August 14, 2025

Evolv Technology Reports Second Quarter Financial Results

— Company Raises Revenue Growth Outlook for 2025 to 27%-30% —

- ***Q2'25 Revenue of $32.5 million, up 29% year-over-year***
- ***Q2'25 Ending ARR[1] of $110.5 million, up 27% year-over-year***
- ***Q2'25 Net Loss of $(40.5) million, with Net Profit Margin of (125)%***
- ***Q2'25 Adjusted EBITDA[2] of $2.0 million, with Adjusted EBITDA Margin[2] of 6%***
- ***Q2'25 Cash Flow from Operations of $2.1 million vs. $(21.6) million in Q2'24***

WALTHAM, Mass.--(BUSINESS WIRE)-- Evolv Technologies Holdings, Inc (NASDAQ: EVLV), a leading security technology company pioneering AI-based solutions designed to help create safer experiences, today announced financial results for the quarter ended June 30, 2025.

“Our second quarter results were marked by strong revenue growth, continued customer acquisition and expansion, and improved visibility that positions us well as we evolve into a more predictable and scalable business," said John Kedzierski, President and Chief Executive Officer of Evolv Technology. "We believe that surpassing 1,000 customers served —and having screened over 3 billion visitors to date—reflects the market’s growing trust in our solutions. Looking ahead, we’re encouraged by the opportunity in the AI-based security screening market and remain focused on delivering consistent, high-quality performance.”

Results for the Second Quarter of 2025

Total revenue for the second quarter of 2025 was $32.5 million, an increase of 29% compared to $25.2 million (as restated) for the second quarter of 2024. Annual Recurring Revenue (“ARR”)[1] was $110.5 million at the end of second quarter of 2025, an increase of 27% compared to $87.0 million (as restated) at the end of the second quarter of 2024. Net loss for the second quarter of 2025 was $(40.5) million, or $(0.25) per basic and diluted share, compared to net income of $3.4 million (as restated), or $0.02 per basic and diluted share, in the second quarter of 2024. Adjusted earnings (loss)[2] for the second quarter of 2025 was $(3.4) million, or $(0.02) per diluted share, compared to adjusted earnings (loss)[2] of $(11.2) million (as restated), or $(0.07) per diluted share (as restated), for the second quarter of 2024. Adjusted EBITDA[2] for the second quarter of 2025 was $2.0 million compared to $(8.0) million (as restated) in the second quarter of 2024. As of June 30, 2025, the Company had cash, cash equivalents and marketable securities of $36.9 million and no debt.

Results for the First Six Months of 2025

Total revenue for the six months ended June 30, 2025 was $64.6 million, an increase of 36% compared to $47.4 million (as restated) for the six months ended June 30, 2024. Net loss for the six months ended June 30, 2025 was $(42.2) million, or $(0.26) per basic and diluted share, compared to $(7.9) million (as restated), or $(0.05) per basic and diluted share, in the six months ended June 30, 2024. Adjusted earnings (loss)[2] for the six months ended June 30, 2025 was $(6.8) million, or $(0.04) per diluted share, compared to adjusted earnings (loss)[2] of $(23.9) million (as restated), or $(0.15) per diluted share (as restated), for the six months ended June 30, 2024. Adjusted EBITDA[2] for the six months ended June 30, 2025 was $3.8 million compared to $(18.3) million (as restated) in the six months ended June 30, 2024.

The following table summarizes the breakdown of recurring and non-recurring revenue[3] for each period presented:

	Three Months Ended June 30,			Six Months Ended June 30,		
	2025	**2024**	**% Change**	**2025**	**2024**	**% Change**
		(Restated)			**(Restated)**	
Recurring revenue	$ 26,678	$ 21,016	27%	$ 52,431	$ 39,977	31%
Non-recurring revenue	5,866	4,208	39%	12,120	7,428	63%
Total revenue	$ 32,544	$ 25,224	29%	$ 64,551	$ 47,405	36%

The following table summarizes operating cash flows for each period presented:

	Six Months Ended June 30,	
	2025	**2024**
		(Restated)
Net loss	$ (42,224)	$ (7,854)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities	37,361	(10,672)
Changes in operating assets and liabilities	4,437	(19,206)
Net cash used in operating activities	$ (426)	$ (37,732)

Company Comments on Outlook for 2025

The Company today commented on its business outlook for 2025. The Company's outlook is based on the current indications for its business, which may change at any time. The Company expects total revenues in 2025 to be between $132 to $135 million, reflecting growth of 27% to 30% compared to 2024. The Company believes that this revenue growth, coupled with a focus on operational efficiency, will drive improved profitability and cash flow. The Company expects to deliver positive full year Adjusted EBITDA[1] in 2025 with Adjusted EBITDA[1] margins in the mid-single digits. The Company expects to be cash flow positive in the fourth quarter of 2025.

Estimate	Issued May 20, 2025	**Issued August 14, 2025**
Total Revenue *(Millions)*	$125-$130	**$132-$135**
Total Revenue Growth Rate	20%-25%	**27%-30%**
Adjusted EBITDA Margin[2]	Low to Mid-Single Digits	**Mid-Single Digits**

Company to Host Live Conference Call and Webcast

The Company’s management team plans to host a live conference call and webcast at 4:30 p.m. Eastern Time today to discuss the financial results as well as management’s outlook for the business. The conference call will be webcast live at http://ir.evolvtechnology.com.

About Evolv Technology

Evolv Technologies Holdings, Inc (NASDAQ: EVLV) is designed to transform human security to make a safer, faster, and better experience for the world's most iconic venues and companies as well as schools, hospitals, and public spaces, using industry leading artificial intelligence (AI)-powered screening and analytics. Its mission is to transform security to create a safer world to live, work, learn, and play. Evolv has digitally transformed the gateways in many places where people gather by enabling seamless integration combined with powerful analytics and insights. Evolv's advanced systems have scanned more than three billion people since 2019. Evolv has been awarded the U.S. Department of Homeland Security (DHS) SAFETY Act Designation as a Qualified Anti-Terrorism Technology (QATT) as well as the Security Industry Association (SIA) 2024 New Products and Solutions (NPS) Award in the Law Enforcement/Public Safety/Guarding Systems category, as well as Sport Business Journal's (SBJ) 2024 awards for "Best In Fan Experience Technology" and "Best In Sports Technology". Evolv®, Evolv Express®, Evolv Insights®, Evolv Visual Gun Detection™, Evolv eXpedite™, and Evolv Eva™ are registered trademarks or trademarks of Evolv Technologies, Inc. in the United States and other jurisdictions. For more information, visit evolv.com.

[1] **We define Annual Recurring Revenue**, or ARR, as subscription revenue and the recurring service revenue related to purchase subscriptions for the final month of the quarter normalized to a one-year period. Our calculation of ARR is not adjusted for the impact of any known or projected future events (such as customer cancellations, upgrades or downgrades, or price increases or decreases) that may cause any such contract not to be renewed on its existing terms. In addition, the amount of actual revenue that we recognize over any 12-month period is likely to differ from ARR at the beginning of that period, sometimes significantly. This may occur due to new bookings, cancellations, upgrades, downgrades or other changes in pending renewals, as well as the effects of professional services revenue and acquisitions or divestitures. As a result, ARR should be viewed independently of, and not as a substitute for or forecast of, revenue and deferred revenue. Our calculation of ARR may differ from similarly titled metrics presented by other companies.

[2] **Non-GAAP Financial Measures** In this press release, the Company's adjusted gross profit (loss), adjusted gross margin, adjusted operating expenses, adjusted operating income (loss), adjusted EBITDA, adjusted EBITDA margin, adjusted earnings (loss), and adjusted earnings per diluted share are not presented in accordance with generally accepted accounting principles (GAAP) and are not intended to be used in lieu of GAAP presentations of results of operations. Adjusted operating expenses is defined as operating expenses less stock-based compensation expense, loss on impairment of lease equipment, non-recurring restructuring and other employee separation costs, and non-recurring legal and regulatory costs, which management believes provides a more meaningful representation of on-going operating expense levels. Non-recurring legal and regulatory costs include non-recurring legal, accounting and professional fees related to the internal investigation, subsequent restatement, certain non-recurring regulatory, litigation and legal matters, as well as fees related to the resolution of the U.S. Federal Trade Commission investigation, net of estimated insurance recoveries. Adjusted gross profit and adjusted gross margin exclude stock-based compensation expense, amortization of capitalized stock-based compensation, loss on impairment of leased equipment, and non-recurring inventory charges, which management believes provides a more meaningful representation of contribution margin. Adjusted operating loss is defined as operating loss, excluding stock-based compensation expense, amortization of capitalized stock-based compensation, loss on impairment of leased equipment, non-recurring restructuring and other employee separation costs, non-recurring inventory charges, and non-recurring legal and regulatory costs, which

management believes provides a more meaningful representation of operating results. Adjusted EBITDA and Adjusted EBITDA margin is defined as net income (loss) plus depreciation and amortization, stock-based compensation, interest expense (income), provision for income taxes, change in fair value of contingent earn-out liability, change in fair value of contingently issuable common stock liability, change in fair value of public warrant liability, loss on impairment of leased equipment, non-recurring restructuring and other employee separation costs, non-recurring inventory charges, and non-recurring legal and regulatory costs. Adjusted earnings (loss) is defined as net income (loss) plus stock-based compensation, amortization of capitalized stock-based compensation, change in fair value of contingent earn-out liability, change in fair value of contingently issuable common stock liability, change in fair value of public warrant liability, loss on impairment of leased equipment, non-recurring restructuring and other employee separation costs, non-recurring inventory charges, and non-recurring legal and regulatory costs. Management presents non-GAAP financial measures because it considers them to be important supplemental measures of performance. Management uses non-GAAP financial measures for planning purposes, including analysis of the Company's performance against prior periods, the preparation of operating budgets and to determine appropriate levels of operating and capital investments. Management also believes non-GAAP financial measures provide additional insight for analysts and investors in evaluating the Company's financial and operating performance. However, non-GAAP financial measures have limitations as an analytical tool and are not intended to be an alternative to financial measures prepared in accordance with GAAP. We intend to provide non-GAAP financial measures as part of our future earnings discussions and, therefore, the inclusion of non-GAAP financial measures will provide consistency in our financial reporting. Investors are encouraged to review the reconciliation of these non-GAAP measures to their most directly comparable GAAP financial measures included in this press release. The Company is unable to provide a reconciliation of Adjusted EBITDA to Net Income (Loss) and Adjusted EBITDA Margin to Net Profit Margin, each measure's most directly comparable GAAP financial measure, on a forward-looking basis without unreasonable effort, because items that impact these GAAP financial measures are not within the Company’s control and/or cannot be reasonably predicted. These items may include, but are not limited to, predicting forward-looking share-based compensation, changes in the fair value of derivative liabilities, changes in the fair value of contingent earn out liabilities, changes in the fair value of contingently issuable common stock liabilities and changes in fair value of public warrant liabilities. Such information may have a significant, and potentially unpredictable, impact on the Company’s future financial results.

[3] **Recurring revenue** includes the recurring portion of revenue associated with pure subscription contracts and hardware purchase subscription contracts. **Non-recurring revenue** includes revenue that is non-recurring in nature, such as product revenue, shipping revenue, and revenue from installation, training, and professional services.

Forward-Looking Statements

This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. 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, as amended and Section 21E of the Securities Exchange Act of 1934, as amended. All statements contained in this press release and related presentation materials other than statements of historical facts, including without limitation statements regarding our strategy, market opportunities, and future financial and operational results. Words such as “believe” “may,” “will,” “expect,” “should,” “could,” “anticipate,” “aim,” “estimate,” “intend,” “plan,” “believe,” “potential,” “continue,” “project,” “plan,” “target,” “forecast”, “is/are likely to” or the negative of these terms or other similar expressions are intended to identify forward-looking statements, though not all forward-looking statements use these words or expressions. The forward-looking statements in this press release and related presentation materials 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 amount of insurance reimbursements expected to be received for defense costs for counsel and consultants in connection with the securities litigation and related Securities and Exchange Commission (the “SEC”) and Department of Justice matters, and the following: our history of losses and ability to reach profitability; our reliance on reseller partners; expectations regarding the Company’s strategies and future financial performance, including its future business plans or objectives, prospective performance and opportunities and competitors, revenues, products and services, pricing, operating expenses, market trends, liquidity, cash flows and uses of cash, capital expenditures; the Company’s reliance on third party contract manufacturing and distribution, and a global supply chain; the Company recognizes a substantial portion of its revenue ratably over the term of its agreements, and, as a result, downturns or upturns in sales may not be immediately reflected in its operating results; the rate of innovation required to maintain competitiveness in the markets in which the Company competes; the competitiveness of the market in which the Company competes; the failure of our products to detect threats could result in injury or loss of life, which could harm our brand, reputation, and results of operations; the loss of designation of our Evolv Express® system as a Qualified Anti-Terrorism Technology under the Homeland Security SAFETY Act; risks related to our business model, which is predicated, in part, on building a customer base that will generate a recurring stream of revenues through the sale of our subscription contracts; the ability for the Company to obtain, maintain, protect and enforce the Company’s intellectual property rights and use of “open source” software; the concentration of the Company’s revenues on a single solution; the Company’s ability to timely design, produce and launch its solutions, the Company’s ability to invest in growth initiatives and pursue acquisition opportunities; the limited liquidity and trading of the Company’s securities; risks related to existing and changing tax laws; geopolitical risk and changes in applicable laws or regulations; the possibility that the Company may be adversely affected by other economic, business, and/or competitive factors; operational risk; risks related to material weaknesses in our internal control over financial reporting and our remediation plans; risks related to increasing attention to and evolving expectations for, environmental, social, and governance initiatives; the impact of fluctuating general economic and market conditions and reductions in spending; the need for additional capital to support business growth, which might not be available on acceptable terms, if at all; and litigation and regulatory enforcement risks, including the diversion of management time and attention and the additional costs and demands on resources. These and other important factors discussed in our most recent report on From 10-Q or 10-K filed with the SEC could cause actual results to differ materially from those indicated by the forward-looking statements made in this press release. The forward-looking statements in this press release and related presentation materials are based upon information available to us as of the date hereof, and while we believe such information forms a reasonable basis for such statements, it 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 review this press release and the documents that we reference in this press release and related presentation materials 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 press release and related presentation materials, whether as a result of any new information, future events or otherwise.

EVOLV TECHNOLOGY
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
(In thousands, except share and per share data)
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Revenue:				
Product revenue	$ 2,528	$ 1,954	$ 4,850	$ 3,445
Subscription revenue	20,200	15,655	39,437	29,874
Service revenue	6,686	5,566	13,416	10,818
License fee and other revenue	3,130	2,049	6,848	3,268
Total revenue	32,544	25,224	64,551	47,405
Cost of revenue:				
Cost of product revenue	5,351	2,839	8,535	5,953
Cost of subscription revenue	8,894	6,309	16,790	11,894
Cost of service revenue	1,710	1,147	3,415	2,345
Cost of license fee and other revenue	371	172	443	301
Total cost of revenue	16,326	10,467	29,183	20,493
Gross profit	16,218	14,757	35,368	26,912
Operating expenses:				
Research and development	4,737	5,850	9,599	12,246
Sales and marketing	11,736	16,357	22,779	32,216
General and administrative	17,238	14,061	32,210	25,867
Restructuring costs	—	860	2,662	860
Total operating expenses	33,711	37,128	67,250	71,189
Loss from operations	(17,493)	(22,371)	(31,882)	(44,277)
Other (expense) income, net:				
Interest expense	—	—	(1)	—
Interest income	224	681	613	1,766
Other income (expense), net	136	(39)	161	(67)
Change in fair value of contingent earn-out liability	(14,200)	16,514	(5,224)	23,413
Change in fair value of contingently issuable common stock liability	(3,900)	3,747	(2,247)	4,274
Change in fair value of public warrant liability	(5,303)	4,886	(3,582)	7,037
Total other (expense) income, net	(23,043)	25,789	(10,280)	36,423
(Loss) income before income taxes	(40,536)	3,418	(42,162)	(7,854)
(Benefit) provision for income taxes	(1)	—	$ 62	$ —
Net (loss) income	$ (40,535)	$ 3,418	$ (42,224)	$ (7,854)
Net (loss) income attributable to common stockholders – basic and diluted	$ (40,535)	$ 3,377	$ (42,224)	$ (7,854)
Weighted average common shares outstanding				
Basic	165,252,554	156,473,080	163,042,749	154,774,899
Diluted	165,252,554	171,563,943	163,042,749	154,774,899
Net loss per share				
Basic	$ (0.25)	$ 0.02	$ (0.26)	$ (0.05)
Diluted	$ (0.25)	$ 0.02	$ (0.26)	$ (0.05)
Net (loss) income	$ (40,535)	$ 3,418	$ (42,224)	$ (7,854)
Other comprehensive (loss) income				
Cumulative translation adjustment	(85)	8	(131)	11
Total other comprehensive (loss) income	(85)	8	(131)	11
Total comprehensive (loss) income	$ (40,620)	$ 3,426	$ (42,355)	$ (7,843)

EVOLV TECHNOLOGY
CONDENSED CONSOLIDATED BALANCE SHEETS
(In thousands, except share and per share data)
(Unaudited)

	June 30, 2025	December 31, 2024
Assets		
Current assets:		
Cash and cash equivalents	$ 36,942	$ 37,015
Marketable securities	—	14,927
Accounts receivable, net	41,802	28,392
Inventory	12,142	16,963
Current portion of contract assets	847	799
Current portion of commission asset	5,592	5,429
Prepaid expenses and other current assets	35,756	17,921
Total current assets	133,081	121,446
Contract assets, noncurrent	845	657
Commission asset, noncurrent	7,331	7,567
Property and equipment, net	125,478	123,661
Operating lease right-of-use assets	13,149	13,993
Other assets	538	735
Total assets	$ 280,422	$ 268,059
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	$ 11,804	$ 10,492
Accrued expenses and other current liabilities	38,170	19,508
Current portion of deferred revenue	72,164	64,506
Current portion of operating lease liabilities	2,716	2,203
Current portion of contingent earn-out liability	18,033	—
Total current liabilities	142,887	96,709
Deferred revenue, noncurrent	19,208	20,266
Operating lease liabilities, noncurrent	11,550	12,326
Contingent earn-out liability, non-current	—	12,809
Contingently issuable common stock liability	6,248	4,001
Public warrant liability	7,879	4,297
Total liabilities	187,772	150,408
Stockholders' equity:		
Preferred stock, $0.0001 par value; 100,000,000 authorized at June 30, 2025 and December 31, 2024; no shares issued and outstanding at June 30, 2025 and December 31, 2024	—	—
Common stock, $0.0001 par value; 1,100,000,000 shares authorized at June 30, 2025 and December 31, 2024; 170,626,362 and 159,602,069 shares issued and outstanding at June 30, 2025 and December 31, 2024, respectively	17	16
Additional paid-in capital	489,684	472,331
Accumulated other comprehensive loss	(163)	(32)
Accumulated deficit	(396,888)	(354,664)
Stockholders' equity	92,650	117,651
Total liabilities and stockholders' equity	$ 280,422	$ 268,059

EVOLV TECHNOLOGY
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)
(Unaudited)

	Six Months Ended June 30, 2025	Six Months Ended June 30, 2024
Cash flows from operating activities:		
Net loss	$ (42,224)	$ (7,854)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	11,318	7,358
Write-off of inventory and change in inventory reserve	1,794	1,725
Loss on disposal of property and equipment	1,633	—
Stock-based compensation	10,426	13,857
Amortization of premium on marketable securities, net of change in accrued interest	127	181
Non-cash lease expense	844	728
Change in allowance for expected credit losses	166	203
Change in fair value of earn-out liability	5,224	(23,413)
Change in fair value of contingently issuable common stock	2,247	(4,274)
Change in fair value of public warrant liability	3,582	(7,037)
Changes in operating assets and liabilities		
Accounts receivable	(13,325)	(14,067)
Inventory	6,141	(10,042)
Commission assets	73	(521)
Contract assets	(236)	237
Other assets	197	337
Prepaid expenses and other current assets	(18,849)	(2,957)
Accounts payable	6,120	(1,653)
Deferred revenue	6,205	10,271
Accrued expenses and other current liabilities	18,374	(46)
Operating lease liability	(263)	(765)
Net cash used in operating activities	(426)	(37,732)
Cash flows from investing activities:		
Development of internal-use software	(3,112)	(3,112)
Purchases of property and equipment	(15,299)	(21,618)
Purchases of marketable securities	(9,875)	(14,567)
Proceeds from maturities of marketable securities	24,675	44,918
Net cash (used in) provided by investing activities	(3,611)	5,621
Cash flows from financing activities:		
Proceeds from exercise of stock options	4,095	636
Net cash provided by financing activities	4,095	636
Effect of exchange rate changes on cash and cash equivalents	(131)	11
Net decrease in cash, cash equivalents and restricted cash	(73)	(31,464)
Cash, cash equivalents and restricted cash		
Cash, cash equivalents and restricted cash at beginning of period	37,015	67,437
Cash, cash equivalents and restricted cash at end of period	$ 36,942	$ 35,973

EVOLV TECHNOLOGY
SUMMARY OF KEY OPERATING STATISTICS
(Unaudited)

($ in thousands)	Three Months Ended or as of, March 31, 2024	June 30, 2024	September 30, 2024	December 31, 2024	March 31, 2025	June 30, 2025
New customers	53	84	52	60	54	63
Annual recurring revenue	$ 79,192	$ 87,011	$ 93,676	$ 99,351	$ 105,990	$ 110,516
Recurring revenue	$ 18,961	$ 21,016	$ 23,764	$ 23,678	$ 25,753	$ 26,678

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EVOLV TECHNOLOGY
RECONCILIATION OF GAAP OPERATING EXPENSES TO ADJUSTED OPERATING EXPENSES
(In thousands)
(Unaudited)

	Three Months Ended,					
	March 31, 2024	June 30, 2024	September 30, 2024	December 31, 2024	March 31, 2025	June 30, 2025
	(Restated)	(Restated)				
Operating expenses, GAAP	$ 34,061	$ 37,128	$ 34,961	$ 35,619	$ 33,539	$ 33,711
Stock-based compensation	(6,292)	(7,254)	(7,263)	(3,159)	(4,660)	(5,265)
Loss on impairment of leased equipment	—	—	(209)	(15)	—	—
Non-recurring restructuring and other employee separation costs	—	(1,000)	—	(2,060)	(2,137)	(827)
Other non-recurring legal and regulatory costs	(476)	(2,185)	(2,339)	(7,284)	(3,561)	(5,979)
Adjusted operating expenses	$ 27,293	$ 26,689	$ 25,150	$ 23,101	$ 23,181	$ 21,640

EVOLV TECHNOLOGY
RECONCILIATION OF GAAP GROSS PROFIT TO ADJUSTED GROSS PROFIT, GAAP GROSS MARGIN TO ADJUSTED GROSS MARGIN AND GAAP INCOME (LOSS) FROM OPERATIONS TO ADJUSTED INCOME (LOSS) FROM OPERATIONS
(In thousands)
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
		(Restated)		(Restated)
Revenue	$ 32,544	$ 25,224	$ 64,551	$ 47,405
Cost of revenue	16,326	10,467	29,183	20,493
Gross profit, GAAP	16,218	14,757	35,368	26,912
Stock-based compensation	282	173	501	311
Amortization of capitalized stock-based compensation	107	15	210	29
Loss on disposal of leased equipment	1,255	—	1,255	—
Non-recurring restructuring and other employee separation costs	6	—	6	—
Non-recurring inventory charges	—	(68)	—	1,136
Adjusted gross profit	$ 17,868	$ 14,877	$ 37,340	$ 28,388
Gross margin %	49.8%	58.5%	54.8%	56.8%
Adjusted gross margin %	54.9%	59.0%	57.8%	59.9%

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
		(Restated)		(Restated)
Loss from operations, GAAP	$ (17,493)	$ (22,371)	$ (31,882)	$ (44,277)
Stock-based compensation	5,547	7,427	10,426	13,857
Amortization of capitalized stock-based compensation	107	15	210	29
Loss on disposal of leased equipment	1,255	—	1,255	—
Non-recurring restructuring and other employee separation costs	833	1,000	2,970	1,000
Non-recurring inventory charges	—	(68)	—	1,136
Other non-recurring legal and regulatory costs	5,979	2,185	9,540	2,661
Adjusted loss from operations	$ (3,772)	$ (11,812)	$ (7,481)	$ (25,594)

EVOLV TECHNOLOGY
RECONCILIATION OF GAAP NET INCOME (LOSS) TO ADJUSTED EBITDA AND NET PROFIT MARGIN TO ADJUSTED EBITDA MARGIN
(In thousands)
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
		(Restated)		(Restated)
Net (loss) income	$ (40,535)	$ 3,418	$ (42,224)	$ (7,854)
Depreciation & amortization	5,788	3,901	11,318	7,358
Stock-based compensation	5,547	7,427	10,426	13,857
Interest expense (income)	(224)	(681)	(612)	(1,766)
Provision for income taxes	(1)	—	62	—
Change in fair value of contingent earn-out liability	14,200	(16,514)	5,224	(23,413)
Change in fair value of contingently issuable common stock liability	3,900	(3,747)	2,247	(4,274)
Change in fair value of public warrant liability	5,303	(4,886)	3,582	(7,037)
Loss on disposal of leased equipment	1,255	—	1,255	—
Non-recurring restructuring and other employee separation costs	833	1,000	2,970	1,000
Non-recurring inventory charges	—	(68)	—	1,136
Other non-recurring legal and regulatory costs	5,979	2,185	9,540	2,661
Adjusted EBITDA	$ 2,045	$ (7,965)	$ 3,788	$ (18,332)
Net profit margin %	(124.6)%	13.6%	(65.4)%	(16.6)%
Impact of adjustments from Net loss to Adjusted EBITDA	130.8%	(45.2)%	71.3%	(22.1)%
Adjusted EBITDA margin %	6.3%	(31.6)%	5.9%	(38.7)%

EVOLV TECHNOLOGY
RECONCILIATION OF GAAP NET INCOME (LOSS) TO ADJUSTED EARNINGS (LOSS)
(In thousands, except share and per share data)
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
		(Restated)		(Restated)
Net (loss) income	$ (40,535)	$ 3,418	$ (42,224)	$ (7,854)
Stock-based compensation	5,547	7,427	10,426	13,857
Amortization of capitalized stock-based compensation	107	15	210	29
Change in fair value of contingent earn-out liability	14,200	(16,514)	5,224	(23,413)
Change in fair value of contingently issuable common stock liability	3,900	(3,747)	2,247	(4,274)
Change in fair value of public warrant liability	5,303	(4,886)	3,582	(7,037)
Loss on disposal of leased equipment	1,255	—	1,255	—
Non-recurring restructuring and other employee separation costs	833	1,000	2,970	1,000
Non-recurring inventory charges	—	(68)	—	1,136
Other non-recurring legal and regulatory costs	5,979	2,185	9,540	2,661
Adjusted loss	$ (3,411)	$ (11,170)	$ (6,770)	$ (23,895)
Weighted average common shares outstanding – diluted	165,252,554	171,563,943	163,042,749	154,774,899
Adjusted loss per share – diluted	$ (0.02)	$ (0.07)	$ (0.04)	$ (0.15)

*Stock-based compensation, amortization of capitalized stock-based compensation, and non-recurring restructuring and other employee separation costs were recorded in the condensed consolidated statements of operations and comprehensive loss (income) as follows. Prior period amounts are being shown for comparative purposes:

	Three Months Ended,					
	March 31, 2024	**June 30, 2024**	**September 30, 2024**	**December 31, 2024**	**March 31, 2025**	**June 30, 2025**
Stock-based compensation:						
Cost of product revenue	$ —	$ 5	$ 4	$ 8	$ 8	$ 17
Cost of subscription revenue	91	110	169	154	137	167
Cost of service revenue	44	51	63	61	67	74
Cost of license fee and other revenue	3	7	8	10	7	24
Research and development	902	1,222	1,243	1,153	1,115	1,154
Sales and marketing	2,959	2,724	2,516	2,747	1,048	1,710
General and administrative	2,431	3,308	3,504	(741)	1,972	2,401
Restructuring costs	—	—	—	—	525	—
Total stock-based compensation	$ 6,430	$ 7,427	$ 7,507	$ 3,392	$ 4,879	$ 5,547
Amortization of capitalized stock-based compensation:						
Cost of subscription revenue	$ 8	$ 8	$ 13	$ 47	$ 59	$ 60
Cost of service revenue	6	7	10	38	44	47
Total amortization of capitalized stock-based compensation	$ 14	$ 15	$ 23	$ 85	$ 103	$ 107
Non-recurring restructuring and other employee separation costs:						
Cost of service revenue	$ —	$ —	$ —	$ —	$ —	$ 6
Research and development	—	—	—	—	—	31
Sales and marketing	—	140	—	63	—	613
General and administrative	—	—	—	1,997	—	183
Restructuring costs	—	860	—	—	2,137	—
Total non-recurring restructuring and other employee separation costs	$ —	$ 1,000	$ —	$ 2,060	$ 2,137	$ 833

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