marketing⁽³⁾	195,383	174,636	145,338	53,769	44,137	44,755	31,975	40,745	36,021	35,411	33,131
Technology and development	84,003	70,434	83,181	17,959	16,197	17,457	18,821	19,683	19,900	21,491	22,107
Stock-based compensation ⁽¹⁾	38,726	16,574	18,899	4,298	4,148	3,857	4,271	4,320	4,875	4,706	4,998
Depreciation and amortization	2,361	2,834	4,184	726	692	694	722	858	841	1,168	1,317
Other non-recurring items ⁽²⁾	—	—	—	—	—	—	—	—	—	—	—
Non-GAAP technology and development	42,916	51,026	60,098	12,935	11,357	12,906	13,828	14,505	14,185	15,617	15,792
General and administrative	106,584	116,057	106,352	29,488	28,969	30,103	27,497	26,504	26,936	25,243	27,669
Stock-based compensation ⁽¹⁾	56,487	50,820	36,702	14,165	13,832	12,352	10,471	9,741	11,530	8,138	7,294
Depreciation and amortization	1,878	3,316	3,141	723	784	840	969	832	632	780	898
Other non-recurring items ⁽²⁾	2,577	2,593	6,234	70	1,083	1,440	—	628	107	1,247	4,252
Non-GAAP general and administrative	45,642	59,328	60,275	14,530	13,270	15,471	16,057	15,303	14,667	15,078	15,225

(1) Stock-based compensation expense excludes amounts paid in cash to certain employees as part of a buyback program that concluded in 2022. (2) Includes acquisition-related expenses, restructuring expenses, legal reserves and settlements, and IPO-related costs and other transaction related expenses, as detailed in Reconciliation of Net (Loss) Income to Non-GAAP Net (Loss) Income elsewhere in the appendix. (3) Customer Acquisition Marketing is a component of both GAAP and Non-GAAP sales and marketing expense.



Reconciliation of GAAP expenses to non-GAAP expenses on a % of revenue basis

<i>FYE Dec 31, \$K</i>	2021	2022	2023	Q1'22	Q2'22	Q3'22	Q4'22	Q1'23	Q2'23	Q3'23	Q4'23
Cost of revenue	33%	34%	36%	36%	35%	32%	32%	36%	38%	35%	35%
Stock-based compensation ⁽¹⁾	0%	0%	1%	0%	1%	0%	0%	1%	1%	1%	1%
Depreciation and amortization	1%	1%	2%	1%	1%	1%	2%	2%	2%	2%	2%
Other non-recurring items ⁽²⁾	—	—	—	—	—	—	—	—	—	—	—
Non-GAAP cost of revenue	32%	32%	34%	35%	33%	31%	30%	34%	35%	33%	32%
Sales and marketing	49%	43%	32%	49%	44%	43%	33%	36%	32%	31%	29%
Stock-based compensation ⁽¹⁾	3%	2%	1%	2%	2%	2%	0%	1%	1%	1%	1%
Depreciation and amortization	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%
Other non-recurring items ⁽²⁾	—	0%	—	—	—	0%	—	—	—	—	—
Non-GAAP sales and marketing	45%	40%	30%	46%	41%	40%	31%	35%	30%	29%	27%
Customer Acquisition Marketing⁽³⁾	34%	28%	22%	35%	27%	29%	22%	25%	21%	21%	21%
Technology and development	15%	11%	13%	12%	10%	11%	13%	12%	12%	13%	14%
Stock-based compensation ⁽¹⁾	7%	3%	3%	3%	3%	2%	3%	3%	3%	3%	3%
Depreciation and amortization	0%	0%	1%	0%	0%	0%	0%	1%	0%	1%	1%
Other non-recurring items ⁽²⁾	—	—	—	—	—	—	—	—	—	—	—
Non-GAAP technology and development	7%	8%	9%	8%	7%	8%	9%	9%	8%	9%	10%
General and administrative	19%	19%	16%	19%	18%	19%	19%	16%	16%	15%	17%
Stock-based compensation ⁽¹⁾	10%	8%	6%	9%	9%	8%	7%	6%	7%	5%	5%
Depreciation and amortization	0%	1%	0%	0%	0%	1%	1%	1%	0%	0%	1%
Other non-recurring items ⁽²⁾	0%	0%	1%	0%	1%	1%	—	0%	0%	1%	3%
Non-GAAP general and administrative	8%	10%	9%	9%	8%	10%	11%	9%	9%	9%	10%

(1) Stock-based compensation expense excludes amounts paid in cash to certain employees as part of a buyback program that concluded in 2022. (2) Includes acquisition-related expenses, restructuring expenses, legal reserves and settlements, and IPO-related costs and other transaction related expenses, as detailed in Reconciliation of Net (Loss) Income to Non-GAAP Net (Loss) Income elsewhere in the appendix. (3) Customer Acquisition Marketing is a component of both GAAP and Non-GAAP sales and marketing expense.



Reconciliation of GAAP expenses to non-GAAP expenses on a year-over-year % basis

<i>FYE Dec 31, \$K</i>	2021	2022	2023	Q1'22	Q2'22	Q3'22	Q4'22	Q1'23	Q2'23	Q3'23	Q4'23
Cost of revenue	23%	11%	13%	28%	15%	6%	(2%)	7%	12%	18%	18%
Stock-based compensation ⁽¹⁾	1,439%	76%	47%	889%	88%	(23%)	391%	216%	(17%)	87%	69%
Depreciation and amortization	(23%)	33%	49%	23%	56%	40%	21%	27%	38%	68%	62%
Other non-recurring items ⁽²⁾	—	—	—	—	—	—	—	—	—	—	—
Non-GAAP cost of revenue	24%	10%	11%	27%	12%	6%	(4%)	6%	11%	15%	15%
Sales and marketing	63%	(6%)	(20%)	8%	10%	(7%)	(31%)	(22%)	(25%)	(24%)	(4%)
Stock-based compensation ⁽¹⁾	1,603%	(35%)	(40%)	1783%	(31%)	(53%)	(87%)	(51%)	(59%)	(45%)	192%
Depreciation and amortization	(13%)	17%	(25%)	27%	42%	25%	(17%)	(33%)	(28%)	(20%)	(15%)
Other non-recurring items ⁽²⁾	—	—	(100%)	—	—	—	—	—	—	(100%)	—
Non-GAAP sales and marketing	57%	(4%)	(19%)	3%	12%	(4%)	(28%)	(20%)	(24%)	(23%)	(6%)
Customer Acquisition Marketing⁽³⁾	64%	(11%)	(17%)	0%	(1%)	(10%)	(33%)	(24%)	(18%)	(21%)	4%
Technology and development	101%	(16%)	18%	71%	(43%)	(35%)	3%	10%	23%	23%	17%
Stock-based compensation ⁽¹⁾	1,481%	(57%)	14%	767%	(76%)	(73%)	(31%)	1%	18%	22%	17%
Depreciation and amortization	(16%)	20%	48%	24%	18%	29%	11%	18%	22%	68%	82%
Other non-recurring items ⁽²⁾	—	—	—	—	—	—	—	—	—	—	—
Non-GAAP technology and development	17%	19%	18%	37%	11%	9%	22%	12%	25%	21%	14%
General and administrative	109%	9%	(8%)	124%	(14%)	7%	(12%)	(10%)	(7%)	(16%)	1%
Stock-based compensation ⁽¹⁾	500%	(10%)	(28%)	358%	(35%)	(25%)	(32%)	(31%)	(17%)	(34%)	(30%)
Depreciation and amortization	(9%)	77%	(5%)	70%	119%	94%	47%	15%	(19%)	(7%)	(7%)
Other non-recurring items ⁽²⁾	(19%)	1%	140%	—	71%	549%	(100%)	797%	(90%)	(13%)	—
Non-GAAP general and administrative	26%	30%	2%	51%	16%	41%	19%	5%	11%	(2%)	(5%)

(1) Stock-based compensation expense excludes amounts paid in cash to certain employees as part of a buyback program that concluded in 2022. (2) Includes acquisition-related expenses, restructuring expenses, legal reserves and settlements, and IPO-related costs and other transaction related expenses, as detailed in Reconciliation of Net (Loss) Income to Non-GAAP Net (Loss) Income elsewhere in the appendix. (3) Customer Acquisition Marketing is a component of both GAAP and Non-GAAP sales and marketing expense.



Reconciliation of GAAP gross profit to non-GAAP gross profit

<i>FYE Dec 31, \$K</i>	2021	2022	2023	Q1'22	Q2'22	Q3'22	Q4'22	Q1'23	Q2'23	Q3'23	Q4'23
Gross profit	\$385,716	\$408,884	\$421,464	\$99,245	\$105,498	\$104,963	\$ 99,178	\$105,541	\$105,106	\$108,061	\$102,756
Cost of revenue stock-based compensation ⁽¹⁾	1,662	2,931	4,318	277	1,331	597	726	874	1,105	1,115	1,224
Cost of revenue depreciation & amortization	6,430	8,581	12,772	2,070	2,184	1,966	2,361	2,622	3,011	3,307	3,832
Non-GAAP gross profit⁽²⁾	\$393,808	\$420,396	\$438,554	\$101,592	\$109,013	\$107,526	\$ 102,265	\$109,037	\$109,222	\$112,483	\$107,812
<i>Gross profit margin⁽²⁾</i>	67%	66%	64%	64%	65%	68%	68%	64%	62%	65%	65%
<i>Non-GAAP gross profit margin⁽²⁾</i>	68%	68%	66%	65%	67%	69%	70%	66%	65%	67%	68%

(1) Stock-based compensation expense excludes amounts paid in cash to certain employees as part of a buyback program that concluded in 2022. (2) We define non-GAAP gross profit as gross profit adjusted to exclude amortization of acquired intangible assets from our business combinations, non-cash stock-based compensation expense, losses from impairments of goodwill, long-lived and other assets, and other non-recurring expenses associated with our cost of revenue. Our non-GAAP gross profit financial measure differs from GAAP in that it excludes certain items of income and expense. We define gross profit margin as gross profit as a percentage of revenue. We define non-GAAP gross profit margin as non-GAAP gross profit as a percentage of revenue.



Reconciliation of GAAP net (loss) income to Adjusted EBITDA

<i>FYE Dec 31, \$K</i>	2021	2022	2023	Q1'22	Q2'22	Q3'22	Q4'22	Q1'23	Q2'23	Q3'23	Q4'23
Net (loss) income	(\$108,664)	(\$48,733)	\$13,953	(\$25,753)	(\$12,743)	(\$11,981)	\$1,744	(\$2,358)	\$1,395	\$7,534	\$7,382
Interest expense (income), net	27,984	(1,543)	(8,814)	53	(29)	(535)	(1,032)	(1,581)	(2,152)	(2,623)	(2,457)
Provision for (benefit from) income taxes	(10,951)	1,060	17,541	(920)	(639)	(223)	2,842	3,837	6,127	4,463	3,114
Depreciation and amortization	16,686	21,745	25,383	5,394	5,539	5,254	5,558	5,569	5,837	6,655	7,322
Other (income) expense, net	(1,193)	4,477	(1,621)	1,544	2,022	2,536	(1,625)	(694)	(625)	882	(1,185)
Stock-based compensation ⁽¹⁾	112,596	80,469	66,015	21,865	22,847	19,778	15,979	16,467	18,956	15,582	15,010
Loss on debt extinguishment	7,748	—	—	—	—	—	—	—	—	—	—
Impairment of goodwill, long-lived & other assets	924	237	—	—	—	237	—	—	—	—	—
Impairment of other equity security ⁽²⁾	—	3,000	—	—	—	—	3,000	—	—	—	—
Acquisition or transaction related expenses	1,356	758	—	30	92	636	—	—	—	—	—
Restructuring costs ⁽³⁾	—	1,795	4,666	—	991	804	—	628	107	68	3,863
Legal reserves and settlements ⁽⁴⁾	—	40	—	40	—	—	—	—	—	—	—
IPO-related costs ⁽⁵⁾	852	—	—	—	—	—	—	—	—	—	—
Certain other non-recurring expenses ⁽⁶⁾	369	400	1,568	—	—	400	—	—	—	1,179	389
Adjusted EBITDA	\$47,707	\$63,705	\$118,691	\$2,253	\$18,080	\$16,906	\$26,466	\$21,868	\$29,645	\$33,740	\$33,438
Revenue	575,080	619,979	660,727	155,427	162,649	155,277	146,626	165,936	168,854	167,274	158,663
<i>Adjusted EBITDA margin</i>	<i>8%</i>	<i>10%</i>	<i>18%</i>	<i>1%</i>	<i>11%</i>	<i>11%</i>	<i>18%</i>	<i>13%</i>	<i>18%</i>	<i>20%</i>	<i>21%</i>

(1) Stock-based compensation expense excludes amounts paid in cash to certain employees as part of a buyback program that concluded in 2022. (2) In December 2022, we fully impaired our investment in Mylo and incurred a loss of \$3.0 million as the fair value of our investment was determined to be zero based upon an observable sale of their common equity. (3) Restructuring costs relate to certain one-time severance events for different components of our business. For 2022, we incurred restructuring costs related to the reduction of our U.S. headcount. For 2023, we incurred restructuring costs related to the reduction of our U.S. and U.K. headcount. (4) Legal reserves and settlements include costs accrued or paid for potential litigation settlements, and are net of insurance recoveries, if any. (5) IPO-related costs include certain non-recurring expenses which occurred in connection with our IPO in 2021. (6) In 2021, certain other non-recurring expenses consisted of the early termination of our U.K. lease agreement. In 2022, certain other non-recurring expenses consisted of compensation expense was recorded in sales and marketing expenses related to the departure of a member of management. In 2023, certain other non-recurring expenses restructuring expenses included costs incurred by the Company in conjunction with the secondary offerings by a selling stockholder in September 2023 and November 2023.



Reconciliation of GAAP net (loss) income to non-GAAP net (loss) income

<i>FYE Dec 31, \$K</i>	2021	2022	2023	Q1'22	Q2'22	Q3'22	Q4'22	Q1'23	Q2'23	Q3'23	Q4'23
Net (loss) income	(\$108,664)	(\$48,733)	\$13,953	(\$25,753)	(\$12,743)	(\$11,981)	\$1,744	(\$2,358)	\$1,395	\$7,534	\$7,382
Amortization of acquired intangible assets	1,039	3,532	5,165	670	790	781	1,291	1,291	1,291	1,292	1,291
Stock-based compensation ⁽¹⁾	112,596	80,469	66,015	21,865	22,847	19,778	15,979	16,467	18,956	15,582	15,010
Loss on debt extinguishment	7,748	—	—	—	—	—	—	—	—	—	—
Impairment of goodwill, long-lived & other assets	924	237	—	—	—	237	—	—	—	—	—
Impairment of other equity security ⁽²⁾	—	3,000	—	—	—	—	3,000	—	—	—	—
Acquisition or transaction related expenses	1,356	758	—	30	92	636	—	—	—	—	—
Restructuring costs ⁽³⁾	—	1,795	4,666	—	991	804	—	628	107	68	3,863
Legal reserves and settlements ⁽⁴⁾	—	40	—	40	—	—	—	—	—	—	—
IPO-related costs ⁽⁵⁾	852	—	—	—	—	—	—	—	—	—	—
Certain other non-recurring expenses ⁽⁶⁾	369	400	1,568	—	—	400	—	—	—	1,179	389
Income tax effects	(10,519)	(10,243)	(10,892)	(2,277)	(2,406)	(2,550)	(3,010)	(2,030)	(2,714)	(2,347)	(3,801)
Non-GAAP net (loss) income	\$5,701	\$31,255	\$80,475	(\$5,425)	\$9,571	\$8,105	\$19,004	\$13,998	\$19,035	\$23,308	\$24,134
<i>Net (loss) income margin</i>	<i>(19%)</i>	<i>(8%)</i>	<i>2%</i>	<i>(17%)</i>	<i>(8%)</i>	<i>(8%)</i>	<i>1%</i>	<i>(1%)</i>	<i>1%</i>	<i>5%</i>	<i>5%</i>
<i>Non-GAAP net (loss) income margin</i>	<i>1%</i>	<i>5%</i>	<i>12%</i>	<i>(3%)</i>	<i>6%</i>	<i>5%</i>	<i>13%</i>	<i>8%</i>	<i>11%</i>	<i>14%</i>	<i>15%</i>

(1) Stock-based compensation expense excludes amounts paid in cash to certain employees as part of a buyback program that concluded in 2022. (2) In December 2022, we fully impaired our investment in Mylo and incurred a loss of \$3.0 million as the fair value of our investment was determined to be zero based upon an observable sale of their common equity. (3) Restructuring costs relate to certain one-time severance events for different components of our business. For 2022, we incurred restructuring costs related to the reduction of our U.S. headcount. For 2023, we incurred restructuring costs related to the reduction of our U.S. and U.K. headcount. (4) Legal reserves and settlements include costs accrued or paid for potential litigation settlements, and are net of insurance recoveries, if any. (5) IPO-related costs include certain non-recurring expenses which occurred in connection with our IPO in 2021. (6) In 2021, certain other non-recurring expenses consisted of the early termination of our U.K. lease agreement. In 2022, certain other non-recurring expenses consisted of compensation expense was recorded in sales and marketing expenses related to the departure of a member of management. In 2023, certain other non-recurring expenses restructuring expenses included costs incurred by the Company in conjunction with the secondary offerings by a selling stockholder in September 2023 and November 2023.



Reconciliation of net cash provided by operating activities to free cash flow

FYE Dec 31, \$K	2021	2022	2023	Q1'22	Q2'22	Q3'22	Q4'22	Q1'23	Q2'23	Q3'23	Q4'23
Net cash provided by operating activities	\$54,152	\$73,837	\$124,308	\$13,737	\$11,020	\$27,258	\$21,822	\$29,208	\$45,165	\$27,441	\$22,495
Purchase of property and equipment	(11,740)	(22,098)	(31,593)	(4,911)	(5,468)	(6,062)	(5,657)	(7,428)	(7,799)	(7,993)	(8,374)
Free cash flow⁽¹⁾	42,412	51,739	92,715	8,826	5,552	21,196	16,165	21,780	37,366	19,448	14,121
<i>Operating cash flow margin⁽²⁾</i>	9%	12%	19%	9%	7%	18%	15%	18%	27%	16%	14%
<i>Free cash flow margin⁽²⁾</i>	7%	8%	14%	6%	3%	14%	11%	13%	22%	12%	9%

(1) We define free cash flow as cash generated by operations after purchases of property and equipment including capitalized internal-use software. (2) We define operating cash flow margin as net cash provided by operating activities as a percentage of revenue. We define free cash flow margin as free cash flow as a percentage of revenue. We define unlevered free cash flow margin as unlevered free cash flow as a percentage of revenue.

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