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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended September 30, 2026

or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _____ to _____

Commission File Number: 001-39799

Certara, Inc.

(Exact name of registrant as specified in its charter)

Delaware	82-2180925
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification Number)**

4 Radnor Corporate Center
Suite 350
Radnor, Pennsylvania 19087
(Address of Principal Executive Offices)
(415) 237-8272

(Registrant's telephone number)

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

Title of Each Class	Trading Symbol	Name of Exchange on which registered
Common stock, par value $0.01 per share	**CERT**	**The Nasdaq Stock Market LLC**

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐		
Non-accelerated filer	☐	Smaller reporting company	☐	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. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of November 1, 2026, the registrant had 152,543,402 shares of common stock, par value $0.01 per share, outstanding.

Certara, Inc.

Unless otherwise indicated, references to the "Company," "Certara," "we," "us," and "our" refer to Certara, Inc. and its consolidated subsidiaries.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q (this "Quarterly Report") contains "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), which are subject to the "safe harbor" created by those sections. All statements (other than statements of historical facts) in this Quarterly Report regarding the prospects of the industry and our prospects, plans, financial position and business strategy may constitute forward-looking statements. In addition, forward-looking statements generally can be identified by the use of forward-looking terminology such as "may," "should," "expect," "might," "intend," "will," "estimate," "anticipate," "plan," "seek," "believe," "predict," "potential," "continue," "suggest," "project," "future," "likely" or "target" or the negatives of these terms or variations of them or similar terminology. Although we believe that the expectations reflected in these forward-looking statements are reasonable, we cannot provide any assurance that these expectations will prove to be correct. Such statements reflect the current views of our management with respect to our operations, results of operations and future financial performance and are subject to various risks and uncertainties. Accordingly, there are or will be important factors that could cause actual outcomes or results to differ materially from those indicated in these statements. The following factors are among those that may cause actual results to differ materially from the forward-looking statements:

- Our ability to realize the expected benefits of the divestiture of our regulatory medical writing business.
- Deceleration in, or resistance to, the acceptance of model-informed biopharmaceutical discovery and development could reduce the demand for our products and services.
- We compete in a competitive and highly fragmented market.
- Changes or delays in government regulation relating to the biopharmaceutical industry could decrease the need for some of the services we provide.
- Reduction in research and development ("R&D") spending by our customers, as well as delays in the drug discovery and development process, may reduce demand for our products and services.
- Operational disruptions, funding constraints and policy changes at the FDA and other government agencies could adversely affect regulatory activity and our business.
- Consolidation within the biopharmaceutical industry may reduce the pool of potential customers for our products and services or reduce the number of licenses for our software products.
- Our continued revenue growth depends on our ability to successfully increase our customer base, expand our relationships and the products and services we provide, and enter new markets.
- We depend on key personnel and may not be able to retain these employees or recruit additional qualified personnel, which could harm our business.
- If our independent contractors are characterized as employees, we could be subject to material adverse effects on our business and employment and withholding liabilities.
- Delays or defects in the release of new or enhanced software or other biosimulation tools may result in increased cost to us, delayed market acceptance of our products, diminished demand for our products, delayed or lost revenue, and liability.
- Issues relating to the implementation, use and development of artificial intelligence ("AI") and machine learning in our products and services may result in reputational harm, regulatory action, or legal liability,

and any failure to adapt to such technological developments or industry trends could adversely affect the competitiveness of our business.

- If our existing customers do not renew their software licenses, do not buy additional solutions from us or renew at lower prices, our business and operating results will suffer.
- We have government customers and have received government grants, which subject us to risks including early termination, audits, investigations, sanctions, or penalties.
- We regularly evaluate potential acquisitions and other strategic transactions that we deem beneficial and strategic to our long-term growth and profitability, which could divert our management's attention, result in additional dilution to our stockholders, and otherwise disrupt our operations and adversely affect our operating results.
- Our estimated addressable market is subject to inherent challenges and uncertainties.
- Adverse global economic conditions could have a negative effect on our business, results of operations and financial condition and liquidity.
- We are subject to economic, political and other risks associated with the operation of a global business that could negatively affect our business, results of operations and financial condition.
- Our failure to comply with trade compliance and economic sanctions laws and regulations could materially adversely affect our reputation and results of operations.
- Current and future litigation against us, which may arise in the ordinary course of our business, could be costly and time consuming to defend.
- Our insurance coverage may not be sufficient to avoid material impact on our financial position resulting from claims or liabilities against us, and we may not be able to obtain insurance coverage on attractive terms, or at all, in the future.
- If we fail to perform our services in accordance with contractual requirements, regulatory standards and ethical considerations, we could be liable for significant costs or penalties and our reputation could be harmed.
- The loss of one or more of our major customers could materially and adversely affect our business, results of operations and/or financial condition.
- We may need additional funding. If we are unable to raise additional capital on terms acceptable to us or at all or generate cash flows necessary to maintain or expand our operations, we may not be able to compete successfully, which would harm our business, results of operations, and financial condition.
- Our bookings might not accurately predict our future revenue, and we might not realize all or any part of the anticipated revenue reflected in our bookings.
- We are subject to the Foreign Corrupt Practices Act ("FCPA") and the U.K. Bribery Act of 2010 ("U.K. Bribery Act") and similar anti-corruption laws and regulations in other countries.
- Our business may be subject to risks arising from catastrophic events, including natural disasters, significant or extreme weather events, outbreaks of war or terrorism, epidemic diseases, pandemics, and public health crises.
- We rely upon third-party providers of cloud-based infrastructure to host our software solutions. Any disruption in the operations of these third-party providers, limitations on capacity or interference with our use could adversely affect our business.
- If our cybersecurity measures are breached or unauthorized access to customer or other proprietary data is otherwise obtained, customers may reduce the use of or stop using our solutions and we may incur significant liabilities and/or loss of customer confidence.

- We are subject to numerous privacy and data security laws and related contractual requirements and our failure to comply with those obligations could cause us significant harm.
- If we are not able to reliably meet our data storage and management or other information technology requirements, or if we experience any technology failures in the delivery of our services over the internet or in the administration of our business, customer satisfaction and our reputation could be harmed and customer contracts may be terminated.
- Some of our software solutions utilize third-party open-source software, and any failure to comply with the terms of one or more of these open-source licenses could adversely affect our business.
- We may be unable to adequately enforce or defend our ownership and use of our intellectual property and other proprietary rights.
- Third parties may initiate legal proceedings alleging that we are infringing their intellectual property rights, which could have a material adverse effect on our business.
- Our indebtedness could materially adversely affect our financial condition and our ability to operate our business.
- Impairment of goodwill and other intangible assets may adversely impact future results of operations.
- The other factors described elsewhere in this Quarterly Report, in our Annual Report on Form 10-K for the fiscal year ended December 31, 2025 ("2025 Annual Report"), and in the other documents and reports we file with the Securities and Exchange Commission (the "SEC").

You should not rely upon forward-looking statements as predictions of future events. The forward-looking statements in this Quarterly Report are based on our beliefs, assumptions and expectations of future performance, taking into account the information currently available to us. There are important factors, including those described in this Quarterly Report, in the section titled "Risk Factors" in our most recent Annual Report, and in our subsequent SEC filings, which could cause our actual results, level of activity, performance or achievements to differ materially from the results, level of activity, performance or achievements expressed or implied by the forward-looking statements.

The forward-looking statements made in this Quarterly Report relate only to events as of the date on which the statements are made. Except as required by law, we undertake no obligation to update publicly any forward-looking statements for any reason after the date of this Quarterly Report to conform these statements to actual results or to changes in our expectations.

Channels for Disclosure of Information

Investors and others should note that we may announce material information to the public through filings with the SEC, our Investors Relations website (https://ir.certara.com), press releases, public conference calls and public webcasts. We use these channels to communicate with the public about the Company, our products, our services and other matters. We have used, and intend to continue to use, our Investor Relations website and our corporate website located at www.certara.com as a means of disclosing material non-public information and for complying with our disclosure obligations under Regulation FD. We encourage our investors, the media and others to review the information disclosed through these channels as such information could be deemed to be material information. The information on or available through such channels, including on our website, is not incorporated by reference in this Quarterly Report and shall not be deemed to be incorporated by reference into any other filing under the Securities Act or the Exchange Act, except as expressly set forth by specific reference in such a filing. This list of disclosure channels may be updated from time to time.

CERTARA, INC. AND SUBSIDIARIES

FORM 10-Q

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PART I — FINANCIAL INFORMATION

Item 1. Financial Statements

CERTARA, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(UNAUDITED)

(IN THOUSANDS, EXCEPT PER SHARE AND SHARE DATA)	SEPTEMBER 30, 2026	DECEMBER 31, 2025
Assets		
Current assets:		
Cash and cash equivalents	$ 214,932	$ 189,392
Accounts receivable, net of allowance for credit losses of $1,962 and $2,235, respectively	95,221	101,574
Prepaid expenses and other current assets	25,192	21,887
Current assets of discontinued operations	—	2,266
Total current assets	335,345	315,119
Other assets:		
Property and equipment, net	1,675	1,805
Operating lease right-of-use assets	8,786	11,840
Goodwill	716,416	745,056
Intangible assets, net of accumulated amortization of $361,410 and $415,804, respectively	335,244	361,835
Deferred income taxes	11,115	3,856
Other long-term assets	6,337	1,509
Other assets of discontinued operations	—	115,562
Total assets	$ 1,414,918	$ 1,556,582
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable	$ 4,316	$ 3,040
Accrued expenses	44,478	59,658
Current portion of deferred revenue	75,445	75,398
Current portion of long-term debt	2,963	2,963
Other current liabilities	2,968	4,365
Current liabilities of discontinued operations	—	7,961
Total current liabilities	130,170	153,385
Long-term liabilities:		
Deferred revenue, net of current portion	3,196	2,350
Deferred income taxes	4,905	34,366
Operating lease liabilities, net of current portion	7,015	8,438
Long-term debt, net of current portion and debt discount	288,248	290,131
Other long-term liabilities	3,473	5,117
Total liabilities	437,007	493,787
Commitments and contingencies (refer to note 10)		
Stockholders' equity		
Preferred shares, $0.01 par value, 50,000,000 shares authorized, no shares issued and outstanding as of September 30, 2026 and December 31, 2025, respectively	—	—
Common shares, $0.01 par value, 600,000,000 shares authorized, 167,032,224 shares and 164,005,450 shares issued as of September 30, 2026 and December 31, 2025; 152,543,402 and 159,139,562 shares outstanding as of September 30, 2026 and December 31, 2025, respectively	1,671	1,641
Additional paid-in capital	1,283,676	1,255,653
Accumulated deficit	(188,317)	(129,876)
Accumulated other comprehensive income	9,026	2,040
Treasury stock at cost, 14,488,822 and 4,865,888 shares at September 30, 2026 and December 31, 2025, respectively	(128,145)	(66,663)
Total stockholders' equity	977,911	1,062,795
Total liabilities and stockholders' equity	$ 1,414,918	$ 1,556,582

The accompanying notes are an integral part of the condensed consolidated financial statements.

CERTARA, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(UNAUDITED)

(IN THOUSANDS, EXCEPT PER SHARE AND SHARE DATA)	THREE MONTHS ENDED SEPTEMBER 30,		NINE MONTHS ENDED SEPTEMBER 30,	
	2026	2025	2026	2025
Revenues	$ 94,901	$ 90,887	$ 282,264	$ 275,342
Cost of revenues	31,438	33,396	101,232	102,401
Operating expenses:				
Sales and marketing	11,638	12,667	39,566	38,711
Research and development	10,771	10,266	32,762	29,760
General and administrative	26,973	24,221	77,848	60,206
Depreciation and amortization	11,757	10,899	34,992	32,860
Total operating expenses	61,139	58,053	185,168	161,537
Income (loss) from operations	2,324	(562)	(4,136)	11,404
Other income (expenses):				
Interest expense	(5,038)	(5,011)	(14,966)	(14,619)
Net other income	1,534	1,739	1,630	4,965
Total other expenses	(3,504)	(3,272)	(13,336)	(9,654)
Income (loss) before income taxes	(1,180)	(3,834)	(17,472)	1,750
Provision for income taxes on continuing operations	2,399	1,004	4,013	3,587
Loss from continuing operations, net of tax	(3,579)	(4,838)	(21,485)	(1,837)
Income (loss) from discontinued operations, net of tax	9,171	6,363	(36,956)	6,137
Net income (loss) attributable to common stockholders	$ 5,592	$ 1,525	$ (58,441)	$ 4,300
Net income (loss) per share attributable to common stockholders:				
Basic - Earnings per common share from continuing operations	$ (0.02)	$ (0.03)	$ (0.14)	$ (0.01)
Basic - Earnings per common share from discontinued operations	$ 0.06	$ 0.04	$ (0.24)	$ 0.04
Basic - Earnings (loss) per common share	$ 0.04	$ 0.01	$ (0.38)	$ 0.03
Diluted - Earnings per common share from continuing operations	$ (0.02)	$ (0.03)	$ (0.14)	$ (0.01)
Diluted - Earnings per common share from discontinued operations	$ 0.06	$ 0.04	$ (0.24)	$ 0.04
Diluted - Earnings (loss) per common share	$ 0.04	$ 0.01	$ (0.38)	$ 0.03
Weighted average common shares outstanding:				
Basic	152,694,317	160,403,011	154,916,712	160,769,603
Diluted	152,694,317	160,403,011	154,916,712	160,769,603

The accompanying notes are an integral part of the condensed consolidated financial statements.

CERTARA, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(UNAUDITED)

(IN THOUSANDS)	THREE MONTHS ENDED SEPTEMBER 30,		NINE MONTHS ENDED SEPTEMBER 30,	
	2026	2025	2026	2025
Net income (loss)	$ 5,592	$ 1,525	$ (58,441)	$ 4,300
Other comprehensive income (loss):				
Change in fair value from interest rate swap, net of tax of $1,191, $(198), $2,230, and $(1,222), respectively	3,637	(584)	6,798	(3,586)
Foreign currency translation adjustment, net of tax of $441, $(144), $263, and $(1,130), respectively	(3,668)	(2,418)	188	18,957
Total other comprehensive income	(31)	(3,002)	6,986	15,371
Comprehensive income (loss)	$ 5,561	$ (1,477)	$ (51,455)	$ 19,671

The accompanying notes are an integral part of the condensed consolidated financial statements.

CERTARA, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(UNAUDITED)

(IN THOUSANDS, EXCEPT SHARE DATA)	COMMON STOCK		ADDITIONAL PAID-IN CAPITAL	ACCUMULATED DEFICIT	ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)	TREASURY STOCK		TOTAL STOCKHOLDERS' EQUITY
	SHARES	AMOUNT				SHARES	AMOUNT	
Balance as of June 30, 2026	166,959,761	$ 1,671	$ 1,277,660	$ (193,909)	$ 9,057	(14,460,738)	$ (127,964)	$ 966,515
Equity-based compensation expense, net of forfeiture	—	—	6,016	—	—	—	—	6,016
Common stock withheld for tax liabilities	—	—	—	—	—	(28,084)	(181)	(181)
Common shares issued for employee share-based compensation	72,463	—	—	—	—	—	—	—
Change in fair value from interest rate swap, net of tax	—	—	—	—	3,637	—	—	3,637
Net income	—	—	—	5,592	—	—	—	5,592
Foreign currency translation adjustment, net of tax	—	—	—	—	(3,668)	—	—	(3,668)
Balance as of September 30, 2026	167,032,224	$ 1,671	$ 1,283,676	$ (188,317)	$ 9,026	(14,488,822)	$ (128,145)	$ 977,911
Balance as of December 31, 2025	164,005,450	1,641	1,255,653	(129,876)	2,040	(4,865,888)	$ (66,663)	$ 1,062,795
Equity-based compensation expense, net of forfeiture	—	—	19,430	—	—	—	—	19,430
Common stock withheld for tax liabilities		—	—	—	—	(613,475)	(3,520)	(3,520)
Common shares issued for employee share-based compensation	1,732,595	17	(17)	—	—	—	—	—
Common shares issued for contingent consideration	1,294,179	13	8,610	—	—	—	—	8,623
Common shares repurchased	—					(9,009,459)	(57,962)	(57,962)
Change in fair value from interest rate swap, net of tax	—	—	—	—	6,798	—	—	6,798
Net loss	—	—	—	(58,441)	—	—	—	(58,441)
Foreign currency translation adjustment, net of tax	—	—	—	—	188	—	—	188
Balance as of September 30, 2026	167,032,224	$ 1,671	$ 1,283,676	$ (188,317)	$ 9,026	(14,488,822)	$ (128,145)	$ 977,911

The accompanying notes are an integral part of the condensed consolidated financial statements.

CERTARA, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(UNAUDITED)

(IN THOUSANDS, EXCEPT SHARE DATA)	COMMON STOCK		ADDITIONAL PAID-IN CAPITAL	ACCUMULATED DEFICIT	ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)	TREASURY STOCK		TOTAL STOCKHOLDERS' EQUITY
	SHARES	AMOUNT				SHARES	AMOUNT	
Balance as of June 30, 2025	163,856,290	$ 1,639	$ 1,237,891	$ (125,506)	$ 4,949	(3,241,400)	$ (48,394)	$ 1,070,579
Equity-based compensation expense, net of forfeiture	—	—	9,574	—	—	—	—	9,574
Common stock withheld for tax liabilities	—	—	—	—	—	(5,266)	(59)	(59)
Common shares issued for employee share-based compensation	17,621	1	(1)	—	—	—	—	—
Common shares repurchased	—	—		—	—	(1,230,398)	(13,810)	(13,810)
Change in fair value from interest rate swap, net of tax	—	—	—	—	(584)	—	—	(584)
Net income	—	—	—	1,525	—	—	—	1,525
Foreign currency translation adjustment, net of tax	—	—	—	—	(2,418)	—	—	(2,418)
Balance as of September 30, 2025	163,873,911	$ 1,640	$ 1,247,464	$ (123,981)	$ 1,947	(4,477,064)	$ (62,263)	$ 1,064,807
Balance as of December 31, 2024	161,958,810	$ 1,620	$ 1,216,925	$ (128,281)	$ (13,424)	(949,698)	$ (18,184)	$ 1,058,656
Equity-based compensation expense, net of forfeiture	—	—	24,889	—	—	—	—	24,889
Common stock withheld for tax liabilities	—	—	—	—	—	(503,689)	(5,019)	(5,019)
Common shares issued for employee share-based compensation	1,459,757	15	(15)	—	—	—	—	—
Common shares issued for contingent consideration	455,344	5	5,665	—	—	—	—	5,670
Common shares repurchased	—	—	—	—	—	(3,023,677)	(39,060)	(39,060)
Change in fair value from interest rate swap, net of tax	—	—	—		(3,586)	—	—	(3,586)
Net income	—	—	—	4,300	—	—	—	4,300
Foreign currency translation adjustment, net of tax	—	—	—	—	18,957	—	—	18,957
Balance as of September 30, 2025	163,873,911	$ 1,640	$ 1,247,464	$ (123,981)	$ 1,947	(4,477,064)	$ (62,263)	$ 1,064,807

The accompanying notes are an integral part of the condensed consolidated financial statements.

CERTARA, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)

(IN THOUSANDS)	NINE MONTHS ENDED SEPTEMBER 30, 2026	2025
Cash flows from operating activities:		
Net loss from continuing operations	$ (21,485)	$ (1,837)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation and amortization	48,659	46,814
Amortization of debt issuance costs	405	432
Provision for credit losses	61	688
Equity-based compensation expense	19,430	24,889
Change in fair value of contingent considerations	7,230	(3,212)
Deferred income taxes	(15,728)	(7,455)
Changes in assets and liabilities:		
Accounts receivable	13,766	12,967
Prepaid expenses and other assets	(3,779)	1,601
Accounts payable, accrued expenses, and other liabilities	(2,806)	(6,789)
Deferred revenues	525	(15,583)
Other operating activities, net	(14)	(1,146)
Cash provided by operating activities - continuing operations	46,264	51,369
Cash provided by operating activities - discontinued operations	6,148	16,139
Net cash provided by operating activities	52,412	67,508
Cash flows from investing activities:		
Capital expenditures	(2,022)	(757)
Capitalized software development costs	(20,697)	(18,770)
Cash used in investing activities - continuing operations	(22,719)	(19,527)
Cash provided by investing activities - discontinued operations	78,236	—
Net cash provided by (used in) in investing activities	55,517	(19,527)
Cash flows from financing activities:		
Payments on long-term debt	(2,222)	(2,250)
Common stock repurchase program	(57,389)	(38,674)
Payments for business acquisition related contingent consideration	(20,121)	(13,230)
Payment of taxes on shares withheld for employee taxes	(3,520)	(5,019)
Net cash used in financing activities	(83,252)	(59,173)
Effect of foreign exchange rate on cash and cash equivalents	863	4,720
Net increase (decrease) in cash and cash equivalents	25,540	(6,472)
Cash and cash equivalents at beginning of period	189,392	179,183
Cash and cash equivalents at end of period	$ 214,932	$ 172,711
Supplemental disclosures of cash flow information		
Cash paid for interest	$ 14,609	$ 10,456
Cash paid for taxes	$ 14,479	$ 8,769
Supplemental schedule of noncash investing and financing activities		
Stock issuance or establish liabilities related to business acquisition contingent consideration	$ 8,623	$ 5,670

The accompanying notes are an integral part of the condensed consolidated financial statements.

CERTARA, INC. AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(IN THOUSANDS, EXCEPT SHARE AND PER SHARE DATA)

(UNAUDITED)

1. Description of Business

Certara, Inc. and its wholly-owned subsidiaries (together, the "Company") deliver software products and technology-driven services to customers to efficiently carry out and realize the full benefits of biosimulation in drug discovery, preclinical and clinical research, regulatory submissions and market access. The Company is a global leader in biosimulation, and the Company's biosimulation software and technology-driven services help optimize, streamline, or even waive certain clinical trials to accelerate programs, reduce costs, and increase the probability of success. The Company's regulatory science and market access software and services are underpinned by technologies such as regulatory submissions software, natural language processing, and Bayesian analytics. When combined, these solutions allow the Company to offer customers end-to-end support across the entire product life cycle.

The Company has operations in the United States, Australia, Canada, China, Egypt, France, Germany, Hungary, India, Italy, Japan, Luxembourg, Netherlands, Philippines, Poland, Portugal, Spain, Switzerland, and the United Kingdom.

2. Summary of Significant Accounting Policies

There have been no changes other than what is discussed herein to the Company's significant accounting policies as compared to the significant accounting policies described in Note 2. "Summary of Significant Accounting Policies" to the Company's audited consolidated financial statements included in the Company's 2025 Annual Report. These unaudited condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and related notes as of and for the year ended December 31, 2025.

(a) Basis of Presentation and Use of Estimates

The preparation of condensed consolidated financial statements in conformity with U.S. generally accepted accounting principles ("GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, disclosure of contingent assets and liabilities at the date of the condensed consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Significant estimates include, among other estimates, assumptions used in the allocation of the transaction price to separate performance obligations, estimates towards the measure of progress of completion on fixed-price service contracts, the determination of fair values and useful lives of long-lived assets as well as intangible assets, goodwill, allowance for credit losses for accounts receivable, recoverability of deferred tax assets, recognition of deferred revenue, valuation of interest rate swaps, determination of fair value of equity-based awards, measurement of fair value of contingent consideration, and assumptions used in testing for impairment of long-lived assets and goodwill. Actual results could differ from those estimates, and such differences may be material to the condensed consolidated financial statements.

On April 21, 2026, the Company entered into a definitive Purchase Agreement (the "Purchase Agreement") with Veristat, LLC to sell its global medical writing and related regulatory services business ("Regulatory and Medical Writing business"). On May 8, 2026, the Company completed the sale of the Regulatory and Medical Writing business to Veristat, LLC. During the second quarter of 2026, the Company determined that the

Regulatory and Medical Writing business met the accounting criteria to be classified as held for sale and discontinued operations. Accordingly, the Company has presented the results of operations and the related cash flows of the Regulatory and Medical Writing business as discontinued operations in the condensed consolidated financial statements through the date of sale. This presentation has been applied retrospectively to all periods presented. Certain prior year amounts have been reclassified to conform to the current year presentation.

Unless otherwise noted, discussion within these notes to the interim condensed consolidated financial statements relates to continuing operations.

(b) Unaudited Interim Financial Statements

The accompanying condensed consolidated balance sheet as of September 30, 2026, the condensed consolidated statements of operations for the three and nine months ended September 30, 2026 and 2025, the condensed consolidated statements of comprehensive income (loss) for the three and nine months ended September 30, 2026 and 2025, the condensed consolidated statements of stockholders' equity for the three and nine months ended September 30, 2026 and 2025, the condensed consolidated statements of cash flows for the nine months ended September 30, 2026 and 2025, and the related interim disclosures are unaudited.

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with U.S. GAAP. These unaudited condensed consolidated financial statements include all adjustments necessary to fairly state the financial position and the results of the Company's operations and cash flows for interim periods in accordance with U.S. GAAP. Certain amounts reported in prior periods have been reclassified to conform with the current presentation. Interim period results are not necessarily indicative of results of operations or cash flows for a full year or any subsequent interim period. The accompanying condensed consolidated financial statements should be read in conjunction with the Company's 2025 audited consolidated financial statements and notes thereto. The information as of December 31, 2025 in the Company's condensed consolidated balance sheet included herein is derived from the Company's audited consolidated financial statements included in the Company's 2025 Annual Report.

(c) Recently Adopted or Issued Accounting Standards

In July 2025, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2025-05, Financial Instruments-Credit Losses (Topic 326): Measurement of Credit Losses for Accounts Receivable and Contract Assets. The ASU provides a practical expedient related to the estimation of expected credit losses for current accounts receivable and current contract assets that arise from transactions accounted for under ASC 606. In developing reasonable and supportable forecasts as part of estimating expected credit losses, all entities may elect a practical expedient that assumes that current conditions as of the balance sheet date do not change for the remaining life of the asset. The ASU is effective for annual reporting periods beginning after December 15, 2025, and interim reporting periods within those annual reporting periods. The Company adopted ASU 2025-05 prospectively for the period ended March 31, 2026.

In November 2024, the FASB issued ASU 2024-03, Disaggregation of Income Statement Expenses. This ASU seeks to improve the disclosures about the types of expenses, including employee compensation, depreciation, and amortization, and costs incurred related to inventory and manufacturing activities. ASU 2024-03 is effective for fiscal years beginning after December 15, 2026, and interim periods within fiscal years beginning after December 15, 2027. Early adoption is permitted. In January 2025, the FASB also issued ASU 2025-01 to clarify the effective date. The Company is currently evaluating the impact of the ASU on the disclosures within its consolidated financial statements.

In September 2025, the FASB issued ASU 2025-06, Intangibles - Goodwill and Other - Internal-Use Software (Subtopic 350-40): Targeted Improvements to the Accounting for Internal-Use Software. The ASU removes all references to prescriptive and sequential software development stages and clarifies that the threshold for when an entity is required to start capitalizing software costs is when (1) management has authorized and committed to funding the software project and (2) it is probable that the project will be completed and the software will be used to perform the function intended. The amendments in this ASU are effective for all entities for annual reporting periods beginning after December 15, 2027, and interim reporting periods within those annual reporting periods. Early adoption is permitted as of the beginning of an annual reporting period. The Company is currently evaluating the impact of the ASU on the consolidated financial statements.

In November 2025, the FASB issued ASU 2025-09, Derivatives and Hedging (Topic 815) - Hedge Accounting Improvements, which amends certain aspects of the hedge accounting guidance in ASC 815. The ASU enables entities to apply hedge accounting to a greater number of highly effective economic hedges in the following five areas: similar risk assessment for cash flow hedges, hedging forecasted interest payments on choose-your-rate debt instruments, cash flow hedges of nonfinancial forecasted transactions, net written options as hedging instruments, and foreign-currency-denominated debt instrument as hedging instrument and hedged item(dual hedge). The amendments in this ASU are effective for public business entities for annual reporting periods beginning after December 15, 2026, and interim periods within those annual reporting periods. Early adoption is permitted. The Company is currently evaluating the impact of the ASU on the consolidated financial statements.

In December 2025, the FASB issued ASU 2025-10, Government Grants (Topic 832): Accounting for Government Grants Received by Business Entities, which provides recognition, measurement, and presentation guidance for government grants received by business entities. The ASU applies to all business entities except for not-for-profit entities and employee benefit plans that receive a government grant. This ASU is effective for public business entities for annual periods beginning after December 15, 2028, and interim periods within those annual periods. Early adoption is permitted. The Company is currently evaluating the impact of the ASU on the consolidated financial statements.

In December 2025, the FASB issued ASU 2025-11, Interim Reporting (Topic 270): Narrow-Scope Improvement. This ASU clarifies that the guidance in Topic 270 applies to all entities that provide interim financial statements and notes in accordance with GAAP. It also establishes a comprehensive list in Topic 270 of interim disclosures that are required in interim financial statements and notes in accordance with GAAP, incorporates a disclosure principle, and improves guidance about information included in and the format of interim financial statements. This ASU does not change the fundamental nature of interim reporting or expand or reduce current interim disclosure requirements. The ASU is effective for public business entities for interim periods within annual periods beginning after December 15, 2027. Early adoption is permitted. The Company is currently evaluating the impact of the ASU on the consolidated financial statements.

(d) Principles of Consolidation

The accompanying condensed consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries. All intercompany balances and transactions have been eliminated in consolidation.

(e) Fair Value Measurements

The Company follows FASB Accounting Standards Codification (“ASC”) 820-10, “Fair Value Measurements” (“ASC 820-10”), which defines fair value, establishes a framework for measuring fair value in U.S. GAAP, and requires certain disclosures about fair value measurements.

ASC 820-10 defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the most advantageous market for the asset or liability in an orderly transaction. Fair value measurement is based on a hierarchy of observable or unobservable inputs. The standard describes three levels of inputs that may be used to measure fair value.

Level 1 — Inputs to the valuation methodology are quoted prices available in active markets for identical securities as of the reporting date;

Level 2 — Inputs to the valuation methodology are other significant observable inputs, including quoted prices for similar securities, interest rates, credit risk etc. as of the reporting date, and the fair value can be determined through the use of models or other valuation methodologies; and

Level 3 — Inputs to the valuation methodology are unobservable inputs in situations where there is little or no market activity of the securities and the reporting entity makes estimates and assumptions relating to the pricing of the securities including assumptions regarding risk.

If the inputs used to measure fair value fall at different levels of the fair value hierarchy, the hierarchy is based on the lowest level of input that is significant to the fair value measurement. For the acquisitions noted in Note 4, the fair value measurement methods used to estimate the fair value of the assets acquired and liabilities assumed at the acquisition dates utilized a number of significant unobservable inputs of Level 3 assumptions. These assumptions included, among other things, projections of future operating results, implied fair value of assets using an income approach by preparing a discounted cash flow analysis, and other subjective assumptions.

Interest rate swaps are valued in the market using discounted cash flows techniques. These techniques incorporate Level 1 and Level 2 inputs. The market inputs are utilized in the discounted cash flows' calculation considering the instrument's term, notional amount, discount rate and credit risk. Significant inputs to the derivative instrument valuation model for interest rate swaps are observable in active markets and are classified as Level 2 in the hierarchy.

Contingent liabilities related to acquisitions are measured at fair value using Level 3 unobservable inputs. The Company's estimates of fair value are based upon assumptions believed to be reasonable but that are uncertain and involve significant judgments by management. Any changes in the fair value of these contingent liabilities are included in the earnings in the condensed consolidated statements of operations.

The Company utilizes Monte Carlo or a series of Black-Scholes-Merton options models to estimate the fair value of the contingent consideration liabilities of business acquisitions. Significant inputs used in the fair value measurement of contingent consideration include: expected eligible revenue for the acquired businesses over the relevant measurement periods, the risk-profile of the expected eligible revenue for the acquired businesses, the uncertainty regarding the expected eligible revenue for the acquired businesses, the risk-free rate of return, the expected timing at which settlement of the contingent liabilities may occur, and the credit-adjusted discount rate associated with the risk of the Company's future liability payments.

The following table sets forth the assets and liabilities that were measured at fair value on a recurring and non-recurring basis by their levels in the fair value hierarchy at September 30, 2026:

	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
		(In thousands)		
Assets				
Money market funds	$ 104,642	$ —	$ —	$ 104,642
Interest rate swap assets	—	6,697	—	6,697
Total assets	$ 104,642	$ 6,697	$ —	$ 111,339
Liabilities				
Contingent liabilities	$ —	$ —	$ —	$ —
Interest rate swap liabilities	—	—	—	—
Total liabilities	$ —	$ —	$ —	$ —

The following table sets forth the assets and liabilities that were measured at fair value on a recurring and non-recurring basis by their levels in the fair value hierarchy at December 31, 2025:

	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
		(In thousands)		
Assets				
Money market funds	$ 82,496	$ —	$ —	$ 82,496
Total assets	$ 82,496	$ —	$ —	$ 82,496
Liabilities				
Contingent liabilities	$ —	$ —	$ 21,515	$ 21,515
Interest rate swap liabilities		2,322	—	2,322
Total liabilities	$ —	$ 2,322	$ 21,515	$ 23,837

For the nine month period ended September 30, 2026, there were no transfers between the levels within the fair value hierarchy. The Company's Level 2 assets and liabilities are interest swap assets and liabilities and level 3 liabilities are acquisition related contingent consideration liabilities.

The following table summarizes the Level 3 activity of the changes in the contingent consideration liability.

	SEPTEMBER 30, 2026
	(In thousands)
Beginning balance at December 31, 2025	$ 21,515
Additions	7,230
Transfers out of level 3 (to non–fair value liability)	(28,745)
Ending balance at September 30, 2026	$ —

For more information regarding fair value measurements and the fair value hierarchy, see Note 2. "Summary of Significant Accounting Policies" in the notes to the consolidated financial statements in the Company's 2025 Annual Report.

(f) Cash and Cash Equivalents

Cash equivalents include highly liquid investments with maturities of three months or less from the date purchased. The Company's cash and cash equivalents was $214,932 and $189,392 at September 30, 2026 and December 31, 2025, respectively.

(g) Accounts Receivable

Accounts receivable include current outstanding invoices billed to customers. Invoices are typically issued with net 30 days to net 90 days terms upon delivery of the product or upon achievement of billable events for service-based contracts. Unbilled receivables relate to the Company's rights to consideration for performance obligations satisfied but not billed at the reporting date on contracts. Unbilled receivables are billed and transferred to customer accounts receivable when the rights become unconditional. The carrying amount of accounts receivable is reduced by a valuation allowance.

The Company estimates the expected credit losses for accounts receivable using historical loss data adjusted for current economic conditions to estimate the relative size of credit losses to be expected. The Company has elected the practical expedient under ASU 2025-05 to assume that current conditions remain unchanged over the life of the receivables and, accordingly, does not incorporate forecasts of future economic conditions beyond those reflected in current conditions. The Company generally writes off a receivable or records a specific allowance for credit losses if it determines that the receivable is not collectible. Allowances for credit losses of $1,962 and $2,235 were provided in the accompanying condensed consolidated financial statements as of September 30, 2026 and December 31, 2025, respectively.

Accounts receivable consists of the following:

	SEPTEMBER 30, 2026	DECEMBER 31, 2025
	(In thousands)	
Trade receivables	$ 77,171	$ 94,556
Unbilled receivables	12,419	9,180
Other receivables	7,593	73
Allowances for credit losses	(1,962)	(2,235)
Accounts receivable, net	$ 95,221	$ 101,574

The following table presents the information regarding the allowance for credit losses:

	SEPTEMBER 30, 2026	DECEMBER 31, 2025
	(In thousands)	
Beginning balance	$ 2,235	$ 2,164
Provision for credit losses	61	1,144
Charge-offs, net of recoveries	(334)	(1,073)
Ending balance of allowances for credit losses	$ 1,962	$ 2,235

(h) Derivative Instruments

In the normal course of business, the Company is subject to risk from adverse fluctuations in interest rates. The Company has chosen to manage this risk through the use of derivative financial instruments that consist of interest rate swap contracts. Counterparties to these contracts are major financial institutions. The Company is

exposed to credit loss in the event of nonperformance by these counterparties. The Company does not use derivative instruments for trading or speculative purposes. The objective of managing exposure to market risk is to limit its impact on cash flows. To qualify for hedge accounting, the interest rate swaps must effectively reduce the risk exposure that they are designed to hedge. In addition, at the inception of a qualifying cash flow hedging relationship, the underlying transaction or transactions must be, and be expected to remain, probable of occurring in accordance with the related assertions.

FASB ASC 815, "Derivatives and Hedging," requires the Company to recognize all derivatives on the balance sheet at fair value. The Company may enter into derivative contracts such as interest rate swap contracts that effectively convert portions of the Company's floating rate debt to a fixed rate, which serves to mitigate interest rate risk. The Company's objectives in using interest rate swaps are to add stability to interest expense and to manage its exposure to interest rate movements. Interest rate swaps designated as cash flow hedges involve the receipt of variable-rate amounts from a counterparty in exchange for the Company making fixed-rate payments over the life of the agreements without exchange of the underlying notional amount.

The Company entered into an interest rate swap agreement in May 2022 that pays fixed, receives variable to modify the interest rate characteristics of term loan debt from variable to fixed in order to reduce the impact of changes in future cash flows due to market interest rate changes. The swap agreement has a notional amount of $230,000, a fixed rate of 2.8% and a termination date of August 31, 2025 ("Matured Swap"). As the swap approached maturity, the Company entered into two additional interest rate swap agreements ("New Swaps") in the second quarter of 2025, each with a notional amount of $115,000, to continue hedging the interest rate risk associated with the term loan debt. These new swaps also pay fixed interest rates and receive variable rates. The fixed interest rates on the two swaps are 3.62% and 3.64%, respectively. Both contracts became effective on August 31, 2025, and will mature on August 31, 2029. The Company designates these swaps as cash flow hedges at hedge inception. At September 30, 2026 and December 31, 2025, the Matured Swap had a fair value of $0. The New Swaps had total fair value of $6,697 and $(2,322) at September 30, 2026 and December 31, 2025, respectively. The gross fair value recognized in accumulated other comprehensive income (loss) was $6,697 and $(2,322) at September 30, 2026 and December 31, 2025, respectively.

The Company uses derivatives to manage certain interest exposures and designates all the derivatives as cash flow hedges. The Company records derivatives at fair value on its condensed consolidated balance sheets. Changes in the fair value of derivatives designated as cash flow hedges are recorded as a component of accumulated other comprehensive income (loss). Those amounts are reclassified into interest expenses in the same period during which the hedged transactions impact earnings. The amount of derivative gains reclassified from accumulated other comprehensive income on derivative instruments recognized in the Company's condensed consolidated statements of operations was $25, $761, $68, and $2,645 for the three and nine months ended September 30, 2026 and 2025, respectively.

The notional amounts, fair values, and classification of derivative instruments in the condensed consolidated balance sheets as of September 30, 2026 and December 31, 2025 were as follows:

Interest rate swap derivatives designated as cash flow hedging instruments:	**SEPTEMBER 30, 2026**	**DECEMBER 31, 2025**
	(In thousands)	
Notional amounts	$ 230,000	$ 230,000
Prepaid expenses and other current assets	$ 1,830	$ —
Other long-term assets	$ 4,867	$ —
Other current liabilities	$ —	$ 533
Other long-term liabilities	$ —	$ 1,789

The net amount of deferred gain related to derivative instruments designated as cash flow hedges that is expected to be reclassified from accumulated other comprehensive gain (loss) into earnings over the next twelve months is $1,830.

(i) Revenue Recognition

In accordance with ASC Topic 606, "Revenue from Contracts with Customers", the Company determines revenue recognition through the following steps:

i. Identification of the contract, or contracts, with a customer

ii. Identification of the performance obligations in the contract

iii. Determination of the transaction price

iv. Allocation of the transaction price to the performance obligations in the contract

v. Recognition of revenue when, or as, the Company satisfies a performance obligation

The Company's revenue consists of fees for perpetual and term licenses for its software products, post-contract customer support (referred to as maintenance), software as a service ("SaaS"), and professional services including training and other revenue. Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration to which the Company expects to be entitled in exchange for promised goods or services.

The following describes the nature of the Company's primary types of revenues and the revenue recognition policies as they pertain to the types of transactions the Company enters into with its customers.

Software Licenses

Software license revenue consists primarily of sales of software licenses downloaded and installed by our customers on their own hardware. The license period is generally one year or less and includes an insignificant amount of customer support to assist the customer with the software. Software license performance obligations are generally recognized upfront at the point in time when the software license has been delivered.

Software as a Service (SaaS) Revenues

SaaS revenues consist of subscription fees for access to, and related support for, the Company's cloud-based solutions. The Company typically invoices subscription fees in advance in annual installments. The invoice is initially deferred and revenue is recognized ratably over the life of the contract. The Company's software contracts do not typically include variable consideration or options for future purchases that would not be similar to the original goods.

Software Service

Maintenance services agreements on perpetual software consist of fees for providing software updates and for providing technical support for software products for a specified term. Revenue allocated to maintenance services is recognized ratably over the contract term beginning on the delivery date of each offering. Maintenance contracts generally have a term of one year. While the transfer of control of the software training and implementation performance obligations are over time, the services are typically started and completed within a few days. Due to the quick nature of the performance obligation from start to finish and the

insignificant amounts, the Company recognizes any software training or implementation revenue at the completion of the service. Any unrecognized portion of amounts paid in advance for licenses and services is recorded as deferred revenue.

Consulting Service Revenues

The Company's primary professional services offering includes consulting services, which may be either strategic consulting services, reporting and analysis services, or any combination of the two. The Company's professional services contracts are either time-and-materials or fixed fee. Service revenues are generally recognized over time as the services are performed. Generally, these services are delivered to customers electronically. Revenue from time-and-material contracts is recognized on an output basis as labor hours are delivered and/or direct expenses are incurred. Revenues for fixed-price services are generally recognized over time by applying input methods to estimate progress to completion. Accordingly, the number of resources being paid for and the varying lengths of time they are being paid for determine the measure of progress.

Arrangements with Multiple Performance Obligations

For contracts with multiple performance obligations, such as a software license plus software training, implementation, and/or maintenance/support, or in contracts where there are multiple software licenses, the Company determines if the products or services are distinct and allocates the consideration to each distinct performance obligation on a relative standalone selling price basis. The delivery of a particular type of software and each of the user licenses would be one performance obligation. Additionally, any training, implementation, or support and maintenance promises sold as part of the software license agreement would be considered separate performance obligations, as those promises are distinct and separately identifiable from the software licenses. The payment terms in these arrangements are less than one year such that there is no significant financing component.

Contract Balances

The timing of revenue recognition, billings and cash collections results in billed accounts receivable, unbilled receivables (contract assets), and customer advances and deposits (deferred revenue, contract liabilities) on the condensed consolidated balance sheets. Amounts are billed as work progresses in accordance with agreed-upon contractual terms, either at periodic intervals (e.g., quarterly or monthly) or upon achievement of contractual milestones.

Contract assets relate to the Company's rights to consideration for performance obligations satisfied but not billed at the reporting date on contracts (i.e., unbilled revenue, a component of accounts receivable in the condensed consolidated balance sheets). Contract assets are billed and transferred to customer accounts receivable when the rights become unconditional. The Company typically invoices customers for term licenses, subscriptions, maintenance and support fees in advance with payment due before the start of the subscription term, ranging from one to three years. The Company records the amounts collected in advance of the satisfaction of performance obligations, usually over time, as a contract liability or deferred revenue. Invoiced amounts for non-cancelable services starting in future periods are included in contract assets and deferred revenue. The portion of deferred revenue that will be recognized within 12 months is recorded as current deferred revenue, and the remaining portion is recorded as deferred revenue in the condensed consolidated balance sheets.

Contract balances at September 30, 2026, December 31, 2025 and 2024 were as follows:

	SEPTEMBER 30, 2026	DECEMBER 31, 2025	DECEMBER 31, 2024
		(In thousands)	
Contract assets	$ 12,419	$ 9,180	$ 10,953
Contract liabilities	$ 78,641	$ 77,748	$ 78,849

During the nine months ended September 30, 2026, the Company recognized revenue of $67,863 related to contract liabilities at December 31, 2025.

The unsatisfied performance obligations as of September 30, 2026 were $127,795. We expect to recognize $102,427, or 80.1% of this revenue over the next 12 months and the remainder thereafter.

Deferred Contract Acquisition Costs

Under ASC Topic 606, sales commissions paid to the sales force and the related employer payroll taxes, collectively deferred contract acquisition costs, are considered incremental and recoverable costs of obtaining a contract with a customer.

The Company recognizes an asset for the incremental costs of obtaining a contract with a customer if it expects the benefit of those costs to be longer than one year. The Company has determined that certain sales incentive programs meet the requirements to be capitalized. The costs capitalized are primarily sales commissions for our sales force personnel. Capitalized costs to obtain a contract are amortized on a straight-line basis over the expected period of benefit. Amortization of capitalized costs is included in sales and marketing expenses in our condensed consolidated statements of operations.

Capitalized contract acquisition costs were $2,220 and $1,351 as of September 30, 2026 and December 31, 2025, respectively, and were included in prepaid expenses and other current assets in the condensed consolidated balance sheets.

Grant Revenue

The Company receives grant funding for certain specific projects from time to time. These grants specify the funds provided are to be used exclusively to satisfy the deliverables outlined in the grant agreements. If, under these agreements, both involved parties receive and sacrifice approximately commensurate value, they are accounted for as exchange transactions, and revenue is recognized according to ASC Topic 606. The grant funding is generally provided near contract inception, so a contract liability is initially recorded and revenue is recognized as the performance obligations are satisfied over time. If these agreements involve one party nonreciprocally transferring value to another, and any benefit to the transferor is incidental to the potential public benefits, they are accounted for as contribution transactions, and revenue is recognized in accordance with ASC Topic 958.

Sources and Timing of Revenue

The Company's performance obligations are satisfied either over time or at a point in time. The following table presents the Company's revenue by timing of revenue recognition to understand the risks of timing of transfer of control and cash flows:

	THREE MONTHS ENDED SEPTEMBER 30,		NINE MONTHS ENDED SEPTEMBER 30,	
	2026	2025	2026	2025
	(In thousands)			
Software licenses transferred at a point in time	$ 17,086	$ 15,435	$ 57,190	$ 54,012
Software licenses transferred over time	31,746	28,395	90,164	82,882
Service revenues earned over time	46,069	47,057	134,910	138,448
Total	$ 94,901	$ 90,887	$ 282,264	$ 275,342

(j) Goodwill

Prior to the sale of the Company's Regulatory and Medical Writing business, the Company had three reporting units: Certara Data Science Software ("CDS"), the Certara Predictive Technologies reporting unit ("CPT"), and the Certara Drug Development Services reporting unit ("CDDS"), all of which were within a single operating segment of the Company. Goodwill is tested for impairment at the reporting unit level, which is one level below or the same as an operating segment. When testing goodwill for impairment, the Company performs a qualitative assessment to determine whether events or circumstances lead to a determination that it is more-likely-than-not that the fair values of the reporting units are less than their carrying amounts. If the Company determines that it is not more-likely-than-not that the fair values of the reporting units are less than their carrying values, no further assessment is performed. If the Company determines that it is more-likely-than-not that the fair values of the reporting units are less than carrying value, the Company proceeds to perform a quantitative goodwill impairment test. If the result of the quantitative test shows that the carrying amount of reporting units exceeds its fair values, an impairment loss is recognized in an amount equal to that excess, limited to the total amount of goodwill allocated to that reporting unit.

In connection with the sale of the Company's Regulatory and Medical Writing business, the Company determined that the planned disposition represented a triggering event requiring an interim goodwill impairment assessment. Accordingly, the Company performed a quantitative goodwill impairment test immediately prior to the disposal date. Based on the results of the test, the estimated fair value of each reporting unit exceeded its respective carrying amount, including goodwill. As a result, no goodwill impairment charge was recognized as of the date of the sale.

(k) Earnings per Share

Basic earnings per common share is computed by dividing the net earnings by the weighted-average number of shares outstanding during the reporting period, without consideration for potentially dilutive securities. Diluted shares are calculated under the treasury stock method. Diluted earnings per share is calculated by dividing the net earnings attributable to stockholders by the weighted-average number of shares and dilutive securities outstanding during the period.

3. Concentrations of Credit Risk

Financial instruments that potentially subject the Company to concentrations of credit risk have consisted principally of cash and cash equivalent investments and trade receivables. The Company invests available cash in bank deposits, investment-grade securities, and short-term interest-producing investments, including government obligations and other money market instruments. At September 30, 2026 and December 31, 2025, the investments were bank deposits, overnight sweep accounts, and money market funds. The Company has adopted credit policies and standards to evaluate the risk associated with sales that require collateral, such as letters of credit or bank guarantees, whenever deemed necessary. Management believes that any risk of loss is significantly reduced due to the nature of the customers and distributors with which the Company does business.

As of September 30, 2026 and December 31, 2025, no single customer accounted for more than 10% of the Company’s accounts receivable. No single customer accounted for more than 10% of the Company’s revenues during the nine months ended September 30, 2026 and 2025.

4. Divestiture and Discontinued Operation

On April 21, 2026, the Company entered into a Purchase Agreement (the "Purchase Agreement") with Veristat, LLC to sell the Regulatory and Medical Writing business. The sale is part of management's strategy to simplify the Company's portfolio and focus on its core businesses. On May 8, 2026, the Company completed the sale of the Regulatory and Medical Writing business. As of September 30, 2026, the Company had received cash consideration of $78,236. An additional $7,500, representing a decrease from $15,000 as of June 30, 2026, remained held in escrow to be released to the Company upon the satisfaction of certain post-closing conditions. In addition, the Company is eligible to receive an earn-out payment of up to $35,000 based on the financial performance (as defined in the Purchase Agreement) of such business over a specified period following closing. During the three months ended September 30, 2026, the Company recognized a pretax gain of $8,749 related to the disposal, primarily resulting from the recognition of $7,500 of additional consideration based on the Company's assessment that certain post-closing conditions under the Purchase Agreement were satisfied. The transaction resulted in an estimated pretax loss on sale of $56,732, including an estimated after-tax loss of $40,699, which was recorded in loss from discontinued operations in the condensed consolidated statement of operations for the nine months ended September 30, 2026. The final loss recognized may differ from the amount currently recognized due to the final escrow amount realized and the ultimate settlement of the earn-out.

During the second quarter of 2026, the Company determined that the Regulatory and Medical Writing business met the accounting criteria to be classified as held for sale and discontinued operations. Accordingly, the Company has presented the results of operations and the related cash flows of the Regulatory and Medical Writing business as discontinued operations in the condensed consolidated financial statements through the date of sale. This presentation has been applied retrospectively to all periods presented. The Company’s presentation of discontinued operations excludes general corporate overhead costs that did not meet the requirements to be presented as discontinued operations.

In connection with the transaction, the Company entered into a Transition Services Agreement ("TSA") pursuant to which it will provide certain transition services to the service recipient, including information technology and other administrative functions. The initial service periods for the individual services specified in the TSA generally range from three to twelve months following the closing of the transaction. The service recipient may, by providing the Company with at least 30 days' prior written notice prior to the expiration of the applicable service period, extend any service for up to two additional extension periods, subject to the terms and conditions of the TSA. Other than the services provided pursuant to the TSA, the Company has no significant continuing involvement with the disposed business following the closing of the transaction.

The following table presents the major categories of income (loss) from discontinued operations related to sale of the Regulatory and Medical Writing business:

	THREE MONTHS ENDED SEPTEMBER 30,		NINE MONTHS ENDED SEPTEMBER 30,	
	2026	2025	2026	2025
	(In thousands)			
Total revenues	$ 1,120	$ 13,729	$ 20,332	$ 39,848
Cost of Revenues	1,120	6,322	11,783	19,554
Sales and marketing	—	331	472	993
General and administrative	—	426	545	1,281
Depreciation and amortization	—	3,083	4,363	9,244
Income from discontinued operations	—	3,567	3,169	8,776
Pre-tax income (loss) on the disposal of discontinued operations	8,749	—	(56,732)	—
Total income (loss) from discontinued operations before income taxes	8,749	3,567	(53,563)	8,776
Income tax expense (benefit)	(422)	(2,796)	(16,607)	2,639
Total income (loss) from discontinued operations, net of tax	$ 9,171	$ 6,363	$ (36,956)	$ 6,137

The following table presents the major classes of assets and liabilities of discontinued operations related to sale of the Regulatory and Medical Writing business as of December 31, 2025:

	December 31, 2025
	(In thousands)
Assets	
Accounts receivable	$ 1,951
Prepaid expenses and other current assets	315
Property and equipment, net	48
Operating lease right-of-use assets	99
Goodwill	28,255
Intangible assets, net of accumulated amortization	85,641
Other long-term assets	133
Deferred income taxes	1,386
Total assets of discontinued operations	$ 117,828
Liabilities	
Accounts payable	$ 386
Accrued expenses	7,473
Current portion of deferred revenue	14
Other short-term liabilities	88
Total liabilities of discontinued operations	$ 7,961

5. Prepaid Expenses and Other Current Assets and Other Long-Term Assets

Prepaid expense and other current assets at September 30, 2026 and December 31, 2025 consisted of the following:

	SEPTEMBER 30, 2026	DECEMBER 31, 2025
	(In thousands)	
Prepaid expenses	$ 10,435	$ 8,020
Income tax receivable	2,166	5,388
Research and development tax credit receivable	8,920	7,352
Current portion of interest rate swap asset	1,830	—
Other current assets	1,841	1,127
Prepaid expenses and other current assets	$ 25,192	$ 21,887

Other long-term assets at September 30, 2026 and December 31, 2025 consisted of the following:

	SEPTEMBER 30, 2026	DECEMBER 31, 2025
	(In thousands)	
Long-term deposits	$ 1,048	$ 1,024
Interest rate swap asset - long-term	4,867	—
Deferred financing cost	422	485
Total other long-term assets	$ 6,337	$ 1,509

6. Long-Term Debt and Revolving Line of Credit

The Company has been a party to a Credit Agreement since August 2017 that provides for a senior secured term loan and commitments under a revolving credit facility (as amended, the "Credit Agreement"). On June 26, 2024, the Company entered into the Fifth Amendment to its Credit Agreement (the "Fifth Amendment"), which primarily (1) amended the principal amount of the term loan to $300,000 and its maturity date to June 26, 2031; and (2) extended the termination date associated with the $100,000 revolving credit commitment (the "Revolving Facility") to June 26, 2029. On October 16, 2025, the Company entered into the Sixth Amendment to the Credit Agreement (the "Sixth Amendment"), which primarily refinanced the existing principal amount of the term loan with $296,250 principal amount of replacement term loans with the same maturity date of June 26, 2031 and reduced the applicable rate with respect to the term loans under the Credit Agreement. The Credit Agreement is collateralized by substantially all U.S. assets and stock pledges for the non-U.S. subsidiaries and contains various financial and nonfinancial covenants.

Borrowings under the Credit Agreement bear interest at a rate per annum equal to, at the election of the Company, either (i) the Term Secured Overnight Financing Rate ("SOFR") rate, with a floor of 0.00% plus an applicable margin rate of 2.75% for the replacement term loans and between 2.75% and 3.50% for loans under the Revolving Facility, depending on the applicable first lien leverage ratio, or (ii) an Alternate Base Rate ("ABR"), with a floor of 1.00%, plus an applicable margin rate of 1.75% for the replacement term loans or between 1.75% and 2.50% for loans under the Revolving Facility, depending on the applicable first lien leverage ratio. The ABR is determined as the greatest of (a) the prime rate, (b) the federal funds effective rate, plus 0.50%, and (c) the Term SOFR rate plus 1.00%. Additionally, the Company is obligated to pay a commitment fee of the unused amount and other customary fees.

As of each of September 30, 2026 and December 31, 2025, available borrowings under the revolving lines of credit were $100,000.

The effective interest rate was 6.50% and 7.39% for the nine months ended September 30, 2026 and 2025, respectively, for the term loan debt. As discussed previously, the Company entered into interest rate swap agreements and continues to use the swaps to mitigate the interest risk for the Company's debt obligations under the Credit Agreement.

Interest incurred on the Credit Agreement with respect to the term loan amounted to $4,839, $5,535, $14,359, and $16,499 for the three and nine months ended September 30, 2026 and 2025, respectively. Accrued interest payable on the Credit Agreement with respect to the term loan amounted to $54 and $53 at September 30, 2026 and December 31, 2025, respectively, and is included in accrued expenses. Commitment fees incurred for the undrawn balance of the revolving line of credit were $64, $64, $190, and $231 for the three and nine months ended September 30, 2026 and 2025, respectively. There was $1 accrued interest payable on the revolving line of credit as of each of September 30, 2026 and December 31, 2025.

Long-term debt consists of the following:

	SEPTEMBER 30, 2026	DECEMBER 31, 2025
	(In thousands)	
Term loans	$ 293,288	$ 295,509
Revolving line of credit	—	—
Less: debt issuance costs	(2,077)	(2,415)
Total	291,211	293,094
Current portion of long-term debt	(2,963)	(2,963)
Long-term debt, net of current portion and debt issuance costs	$ 288,248	$ 290,131

The principal amount of long-term debt outstanding as of September 30, 2026 matures in the following years:

	Remainder of 2026	2027	2028	2029	2030	Thereafter	TOTAL
				(In thousands)			
Maturities	$ 741	$ 2,963	$ 2,963	$ 2,963	$ 2,963	$ 280,695	$ 293,288

The Credit Agreements require the Company to make an annual mandatory prepayment as it relates to the Company’s Excess Cash Flow calculation. For the year ended December 31, 2025, the Company was not required to make a mandatory prepayment on the term loan. Under the Credit Agreement (as amended by the Sixth Amendment), the Company is required to make a quarterly principal payment of $741 on the term loans that started on December 31, 2025.

The fair values of the Company’s variable interest term loan and revolving line of credit are not significantly different than their carrying value because the interest rates on these instruments are subject to change with market interest rates.

7. Leases

The Company leases certain office facilities and equipment under non-cancelable operating leases with remaining terms ranging from less than one to eight years.

Operating lease ROU assets are included in other assets. With respect to operating lease liabilities, current operating lease liabilities are included in current liabilities and non-current operating lease liabilities are included in long-term liabilities in the condensed consolidated balance sheets. At September 30, 2026, the weighted average remaining lease terms was 5.8 years for operating leases, and the weighted average discount rate was 6.05% for operating leases. For additional information on the Company's leases, see Note 13. “Leases” to the consolidated financial statements included in the Company’s 2025 Annual Report.

The following table summarizes the lease-related assets and liabilities recorded in the condensed consolidated balance sheets at September 30, 2026 and December 31, 2025:

Lease Position	Balance Sheet Classification	SEPTEMBER 30, 2026	DECEMBER 31, 2025
		(In thousands)	
Assets			
Operating lease assets	Operating lease right-of-use assets	$ 8,786	$ 11,840
Total lease assets		$ 8,786	$ 11,840
Liabilities			
Current			
Operating	Other current liabilities	$ 2,968	$ 3,832
Noncurrent			
Operating	Operating lease liabilities, net of current portion	7,015	8,438
Total lease liabilities		$ 9,983	$ 12,270

The following table summarizes by year the maturities of our minimum lease payments as of September 30, 2026:

	OPERATING LEASES
	(In thousands)
Remainder of 2026	$ 1,217
2027	3,210
2028	1,471
2029	1,216
2030	1,100
Thereafter	4,124
Total future lease payments	12,338
Less: imputed interest	(2,355)
Total	$ 9,983

8. Accrued Expenses and Other Liabilities

Accrued expenses consist of the following:

	SEPTEMBER 30, 2026	DECEMBER 31, 2025
	(In thousands)	
Accrued compensation	$ 28,373	$ 36,452
Legal and professional accruals	5,949	5,608
Interest payable	55	54
Income taxes payable	8,769	(5,521)
Short-term contingent consideration liabilities	464	21,979
Other	868	1,086
Total accrued expenses	$ 44,478	$ 59,658

Other long-term liabilities consist of the following:

	SEPTEMBER 30, 2026	DECEMBER 31, 2025
	(In thousands)	
Uncertain tax position liability	$ 3,473	$ 3,328
Derivative liabilities - long-term	—	1,789
Total other long-term liabilities	$ 3,473	$ 5,117

9. Equity-Based Compensation

The Company's equity-based compensation programs are intended to attract, retain and provide incentives for employees, officers, and directors. The Company has the following stock-based compensation plans and programs.

Restricted Stock

The majority of the Company's restricted stock awarded to its employees was originally issued on December 10, 2020 in exchange for the Class B Profits Interest Unit (the "Class B Units") of EQT Avatar Parent LP, which was the former parent of the Company.

Share-based compensation for the restricted stock exchanged for the time-based Class B Units is recognized on a straight-line basis over the requisite service period of the award, which is generally five years. Share-based compensation for the restricted stock exchanged for the performance-based Class B Units is recognized using the accelerated attribution approach. As of September 30, 2025, all of the Company's restricted stock had fully vested, and no restricted stock remained outstanding.

Equity-based compensation expenses related to the restricted stock exchanged for performance-based Class B Units were $39 and $160 for the three and nine months ended September 30, 2025, respectively. As of September 30, 2025, all compensation expense related to the awards had been fully recognized.

Equity-based compensation expenses related to the restricted stock exchanged for time-based Class B Units were $80 and $321 for the three and nine months ended September 30, 2025, respectively. As of September 30, 2025, all compensation expense related to the awards had been fully recognized.

In order to align the Company's equity compensation program with public company practices, the Company's Board of Directors adopted and stockholders approved the 2020 Incentive Plan. The 2020 Incentive Plan allows for grants of non-qualified stock options, incentive stock options, restricted stock, restricted stock units ("RSUs"), and performance stock units ("PSUs") to employees, directors, officers, and consultants or advisors of the Company. The 2020 Incentive Plan allows for 20,000,000 shares (the "plan share reserve") of common stock to be issued. No more than the number of shares of common stock equal to the plan share reserve may be issued in aggregate pursuant to the exercise of incentive stock options. The maximum number of shares of common stock granted during a single fiscal year to any non-employee director, taken together with any cash fees paid to such non-employee director during the fiscal year, may not exceed $1,000,000 in total value, except for certain awards made to a non-executive chair of our Board of Directors.

Restricted Stock Units ("RSUs")

RSUs represent the right to receive shares of the Company's common stock at a specified date in the future. The fair value of the RSUs is based on the fair value of the underlying shares on the date of grant.

A summary of the Company's RSU activity is as follows:

	UNITS		WEIGHTED-AVERAGE GRANT DATE FAIR VALUE
Non-vested RSUs as of December 31, 2025	3,358,181	$	14.48
Granted	4,546,695		6.24
Vested*	(1,563,397)		15.57
Forfeited	(564,787)		11.26
Cancelled	(3,255)		11.09
Non-vested RSUs as of September 30, 2026	5,773,437	$	8.01

* The number of the RSUs vested included 557,001 shares that were withheld on behalf of employees to satisfy the statutory tax withholding requirements.

Equity-based compensation expenses related to the RSUs were $5,334, $7,496, $16,795, and $19,736 for the three and nine months ended September 30, 2026 and 2025, respectively. At September 30, 2026, the total unrecognized equity-based compensation expense related to outstanding RSUs was $35,488, which is expected to be recognized over a weighted-average period of 23 months.

Performance Stock Units ("PSUs")

PSUs are issued under the 2020 Incentive Plan and represent the right to receive shares of the Company's common stock at a specified date in the future based on the satisfaction of various service conditions and the achievement of certain performance thresholds, including year over year revenue growth, unlevered free cash low growth, annual revenue, and annual EBITDA. The PSUs granted in 2024, 2025 and 2026 also contain market conditions.

Equity-based compensation for the PSUs is recognized in accordance with ASC 718. Equity-based compensation cost for PSUs with performance conditions is recognized only to the extent a threshold is probable of being achieved and is recognized using the accelerated attribution approach. The Company will continue to assess the probability of each condition being achieved at each reporting period to determine whether and when to recognize compensation cost. PSUs granted in 2024, 2025, and 2026 also contain market conditions. For PSUs that include a market condition and no other performance conditions, the effect of the market condition is reflected in the grant-date fair value of the award, and compensation cost attributable to the market condition is recognized regardless of whether the market condition is ultimately achieved, provided the requisite service is rendered.

A summary of the Company's PSU activity for the period ended September 30, 2026 is as follows:

	UNITS	WEIGHTED-AVERAGE GRANT DATE FAIR VALUE
Non-vested PSUs as of December 31, 2025	1,194,188	$ 13.05
Granted	2,009,685	3.64
Vested	—	—
Forfeited	(302,663)	5.57
Cancelled*	(200,263)	25.26
Non-vested PSUs as of September 30, 2026	2,700,947	$ 5.98

* During the first nine months of 2026, the Company cancelled 200,263 PSU shares that did not meet the required performance and market conditions for vesting.

Equity-based compensation expenses (income) related to the PSUs were $682 and $1,959, $2,634, and $4,672 for the three and nine months ended September 30, 2026 and 2025, respectively. At September 30, 2026, the total unrecognized equity-based compensation expense related to outstanding PSUs was $7,256, which is expected to be recognized over a weighted-average period of 18 months.

The following table summarizes the components of total equity-based compensation expense included in the condensed consolidated statements of operations for each period presented:

	THREE MONTHS ENDED SEPTEMBER 30,		NINE MONTHS ENDED SEPTEMBER 30,	
	2026	2025	2026	2025
	(In thousands)			
Cost of revenues	$ 1,658	$ 3,251	$ 6,436	$ 8,849
Sales and marketing	680	1,213	2,402	3,103
Research and development	728	1,072	2,460	2,673
General and administrative	2,950	4,038	8,132	10,264
Total	$ 6,016	$ 9,574	$ 19,430	$ 24,889

10. Commitments and Contingencies

Contingent consideration

In connection with certain of the Company's business acquisitions, the Company is required to pay additional consideration if the acquired businesses achieve certain eligible revenue thresholds for certain periods. Furthermore, the Company agreed to pay additional contingent consideration related to a business acquisition, contingent on the resolution of certain tax-related contingencies. For the nine months ended September 30, 2026, the Company paid contingent consideration of $28,744, consisting of $20,121 in cash and $8,623 in Company stock. The total contingent liabilities were $464 and $21,979 at September 30, 2026 and December 31, 2025, respectively. The contingent liabilities are included in accrued expenses and other long-term liabilities in the Company's condensed consolidated balance sheets.

Legal proceedings

The Company does not have any pending or threatened litigation which, individually or in the aggregate, would have a material adverse effect on its condensed consolidated financial statements as of September 30, 2026.

Assurance-type warranty

The Company includes an assurance commitment warranting that the application software products will perform in accordance with written user documentation and the agreements negotiated with customers. Since the Company does not customize its application software, warranty costs have historically been insignificant and expensed as incurred.

For information related to commitments for future minimum lease payments, please see Note 7. "Leases".

11. Segment Data

Operating segments are defined as components of an enterprise about which separate financial information is available that is evaluated regularly by the chief operating decision maker (“CODM”) in deciding how to allocate resources and in assessing performance.

The Company has determined that its Chief Executive Officer (“CEO”) is its CODM. The Company manages its operations as a single segment for the purpose of assessing and making operating decisions. The Company’s CODM allocates resources and assesses performance based upon financial information at the consolidated level. The accounting policies of the Company's single segment are the same as those described in the summary of significant accounting policies. The intercompany balances and transactions are eliminated.

As the Company operates and reports in a single reportable segment, the Company's CODM assesses performance for the segment and decides how to allocate resources based on net income that also is reported on the income statement as consolidated income from continuing operations. The measure of segment assets is reported on the balance sheet as total consolidated assets.

The CODM uses net income and other performance indicators to evaluate income generated from segment assets (return on assets) in deciding whether to reinvest profits into the segment or into other parts of the entity, such as for acquisitions. Net income is also used to monitor budget versus actual results.

The Company manages the business activities on a consolidated basis. The Company's operating segment provides technology-enabled services and software products to its customers. The Company’s revenue consists of fees for its software products and services. The revenue is primarily generated from Americas. See item (i) -

Revenue recognition under Note 2. “Summary of Significant Accounting Policies", for a description of the Company’s revenue categories.

The following table summarizes revenue by geographic area for the three and nine months ended September 30, 2026 and 2025:

	THREE MONTHS ENDED SEPTEMBER 30,		NINE MONTHS ENDED SEPTEMBER 30,	
	2026	2025	2026	2025
	(In thousands)			
Revenue(1):				
Americas	$ 66,795	$ 62,098	$ 189,050	$ 186,632
EMEA	18,552	20,309	64,808	64,275
Asia Pacific	9,554	8,480	28,406	24,435
Total	$ 94,901	$ 90,887	$ 282,264	$ 275,342

(1) Revenue is attributable to the countries based on the location of the customer.

The following table presents information about reported segment revenue, segment profit or loss, and significant segment expenses.

	THREE MONTHS ENDED SEPTEMBER 30,		NINE MONTHS ENDED SEPTEMBER 30,	
	2026	2025	2026	2025
	(In thousands)			
Revenues	$ 94,901	$ 90,887	$ 282,264	$ 275,342
Less:				
Employee expense-non equity	57,860	52,961	169,228	160,155
Equity-based compensation expense	6,016	9,574	19,430	24,889
Equipment and software expense	5,344	3,999	14,896	11,808
Direct cost of revenues	1,998	1,647	6,004	5,336
Professional services expense	6,154	6,042	21,816	19,308
Change in fair value of contingent consideration	—	2,689	7,230	(3,212)
Depreciation and amortization	16,317	15,543	48,659	46,814
Other segment expense*	(2,646)	(2,745)	(2,493)	(6,125)
Interest expense	5,038	5,011	14,966	14,619
Income tax expense	2,399	1,004	4,013	3,587
Segment net income from continuing operations	$ (3,579)	$ (4,838)	$ (21,485)	$ (1,837)
Reconciliation of profit or loss				
Adjustments and reconciling items	—	—	—	—
Consolidated net income from continuing operations	$ (3,579)	$ (4,838)	$ (21,485)	$ (1,837)

* Other segment expense (income) items included in segment net income include facilities related expense, marketing, travel, insurance, foreign currency exchange gains and losses, and other overhead expense.

12. Income Taxes

The Company generally records its interim tax provision based upon a projection of the Company's estimated annual effective tax rate ("EAETR"). This EAETR is applied to the year-to-date consolidated pre-tax income to determine the interim provision for income taxes before discrete items. The effective tax rate ("ETR") each period is impacted by a number of factors, including the relative mix of domestic and international earnings, permanent differences, adjustments to the valuation allowances, and discrete items. The currently forecasted ETR may vary from the actual year-end due to the changes in these factors.

The Company's global ETR for continuing operations for the three months ended September 30, 2026 and 2025 were (203)% and (26)% and for the nine months ended September 30, 2026 and 2025 were (23)% and 205%, respectively, including discrete tax items. The current year decrease in the ETR was principally due to the combined effect of the overall increase in pre-tax book loss, the impact of non-deductible items, and the tax effect of certain discrete items.

13. Earnings per Share

Basic earnings per share is computed by dividing net income (loss) attributable to common stockholders by the weighted-average common shares outstanding for the period. Diluted earnings per share is computed by dividing the net income (loss) attributable to stockholders by the weighted-average number of shares and dilutive potential common shares during the period.

	THREE MONTHS ENDED SEPTEMBER 30,		NINE MONTHS ENDED SEPTEMBER 30,	
	2026	2025	2026	2025
	(In thousands, except per share and share data)			
Income (loss) from continuing operations, net of tax	$ (3,579)	$ (4,838)	$ (21,485)	$ (1,837)
Basic weighted-average common shares outstanding	152,694,317	160,403,011	154,916,712	160,769,603
Basic earnings per common share from continuing operations	$ (0.02)	$ (0.03)	$ (0.14)	$ (0.01)
Diluted earnings per share				
Income (loss) from continuing operations, net of tax	$ (3,579)	$ (4,838)	$ (21,485)	$ (1,837)
Basic weighted-average common shares outstanding	152,694,317	160,403,011	154,916,712	160,769,603
Dilutive potential common shares	—	—	—	—
Diluted weighted-average common shares outstanding	152,694,317	160,403,011	154,916,712	160,769,603
Diluted earnings per common share from continuing operations	$ (0.02)	$ (0.03)	$ (0.14)	$ (0.01)

(a) For the three and nine months ended September 30, 2026 and 2025, the Company repurchased —, 1,230,398, 9,009,459, and 3,023,677 shares of its common stock, respectively, under the stock repurchase program authorized by the Company's Board of Directors on April 11, 2025. The program authorizes the Company to repurchase up to $100,000 of its common stock.

(b) For the three and nine months ended September 30, 2026 and 2025, the Company excluded potentially dilutive securities from the calculation of diluted earnings per share that could potentially dilute earnings per share in the future because of the anti-dilutive effect of the reported net loss.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion summarizes the significant factors affecting the operating results, financial condition, liquidity, and cash flows of our Company as of and for the periods presented below. The following discussion and analysis should be read in conjunction with the unaudited condensed consolidated financial statements and the related notes thereto included elsewhere in this Quarterly Report and our 2025 Annual Report. The statements in this discussion regarding industry outlook, our expectations regarding our future performance, liquidity, and capital resources, and all other non-historical statements in this discussion are forward-looking statements and are based on the beliefs of our management, as well as assumptions made by, and information currently available to, our management. Actual results could differ materially from those discussed in or implied by forward-looking statements as a result of various factors, including those discussed below and elsewhere in this Quarterly Report, particularly in the section "Special Note Regarding Forward-Looking Statements" of this Quarterly Report.

We intend the discussion of our financial condition and results of operations that follows to provide information that will assist the reader in understanding our condensed consolidated financial statements, the changes in certain key items in those financial statements from period to period, and the primary factors that accounted for those changes, as well as how certain accounting principles, policies, and estimates affect our condensed consolidated financial statements.

Executive Overview

We are a global leader in biosimulation science, technology and consulting services for using Model-Informed Drug Development ("MIDD") in the global biopharmaceutical and biotech industry. MIDD is an approach that utilizes biological and statistical models derived from preclinical, clinical, and evidence data to inform decision-making in drug research and development, and commercialization. Biosimulation is a critical component of MIDD that uses computer-aided mathematical simulation of biological processes and systems to understand the action of a drug in a human body or a population of humans. Our goal is to enable the life science industry to use data, modeling, and analytics to make better decisions during drug research, development and commercialization to increase productivity rates and vastly reduce development costs.

Drug development is necessarily a highly regulated process involving the collection of vast amounts of laboratory, clinical and evidence data, and there are many failures at every step along the way that add to total cost. On average, the pharmaceutical industry spends more than $290 billion annually on research and development ("R&D"). Generally, companies spend an average of $6.2 billion per FDA-approved drug to develop one new medicine, including the cost of failures, according to "Analysis of pharma R&D productivity - a new perspective needed" on Drug Discovery Today. Our technology and scientists incorporate modern advances in scientific understanding, drug research and development experience, data analysis, and AI, resulting in significant opportunities to decrease the cost and increase the odds of new drug approval and commercial success.

Our approach to AI is grounded in our long-standing expertise in mechanistic and empirical modeling. We deploy AI capabilities within validated scientific frameworks and expert-led workflows, rather than as standalone automated systems. This expert-in-the-loop model allows us to leverage native AI capabilities in a manner that is consistent with regulatory expectations for transparency, reproducibility, and explainability.

Our proprietary biosimulation platforms are built on biology, chemistry, and pharmacology principles with proprietary mathematical algorithms that model how medicines and diseases behave in the body. For over two decades, our scientists have developed and validated our biosimulation technology using data from scientific literature, laboratory research, preclinical and clinical studies. To do this, we have developed scientifically based solutions for the collection, standardization, validation, storage, and analysis of the preclinical, clinical

and evidence data needed for MIDD. These data solutions are used internally and industry wide by life sciences companies.

Native AI and machine learning technologies are being incorporated across our technology and consulting services portfolios, providing opportunities to expand the number of data sources utilized, better predict outcomes, and streamline reporting. For example, we are using machine learning to automate and speed the process of biosimulation.

We apply AI capabilities within established modeling environments and under the supervision of experienced scientists and regulatory experts. Our modeling platforms, curated datasets, and regulatory experience position us to incorporate emerging AI techniques in a controlled and scientifically rigorous manner. While AI can enhance productivity and insight generation, our solutions continue to rely on validated models and expert interpretation to support decision-making in regulated environments.

We leverage our validated software applications to deliver technology-enabled services. Our services are delivered by scientists with extensive drug development experience who aid our customers in applying biosimulation and MIDD to their specific projects.

Since 2014, customers who leverage our solutions have received 90% or more of all new drug approvals by FDA. We have worked with more than 2,600 life sciences companies and academic institutions and have collaborated on more than 10,000 customer projects in the last decade across a wide variety of therapeutic areas ranging from cancer and hematology to diabetes and hundreds of rare diseases. Our software products are licensed by more than 160,000 users and are also used by 20 global drug regulatory agencies, including the FDA, the UK's MHRA, Japan's PMDA, and China's NMPA.

With continued innovation in and adoption of our biosimulation software, technology, and services, we believe more life science companies worldwide will leverage more of our end-to-end platform to reduce cost, accelerate speed to market, and ensure safety and efficacy of medicines for all patients.

Key Factors Affecting Our Performance

We believe that the growth and future success of our business depend on many factors. While each of these factors presents significant opportunities for our business, they also pose important challenges that we must successfully address to sustain our growth and improve the results of our operations.

Customer Retention and Expansion

Our future operating results depend, in part, on our ability to successfully enter new markets, increase our customer base, and retain and expand our relationships with existing customers. We monitor two key performance indicators to evaluate retention and expansion: new bookings and net retention rates.

- Bookings: Our new bookings represent the estimated contract value of a signed contract or purchase order where there is sufficient or reasonable certainty about the customer's ability and intent to fund and commence the software and/or services. Bookings vary from period to period depending on numerous factors, including the overall health of the biopharmaceutical industry, regulatory developments, industry consolidation, and sales performance. Bookings have varied and will continue to vary significantly from quarter to quarter and from year to year.

- Net Retention Rates: Our net retention rates measure the percentage of recurring revenue that is retained from existing software customers over a specific period of time, inclusive of price increases and expansion, excluding revenue from acquisitions occurred within the past 12 months.

The table below summarizes our quarterly bookings and net software retention rate trends from continuing operations:

	2026			2025		
	Q1	Q2	Q3	Q1	Q2	Q3
	(in millions except percentage)					
Bookings	$ 97.2	$ 98.3	$ 92.5	$ 98.4	$ 97.4	$ 88.6
Net Retention Rates	106.1 %	101.5 %	106.8 %	102.4 %	107.6 %	103.9 %

Investments in Growth

We have invested and intend to continue to invest in expanding the breadth and depth of our solutions, including through acquisitions and international expansion. We expect to continue to invest in (i) scientific talent to expand our ability to deliver solutions across the drug development spectrum; (ii) sales and marketing to promote our solutions to new and existing customers and in existing and expanded geographies; (iii) research and development to support existing solutions and innovate new technology; (iv) other operational and administrative functions to support our expected growth; and (v) complementary business.

Our Operating Environment

The acceptance of model-informed biopharmaceutical discovery and development by regulatory authorities affects the demand for our products and services. Support for the use of biosimulation in discovery and development from regulatory bodies, such as the FDA and EMA, has been critical to its rapid adoption by the biopharmaceutical industry. There has been a steady increase in the recognition by regulatory and academic institutions of the role that modeling and simulation can play in the biopharmaceutical development and approval process, as demonstrated by new regulations and guidance documents describing and encouraging the use of modeling and simulation in the biopharmaceutical discovery, development, testing, and approval process, which has directly led to an increase in the demand for our services. Changes in government or regulatory policy, or a reversal in the trend toward increasing the acceptance of and reliance upon in silico data in the drug approval process, could decrease the demand for our products and services or lead regulatory authorities to cease use of, or recommend against the use of, our products and services.

Governmental agencies throughout the world, but particularly in the United States where the majority of our customers are based, strictly regulate the biopharmaceutical development process. Our business involves helping biopharmaceutical companies strategically and tactically navigate the regulatory approval process. New or amended regulations are expected to result in higher regulatory standards and often additional revenues for companies that service these industries. However, some changes in regulations, such as a relaxation in regulatory requirements or the introduction of streamlined or expedited approval procedures, or an increase in regulatory requirements that we have difficulty satisfying or that make our regulatory strategy services less competitive, could eliminate or substantially reduce the demand for our regulatory services.

Additionally, changes in government leadership may also result in either stricter or more relaxed regulatory environments. In the United States, recent executive actions and related government initiatives concerning prescription drug pricing, together with existing statutes and implementing guidance, may create additional uncertainty in pricing frameworks. For example, government-led initiatives to expand direct-to-consumer discount mechanisms and other pricing programs could alter market dynamics and may indirectly affect customer research and development investment levels and priorities. Furthermore, in the past year, there has been a general pullback of government support and funding for drug development, particularly for public sector

and academic organizations, dependent on outside funding to develop early-stage research. Any material decrease or delay in demand for our technologies or services, or regulatory restrictions or requirements placed on them, may have a material adverse effect on our business, results of operations and financial condition.

Competition

The market for our biosimulation products and related services for the biopharmaceutical industry is competitive and highly fragmented. In our view, the principal competitive factors in our market are the functionality and quality of models, the breadth of molecular types, therapeutic areas, and modalities supported, regulator acceptance of our solutions, ease of use and functionality of applications, depth of experience in drug development, brand awareness and reputation, total cost, and the ability to securely integrate with other enterprise applications and the overall drug development process in the customer.

Macroeconomic Conditions

Uncertain macroeconomic conditions, including higher inflation, rising interest rates and instability in the financial system, trade disputes, tariffs, changes in government funding, geopolitical conflicts, and pandemics or other infectious disease outbreaks, may pose challenges to our business.

Divestiture and Discontinued Operation

On April 21, 2026, the Company entered into a Purchase Agreement (the "Purchase Agreement") with Veristat, LLC to sell its global medical writing and related regulatory services business (the "Regulatory and Medical Writing business"). On May 8, 2026, the Company completed the sale of the Regulatory and Medical Writing business. As of September 30, 2026, the Company had received cash consideration of $78.2 million. An additional $7.5 million, representing a decrease from $15.0 million as of June 30, 2026, remained held in escrow to be released to the Company upon the satisfaction of certain post-closing conditions. In addition, the Company is eligible to receive an earn-out payment of up to $35.0 million based on the financial performance (as defined in the Purchase Agreement) of such business over a specified period following closing. During the three months ended September 30, 2026, the Company recognized a pretax gain of $8.7 million related to the disposal, primarily resulting from the recognition of $7.5 million of additional consideration based on the Company's assessment that certain post-closing conditions under the Purchase Agreement were satisfied. The transaction resulted in an estimated pretax loss on sale of $56.7 million, including an estimated after-tax loss of $40.7 million, which was recorded in loss from discontinued operations, in the condensed consolidated statement of operations for the nine months ended September 30, 2026. The final loss recognized may differ from the amount currently recognized due to the final escrow amount realized and the ultimate settlement of the earn-out.

During the second quarter of 2026, the Company determined that the Regulatory and Medical Writing business met the accounting criteria to be classified as held for sale and discontinued operations. Accordingly, the Company has presented the results of operations and the related cash flows of the Regulatory and Medical Writing business as discontinued operations in the condensed consolidated financial statements through the date of sale. This presentation has been applied retrospectively to all periods presented.

In connection with the transaction, the Company entered into a transition services agreement pursuant to which it will provide certain services, including information technology and other administrative functions, for a defined period following closing.

Non-GAAP Measures

Management uses various financial metrics, including total revenues, income from operations, net income, and certain metrics that are not required by, or presented in accordance with, GAAP, such as adjusted EBITDA, adjusted net income, and adjusted diluted earnings per share, to measure and assess the performance of our business, to evaluate the effectiveness of our business strategies, to make budgeting decisions, to make certain compensation decisions, and to compare our performance against that of other peer companies using similar measures. We believe that the presentation of the GAAP and the non-GAAP metrics in this filing will aid investors in understanding our business.

Management measures operating performance based on adjusted EBITDA defined for a particular period as net income (loss) from continuing operations excluding interest expense, provision (benefit) for income taxes, depreciation and amortization expense, equity-based compensation expense, change in fair value of contingent consideration, acquisition expense, and other items not indicative of our ongoing operating performance. Management also measures operating performance based on adjusted net income defined for a particular period as net income (loss) from continuing operations excluding equity-based compensation expense, amortization of acquisition-related intangible assets, change in contingent consideration, acquisition and integration expense, and other items not indicative of our ongoing operating performance. Further, management measures operating performance based on adjusted diluted earnings per share defined for a particular period as adjusted net income from continuing operations divided by the weighted-average diluted common shares outstanding.

We believe adjusted EBITDA, adjusted net income, and adjusted diluted earnings per share are helpful to investors, analysts, and other interested parties because they can assist in providing a more consistent and comparable overview of our operations across our historical periods. In addition, these measures are frequently used by analysts, investors, and other interested parties to evaluate and assess performance.

Adjusted EBITDA, adjusted net income, and adjusted diluted earnings per share are non-GAAP measures and are presented for supplemental purposes only and should not be considered as an alternative or substitute to financial information presented in accordance with GAAP. Adjusted EBITDA, adjusted net income, and adjusted diluted earnings per share have certain limitations in that they do not include the impact of certain expenses that are reflected in our condensed consolidated statements of operations that are necessary to run our business. Other companies, including those in our industry, may not use these measures and may calculate them differently than those presented, limiting the usefulness as a comparative measure.

The following table reconciles net income (loss) from continuing operations to Adjusted EBITDA:

	THREE MONTHS ENDED SEPTEMBER 30,		NINE MONTHS ENDED SEPTEMBER 30,	
	2026	2025	2026	2025
	(in thousands)			
Net loss from continuing operations(a)	$ (3,579)	$ (4,838)	$ (21,485)	$ (1,837)
Interest expense(a)	5,038	5,011	14,966	14,619
Interest income(a)	(1,297)	(1,270)	(3,366)	(4,155)
Provision for income taxes(a)	2,399	1,004	4,013	3,587
Intangible asset amortization and fixed assets depreciation(a)	16,317	15,543	48,659	46,814
Currency (gain) loss(a)	(105)	(534)	2,313	(1,173)
Equity-based compensation expense(b)	6,016	9,574	19,430	24,889
Change in fair value of contingent consideration(d)	—	2,689	7,230	(3,212)
Acquisition-related expenses(e)	351	1,104	237	2,408
Reorganization expense(f)	2,951	38	7,138	1,123
Severance expense(g)	590	—	590	—
Loss (gain) on disposal of fixed assets(h)	—	31	(14)	36
Executive recruiting expense(i)	1,237	—	3,088	661
Litigation expense (j)	291	246	291	246
Adjusted EBITDA	$ 30,209	$ 28,598	$ 83,090	$ 84,006

The following table reconciles net income (loss) from continuing operations to adjusted net income:

	THREE MONTHS ENDED SEPTEMBER 30,		NINE MONTHS ENDED SEPTEMBER 30,	
	2026	2025	2026	2025
	(in thousands)			
Net income (loss) from continuing operations(a)	$ (3,579)	$ (4,838)	$ (21,485)	$ (1,837)
Currency (gain) loss(a)	(105)	(534)	2,313	(1,173)
Equity-based compensation expense(b)	6,016	9,574	19,430	24,889
Amortization of acquisition-related intangible assets(c)	10,865	10,979	32,505	32,918
Change in fair value of contingent consideration(d)	—	2,689	7,230	(3,212)
Acquisition-related expenses(e)	351	1,104	237	2,408
Reorganization expense(f)	2,951	38	7,138	1,123
Severance expense(g)	590	—	590	—
Loss (gain) on disposal of fixed assets(h)	—	31	(14)	36
Executive recruiting expense(i)	1,237	—	3,088	661
Litigation expense (j)	291	246	291	246
Income tax expense impact of adjustments(k)	(5,085)	(5,491)	(16,217)	(12,812)
Adjusted net income	$ 13,532	$ 13,798	$ 35,106	$ 43,247

The following table reconciles diluted earnings per share from continuing operations to adjusted diluted earnings per share:

	THREE MONTHS ENDED SEPTEMBER 30,		NINE MONTHS ENDED SEPTEMBER 30,	
	2026	2025	2026	2025
Diluted earnings per share from continued operation (a)	(0.02)	(0.03)	(0.14)	(0.01)
Currency (gain) loss(a)	—	—	0.01	(0.01)
Equity-based compensation expense(b)	0.04	0.06	0.13	0.16
Amortization of acquisition-related intangible assets(c)	0.07	0.07	0.21	0.21
Change in fair value of contingent consideration(d)	—	0.02	0.05	(0.02)
Acquisition-related expenses(e)	—	0.01	—	0.01
Reorganization expense(f)	0.02	—	0.05	0.01
Severance expense(g)	—	—	—	—
Loss (gain) on disposal of fixed assets(h)	—	—	—	—
Executive recruiting expense(i)	0.01	—	0.02	—
Litigation expense (j)	—	—	—	—
Income tax expense impact of adjustments(k)	(0.03)	(0.04)	(0.10)	(0.08)
Adjusted diluted earnings per share	$ 0.09	$ 0.09	$ 0.23	$ 0.27
Basic weighted average common shares outstanding	152,694,317	160,403,011	154,916,712	160,769,603
Effect of potentially dilutive shares outstanding (l)	873,156	197,559	581,604	494,273
Adjusted diluted weighted average common shares outstanding	153,567,473	160,600,570	155,498,316	161,263,876

(a) Represents a measure determined under GAAP.

(b) Represents expenses related to equity-based compensation. Equity-based compensation has been, and we expect will continue to be for the foreseeable future, a recurring expense in our business and an important part of our compensation strategy.

(c) Represents amortization costs associated with acquired intangible assets in connection with business acquisitions.

(d) Represents expense associated with fair value adjustment or adjustment of contingent consideration of business acquisitions.

(e) Represents costs associated with mergers and acquisitions and any retention bonuses pursuant to the acquisitions.

(f) Represents expenses related to reorganization, including legal entity reorganization and lease abandonment costs associated with the evaluation of our office space footprint.

(g) Represents charges for severance provided to former executives.

(h) Represents the gain or loss related to the disposal of fixed assets.

(i) Represents recruiting, relocation expenses, and retention costs related to senior executives.

(j) Represents expenses related to non-recurring litigation outside the normal course of business.

(k) Represents the income tax effect of the non-GAAP adjustments calculated using the applicable statutory rate by jurisdiction.

(l) Represents potentially dilutive shares that were included from our GAAP diluted weighted average common shares outstanding, to the extent such shares are not antidilutive.

Components of Results of Operations

Revenues

Our business generates revenue from the sales of software products and the delivery of consulting services.

- ***Software***. Our software business generates revenues from software licenses, software subscriptions and software maintenance as follows:
  - *Software licenses*: We recognize revenue for software license fees up front, upon delivery of the software license.
  - *Software subscription*: Subscription revenue consists of subscription fees to provide our customers access to and related support for our cloud-based solutions. We recognize subscription fees ratably over the term of the subscription, usually one to three years. Any subscription revenue paid upfront that is not recognized in the current period is included in deferred revenue in our condensed consolidated balance sheet until earned.
  - *Software maintenance*: Software maintenance revenue includes fees for providing updates and technical support for software offerings. Software maintenance revenue is recognized ratably over the contract term, usually one year.
- ***Services***. Our services business generates revenues primarily from technology-driven services and professional services, which include software implementation services. Our service arrangements are time and materials, a fixed fee, or prepaid. Revenues are recognized over the time as services are performed for time and materials, and over time by estimating progress to completion for fixed fee and prepaid services.

Cost of Revenues

Cost of revenues consists primarily of employee-related expenses, equity-based compensation, the costs of third-party subcontractors, travel costs, distributor fees, amortization of capitalized software, and allocated overhead. We may add or expand computing infrastructure service providers, make additional investments in the availability and security of our solutions, or add resources to support our growth.

Operating Expenses

- ***Sales and Marketing***. Sales and marketing expenses consist primarily of employee-related expenses, equity-based compensation, sales commissions, brand development, advertising, travel-related expenses, and industry conferences and events. We plan to continue to invest in sales and marketing to increase penetration of our existing client base and expand to new clients.

- ***Research and Development***. R&D expenses consist primarily of employee-related expenses, equity-based compensation, third-party consulting, software costs, and tax credits. We plan to continue to invest in our R&D efforts to enhance and scale our software product offerings by development of new features and increased functionality.

- ***General and Administrative***. General and administrative expenses ("G&A") consist of personnel-related expenses associated with our executive, legal, finance, human resources, information technology, and other administrative functions, including salaries, benefits, bonuses, and equity-based compensation. G&A expenses also include professional fees for external legal, accounting and other consulting services, allocated overhead costs, and other general operating expenses.

- ***Intangible Asset Amortization***. Intangible asset amortization consists primarily of amortization expense related to intangible assets recorded in connection with acquisitions and amortization of capitalized software development costs.

- ***Depreciation and Amortization***. Depreciation and amortization expenses consist of depreciation of property and equipment and amortization of leasehold improvements.

Other Expenses

- ***Interest Expense***. Interest expense consists primarily of interest expense associated with our Credit Agreement, including amortization of debt issuance costs and discounts.

- ***Net Other Income (Expense)***. Net other income (expense) consists of miscellaneous non-operating expenses primarily comprised of interest income and foreign exchange transaction gains and losses.

- ***Provision for (Benefit from) Income Taxes***. Provision for (benefit from) income taxes consists of U.S. federal and state income taxes and income taxes in certain foreign jurisdictions in which we conduct business. We expect income tax expense to increase over time as the Company continues to grow more profitable.

Results of Operations

The following results of operations present our continuing operations for the three and nine months ended September 30, 2026 to the three and nine months ended September 30, 2025, respectively. All results from the Regulatory and Medical Writing business are presented within income (loss) from discontinued operations for these periods.

Three Months Ended September 30, 2026 Versus Three Months Ended September 30, 2025

The following table summarizes our unaudited statements of operations data for the three months ended at September 30, 2026 and 2025:

Revenues

	THREE MONTHS ENDED SEPTEMBER 30,		CHANGE	
	2026	2025	$	%
	(in thousands)			
Software	$ 48,832	$ 43,830	$ 5,002	11 %
Services	46,069	47,057	(988)	(2)%
Total revenues	$ 94,901	$ 90,887	$ 4,014	4 %

Total revenues increased by $4.0 million, or 4%, to $94.9 million for the three months ended September 30, 2026 as compared to the same period in 2025. Overall revenue growth was primarily driven by our software product offerings, supported by strong demand from existing customers and expansion of relationships with existing customers and new customers.

Software revenues increased by $5.0 million, or 11%, to $48.8 million for the three months ended September 30, 2026 as compared to the same period in 2025, primarily driven by increased demand from existing customers and expanded relationships with existing and new customers.

Services revenues decreased by $1.0 million to $46.1 million for the three months ended September 30, 2026 as compared to the same period in 2025.

Cost of Revenues

	THREE MONTHS ENDED SEPTEMBER 30,		CHANGE	
	2026	2025	$	%
	(in thousands)			
Cost of revenues	$ 31,438	$ 33,396	$ (1,958)	(6)%
% of total revenues	33 %	37 %		

Cost of revenues decreased $2.0 million, or 6%, to $31.4 million for the three months ended September 30, 2026 as compared to the same period in 2025. The decrease in cost of revenues was primarily due to a $1.6 million decrease in stock-based compensation expense, a $0.4 million decrease in professional and consulting expense, and a $0.3 million decrease in equipment and software expense, partially offset by a $0.5 million increase in employee-related costs.

Sales and Marketing Expenses

	THREE MONTHS ENDED SEPTEMBER 30,		CHANGE	
	2026	2025	$	%
	(in thousands)			
Sales and marketing	$ 11,638	$ 12,667	$ (1,029)	(8)%
% of total revenues	12 %	14 %		

Sales and marketing expenses decreased by $1.0 million, or 8%, to $11.6 million for the three months ended September 30, 2026 as compared to the same period in 2025. Sales and marketing expenses decreased primarily due to a $0.6 million decrease in employee-related costs, and a $0.5 million decrease in stock-based compensation costs.

Research and Development Expenses

	THREE MONTHS ENDED SEPTEMBER 30,		CHANGE	
	2026	2025	$	%
	(in thousands)			
Research and development	$ 10,771	$ 10,266	$ 505	5 %
% of total revenues	11 %	11 %		

Research and development expenses increased by $0.5 million, or 5%, to $10.8 million for the three months ended September 30, 2026 as compared to the same period in 2025. The increase in research and development expenses was primarily due to a $1.5 million increase in employee-related costs, a $0.3 million increase in miscellaneous expense, and a $0.2 million increase in equipment and software expense, partially offset by a $0.9 million increase in capitalized cost in R&D, a $0.3 million decrease in stock-based compensation costs, and a $0.2 million decrease in professional and consulting expense.

General and Administrative Expenses

	THREE MONTHS ENDED SEPTEMBER 30,		CHANGE	
	2026	2025	$	%
	(in thousands)			
General and administrative	$ 26,973	$ 24,221	$ 2,752	11 %
% of total revenues	28 %	27 %		

General and administrative expenses increased by $2.8 million, or 11%, to $27.0 million for the three months ended September 30, 2026 as compared to the same period in 2025. The increase in general and administrative expenses was primarily due to a $3.6 million increase in employee-related costs, largely driven by a $2.5 million increase in reorganization expense, a $1.5 million increase in equipment and software expense, a $1.2 million increase in executive recruiting expenses, and a $0.8 million increase in professional and consulting expense, partially offset by a $2.7 million decrease related to the remeasurement of the fair value of business acquisition contingent consideration, a $1.1 million decrease in stock-based compensation costs, and a $0.4 million decrease in facility and lease related expense.

	THREE MONTHS ENDED SEPTEMBER 30,		CHANGE	
	2026	2025	$	%
	(in thousands)			
Depreciation and amortization	$ 11,757	$ 10,899	$ 858	8 %
% of total revenues	12 %	12 %		

Depreciation and amortization expense increased by $0.9 million, or 8%, to $11.8 million for the three months ended September 30, 2026 as compared to the same period in 2025. The increase in depreciation and amortization expense was primarily due to a $0.5 million increase in depreciation expense for fixed assets, primarily due to a $0.5 million increase in depreciation expense for computer equipment. In addition, intangible assets amortization increased $0.4 million, primarily due to a $0.4 million increase in amortization expense of capitalized software.

Interest Expense

	THREE MONTHS ENDED SEPTEMBER 30,		CHANGE	
	2026	2025	$	%
	(in thousands)			
Interest expense	$ 5,038	$ 5,011	$ 27	1 %
% of total revenues	5 %	6 %		

Interest expense was $5.0 million for the three months ended September 30, 2026 and 2025, remaining relatively flat. The change in interest expense was primarily due to a $0.7 million decrease in gain from our interest swap hedge activities, partially offset by a $0.7 million decrease in interest expense from our floating rate term loan debt, primarily due to a decline in market interest rates and a reduced base margin rate resulting from the refinancing of the term loan.

Net Other Income

	THREE MONTHS ENDED SEPTEMBER 30,		CHANGE	
	2026	2025	$	%
	(in thousands)			
Net other (income) expense	$ (1,534)	$ (1,739)	$ 205	(12)%
% of total revenues	(2)%	(2)%		

Net other income decreased by $0.2 million to a net income of $1.5 million for the three months ended September 30, 2026 as compared to the same period in 2025. The decrease in net other income was primarily due to a $1.2 million increase in losses from remeasurement related to fluctuations in foreign currency exchange rates, partially offset by a $0.9 million increase in other miscellaneous income, primarily reflecting the impact of expenses recorded in the same quarter of 2025 on the year-over-year comparison.

Provision for Income Taxes

	THREE MONTHS ENDED SEPTEMBER 30,		CHANGE	
	2026	2025	$	%
	(in thousands)			
Provision for Income Taxes	$ 2,399	$ 1,004	$ 1,395	139 %
Effective income tax rate	(203)%	(26)%		

Our income tax expense on continued operation was $2.4 million, resulting in an effective income tax rate of (203)% for the three months ended September 30, 2026 as compared to income tax expense of $1.0 million, or an effective income tax rate of (26)%, for the same period in 2025. Our income tax expense for the three months ended September 30, 2026 and 2025 was primarily due to the tax effects of U.S. pre-tax income, the relative mix of domestic and international earnings, the impact of non-deductible items, adjustments to the valuation allowances, the effects of tax elections made for U.K. earnings, and discrete tax items.

Loss from continuing operations

	THREE MONTHS ENDED SEPTEMBER 30,		CHANGE	
	2026	2025	$	%
	(in thousands)			
Net loss	$ (3,579)	$ (4,838)	$ 1,259	26 %

Net loss was $3.6 million, representing a $1.3 million increase in net income for the three months ended September 30, 2026 as compared to net loss of $4.8 million for the same period of 2025. The increase in net income was primarily due to a $4.0 million increase in revenue, and a $2.0 million decrease in cost of revenue, partially offset by a $3.1 million increase in operating expenses, a $1.4 million increase in tax expense, and a $0.2 million increase in total other expense.

Nine Months Ended September 30, 2026 Versus Nine Months Ended September 30, 2025

The following table summarizes our unaudited statements of operations data for the nine months ended at September 30, 2026 and 2025:

Revenues

	NINE MONTHS ENDED SEPTEMBER 30,		CHANGE	
	2026	2025	$	%
	(in thousands)			
Software	$ 147,354	$ 136,894	$ 10,460	8 %
Services	134,910	138,448	(3,538)	(3)%
Total revenues	$ 282,264	$ 275,342	$ 6,922	3 %

Total revenues increased by $6.9 million, or 3%, to $282.3 million for the nine months ended September 30, 2026 as compared to the same period in 2025. Overall revenue growth was primarily driven by our software

product offerings, supported by strong demand from existing customers and expansion of relationships with existing customers.

Software revenues increased by $10.5 million, or 8%, to $147.4 million for the nine months ended September 30, 2026 as compared to the same period in 2025, primarily driven by increased demand from existing customers and expanded relationships with existing customers.

Services revenues decreased by $3.5 million, or 3%, to $134.9 million for the nine months ended September 30, 2026 as compared to the same period in 2025.

Cost of Revenues

	NINE MONTHS ENDED SEPTEMBER 30,		CHANGE	
	2026	2025	$	%
	(in thousands)			
Cost of revenues	$ 101,232	$ 102,401	$ (1,169)	(1)%
% of total revenues	36 %	37 %		

Cost of revenues decreased $1.2 million, or 1%, to $101.2 million for the nine months ended September 30, 2026 as compared to the same period in 2025. The decrease in cost of revenue was primarily due to a $2.4 million decrease in stock-based compensation costs, a $0.9 million decrease in miscellaneous operating expense, a $0.5 million decrease in executive recruiting expense, and a $0.3 million decrease in intangible assets amortization, partially offset by a $1.3 million increase in employee-related costs, a $1.1 million increase in professional and consulting expense, and a $0.5 million increase in cost of license.

Sales and Marketing Expenses

	NINE MONTHS ENDED SEPTEMBER 30,		CHANGE	
	2026	2025	$	%
	(in thousands)			
Sales and marketing	$ 39,566	$ 38,711	$ 855	2 %
% of total revenues	14 %	14 %		

Sales and marketing expenses increased by $0.9 million, or 2%, to $39.6 million for the nine months ended September 30, 2026 as compared to the same period in 2025. Sales and marketing expenses increased primarily due to a $0.9 million increase in professional and consulting expense, a $0.5 million increase in marketing expense, and a $0.3 million increase in travel expense, partially offset by a $0.7 million decrease in stock-based compensation costs.

Research and Development Expenses

	NINE MONTHS ENDED SEPTEMBER 30,		CHANGE	
	2026	2025	$	%
	(in thousands)			
Research and development	$ 32,762	$ 29,760	$ 3,002	10 %
% of total revenues	12 %	11 %		

Research and development expenses increased by $3.0 million, or 10%, to $32.8 million for the nine months ended September 30, 2026 as compared to the same period in 2025. The increase in research and development expenses was primarily due to a $4.3 million increase in employee-related costs mainly resulting from head count growth associated with investments in software development, including AI integration across our product portfolio, a $0.8 million increase in miscellaneous expense, and a $0.4 million increase in equipment and software expense, partially offset by a $2.1 million increase in capitalized cost in R&D, a $0.2 million decrease in stock-based compensation costs, and a $0.2 million decrease in professional and consulting expense.

General and Administrative Expenses

	NINE MONTHS ENDED SEPTEMBER 30,		CHANGE	
	2026	2025	$	%
	(in thousands)			
General and administrative	$ 77,848	$ 60,206	$ 17,642	29 %
% of total revenues	28 %	22 %		

General and administrative expenses increased by $17.6 million, or 29%, to $77.8 million for the nine months ended September 30, 2026 as compared to the same period in 2025. The increase in general and administrative expenses was primarily due to a $10.4 million increase in business acquisition contingent consideration expense, driven primarily by an additional $7.2 million recorded during the current year, as well as the favorable impact of a decrease in the contingent consideration liability recognized in the same period in 2025, a $3.6 million increase in employee-related costs, including a $2.3 million increase in reorganization expense, a $2.9 million increase in equipment and software expense, a $2.7 million increase in executive recruiting and retention expenses, a $1.5 million increase in professional and consulting expense, a $1.3 million increase in lease abandonment expense, primarily due to the absence of a non-recurring gain recognized in the prior year that reduced expenses in that period, and a $0.4 million increase in office related expense, partially offset by a $2.1 million decrease in stock-based compensation costs, a $1.4 million decrease in facility-lease related expenses, a $0.8 million decrease in merger and acquisition expense, and a $0.6 million decrease in provision of allowance of credit loss.

Depreciation and Amortization

	NINE MONTHS ENDED SEPTEMBER 30,		CHANGE	
	2026	2025	$	%
	(in thousands)			
Depreciation and amortization	$ 34,992	$ 32,860	$ 2,132	6 %
% of total revenues	12 %	12 %		

Depreciation and amortization expense increased by $2.1 million, or 6%, to $35.0 million for the nine months ended September 30, 2026 as compared to the same period in 2025. The increase in depreciation and amortization expense was primarily due to a $1.1 million increase in depreciation of computer equipment. In addition, amortization of intangible assets increased $1.0 million, primarily due to increase in amortization of capitalized software.

Interest Expense

	NINE MONTHS ENDED SEPTEMBER 30,		CHANGE	
	2026	2025	$	%
	(in thousands)			
Interest expense	$14,966	$14,619	$ 347	2 %
% of total revenues	5 %	5 %		

Interest expense increased by $0.3 million, or 2%, to $15.0 million for the nine months ended September 30, 2026, as compared to the same period in 2025. The increase in interest expense was primarily due to a $2.6 million decrease in gain from our interest swap hedge activities, partially offset by a $2.1 million decrease in interest expense from our floating rate term loan debt, primarily due to a decline in market interest rates and a reduced base margin rate resulting from the refinancing of the term loan.

Net Other Income

	NINE MONTHS ENDED SEPTEMBER 30,		CHANGE	
	2026	2025	$	%
	(in thousands)			
Net other (income) expense	$(1,630)	$(4,965)	$ 3,335	(67)%
% of total revenues	(1)%	(2)%		

Net other income decreased by $3.3 million to $1.6 million for the nine months ended September 30, 2026 as compared to the same period in 2025. The decrease in net other income was primarily due to a $3.5 million increase in loss from remeasurement related to the fluctuation of the foreign currency exchange rate and a $0.8 million decrease in interest income, partially offset by a $0.9 million decrease in other miscellaneous expense, primarily reflecting the impact of expenses recorded in the same period of 2025 on the year-over-year comparison.

Provision for Income Taxes

	NINE MONTHS ENDED SEPTEMBER 30,		CHANGE	
	2026	2025	$	%
	(in thousands)			
Provision for Income Taxes	4,013	3,587	$ 426	12 %
Effective income tax rate	(23)%	205 %		

Our income tax expense on continued operation was $4.0 million, resulting in an effective income tax rate of (23)% for the nine months ended September 30, 2026 as compared to income tax expense of $3.6 million, or an effective income tax rate of 205%, for the same period in 2025. Our income tax expense for the nine months ended September 30, 2026 and 2025 was primarily due to the tax effects of U.S. pre-tax income (loss), the relative mix of domestic and international earnings, the impact of non-deductible items, adjustments to the valuation allowances, the effects of tax elections made for U.K. earnings, and discrete tax items.

Net Income (Loss) from continuing operations

	NINE MONTHS ENDED SEPTEMBER 30,		CHANGE	
	2026	2025	$	%
	(in thousands)			
Net income (loss)	(21,485)	(1,837)	(19,648)	nm

Net loss was $21.5 million, representing a $19.6 million decrease in net income for the nine months ended September 30, 2026 as compared to a net loss of $1.8 million for the same period of 2025. The increase in net loss was primarily due to a $23.6 million increase in operating expenses, a $3.7 million increase in total other expense, and a $0.4 million increase in tax expense, partially offset by a $6.9 million increase in revenue and a $1.2 million decrease in cost of revenue.

The following table presents the major categories of income (loss) from discontinued operations related to the sale of the Regulatory and Medical Writing business:

	THREE MONTHS ENDED SEPTEMBER 30,		NINE MONTHS ENDED SEPTEMBER 30,	
	2026	2025	2026	2025
	(In thousands)			
Total revenues	$ 1,120	$ 13,729	$ 20,332	$ 39,848
Cost of revenues	1,120	6,322	11,783	19,554
Sales and marketing	—	331	472	993
General and administrative	—	426	545	1,281
Depreciation and amortization	—	3,083	4,363	9,244
Income from discontinued operations	—	3,567	3,169	8,776
Pre-tax income (loss) on the disposal of discontinued operations	8,749	—	(56,732)	—
Total income (loss) from discontinued operations before income taxes	8,749	3,567	(53,563)	8,776
Income tax expense (benefit)	(422)	(2,796)	(16,607)	2,639
Total income (loss) from discontinued operations, net of tax	$ 9,171	$ 6,363	$ (36,956)	$ 6,137

Liquidity and Capital Resources

We have consistently generated positive cash flow from operations, providing $46.3 million and $51.4 million from continuing operations as a source of funds for the nine months ended September 30, 2026 and 2025, respectively. Our additional liquidity comes from several sources: maintaining adequate balances of cash and cash equivalents, issuing common stock, and accessing credit facilities and revolving lines of credit. The following table provides a summary of the major sources of liquidity for the nine- and 12-month periods ended

at September 30, 2026 and December 31, 2025, respectively, and as of September 30, 2026 and December 31, 2025.

	SEPTEMBER 30, 2026	DECEMBER 31, 2025
	(dollars in thousands)	
Net cash from operating activities of continuing operations[(a)]	$ 46,264	$ 72,180
Cash and cash equivalents[(b)]	$ 214,932	$ 189,392
Term loan credit facilities	$ 293,288	$ 295,509
Availability under revolving line of credit	$ 100,000	$ 100,000

(a) Net cash from operating activities for the nine months ended September 30, 2026 and twelve months ended December 31, 2025.

(b) Cash balances as of September 30, 2026 and December 31, 2025 included $58.2 million and $76.2 million in cash and cash equivalents, respectively, held outside of the United States.

On April 11, 2025, our Board of Directors approved a stock repurchase program authorizing the Company to repurchase up to $100.0 million of its common stock. For the nine months ended September 30, 2026, we repurchased 9,009,459 shares of our common stock for an aggregate purchase price and fees of $57.4 million under the authorized share repurchase program. These repurchases resulted in an increase in treasury stock and reduced weighted-average diluted shares outstanding. As of September 30, 2026, no funds remained available under the April 2025 share repurchase program. On August 3, 2026, the Board of Directors approved a new common stock repurchase program authorizing the Company to repurchase up to $50.0 million of its common stock. As of September 30, 2026, the Company did not repurchase any shares under the new program.

Our other material cash requirements from known contractual obligations are principal and interest payments on long term debt. We also have future cash obligations of $12.3 million for lease contracts, which have remaining terms of one to eight years.

The principal amount of long-term debt outstanding as of September 30, 2026 matures in the following years:

	Remainder of 2026	2027	2028	2029	2030	Thereafter	TOTAL
	(in thousands)						
Maturities	$ 741	$ 2,963	$ 2,963	$ 2,963	$ 2,963	$ 280,695	$ 293,288

We assess our liquidity in terms of our ability to generate adequate amounts of cash to meet current and future needs. We believe our existing sources of liquidity will be sufficient to meet our working capital, capital expenditures, and contractual obligations for the foreseeable future. Our expected primary uses on a short-term and long-term basis are for repayment of debt, interest payments, working capital, capital expenditures, geographic or service offering expansion, acquisitions, investments, common stock repurchase and other general corporate purposes. We believe we will meet short-term and long-term expected future cash requirements and obligations through a combination of cash flows from operating activities, available cash balances, and potential future equity or debt transactions.

Our future capital requirements, however, will depend on many factors, including funding for potential acquisitions, investments, common stock repurchase, and other growth and strategic opportunities, which could increase our cash requirements. While we believe we have, and will be able to generate, sufficient liquidity to fund our operations for the foreseeable future, our sources of liquidity could be affected by factors described under “Risk Factors” in our 2025 Annual Report.

Cash Flows

The following table presents a summary of our cash flows from continuing operations for the periods shown:

	NINE MONTHS ENDED SEPTEMBER 30,	
	2026	2025
	(in thousands)	
Net cash provided by operating activities	$ 46,264	$ 51,369
Net cash used in investing activities	(22,719)	(19,527)
Net cash used in financing activities	(83,252)	(59,173)

Operating Activities

Our cash flows from operating activities primarily include net income adjusted for (i) non-cash items included in net income, such as provisions (recoveries) for credit losses, depreciation and amortization, stock-based compensation, deferred taxes, and other non-cash items and (ii) changes in the balances of operating assets and liabilities. Net cash provided by operating activities in the first nine months of 2026 was $46.3 million, compared to $51.4 million in the same period of 2025. The $5.1 million decrease in cash from operating activities was primarily driven by lower cash-adjusted net income, and an increase in cash used for prepaid and other assets, partially offset by higher cash inflows from deferred revenues, less cash outflows to settle liabilities, and an increase in cash collected on accounts receivable,

Investing Activities

Net cash used in investing activities in the first nine months of 2026 was $22.7 million, an increase of $3.2 million, compared to $19.5 million in the same period of 2025. The change in investing activities was primarily due to a $1.9 million increase in cash utilized in capitalized software development costs to support our growth and a $1.3 million increase in cash outflow for capital expenditure.

Financing Activities

Net cash used in financing activities in the first nine months of 2026 was $83.3 million, compared to $59.2 million in the same period of 2025. The $24.1 million increase in cash used in financing activities was primarily due to a $18.7 million increase in cash used in connection with repurchasing the Company's common stock and a $6.9 million increase in cash payments related to contingent consideration for business acquisitions, partially offset by a $1.5 million decrease in cash payments associated with share awards vested and withheld for payroll tax.

Indebtedness

We have been a party to the Credit Agreement since August 2017 that provides for a senior secured term loan (the “Term Loan”) and commitments under a revolving credit facility (the “Revolving Facility”). The Credit Agreement has been amended several times. Most recently, on October 16, 2025, we entered into the Sixth Amendment to the Credit Agreement to refinance our existing debt. Following the refinancing, as of October 16, 2025, the Term Loan had an aggregate principal amount of $296.3 million and matures on June 26, 2031. We also maintain a $100.0 million revolving credit facility under the Credit Agreement, which matures on June 26, 2029.

Borrowings under the Credit Agreement bear interest at a rate per annum equal to, at the election of the borrowers, either (i) the Term Secured Overnight Financing Rate (“SOFR”) rate, with a floor of 0.00% plus an applicable margin rate of 2.75% for the Term Loans and between 3.50% and 2.75% for loan under the

Revolving Facility, depending on the applicable first lien leverage ratio, or (ii) an Alternate Base Rate ("ABR"), with a floor of 1.00%, plus an applicable margin rate of 1.75% for the Term Loan or between 2.50% and 1.75% for loan under the Revolving Facility, depending on the applicable first lien leverage ratio. The ABR is determined as the greatest of (a) the prime rate, (b) the federal funds effective rate, plus 0.50%, and (c) the Term SOFR rate plus 1.00%. Additionally, the Company is obligated to pay a commitment fee of the unused amount and other customary fees.

All obligations under the Credit Agreement are unconditionally guaranteed by our wholly owned direct and indirect subsidiaries, subject to certain exceptions. All obligations under the Credit Agreement, and the guarantees of those obligations, are secured on a first lien basis, subject to certain exceptions, by substantially all of our assets and the assets of the other guarantors. As of September 30, 2026, we were in compliance with the covenants of the Credit Agreement.

As of September 30, 2026, we had $293.3 million of outstanding borrowings on the Term Loan, and $100.0 million of availability under the revolving credit facility under the Credit Agreement.

Contractual Obligations and Commercial Commitments

There have been no material changes to our contractual obligations during the nine months ended September 30, 2026 from those disclosed in our 2025 Annual Report, except for payments made in the ordinary course of business.

Income Taxes

We recorded income tax expense of $4.0 million for continuing operations, a $16.6 million tax benefit for discontinued operations, and a tax benefit of $12.6 million for the Company for the nine months ended September 30, 2026. We recorded income tax expense of $3.6 million for continuing operations, a tax expense $2.6 million for discontinued operations, and a tax expense $6.2 million for the Company for the nine months ended September 30, 2025.

As of September 30, 2026, we had federal and state NOLs of approximately $4.2 million and $3.5 million, respectively, which are available to reduce future taxable income, some of which expire between 2035 and 2036 and 2030 and 2041, respectively. We had federal and state R&D tax credit carryforwards of approximately $0.1 million and $.02 million, respectively, to offset future income taxes, which expire between 2027 and 2040. We also had foreign tax credits of approximately $14.6 million, which will start to expire in 2027. These carryforwards that may be utilized in a future period may be subject to limitations based upon changes in the ownership of our stock in a future period. Additionally, we carried forward foreign NOLs of approximately $87.3 million which will start to expire in 2026, foreign research and development credits of $0.2 million which expire in 2029, and Canadian investment tax credits of approximately $5.2 million which expire between 2034 and 2044. Our carryforwards are subject to review and possible adjustment by the appropriate taxing authorities.

As required by Accounting Standards Codification (''ASC'') Topic 740, Income Taxes, our management has evaluated the positive and negative evidence bearing upon the realizability of our deferred tax assets, which are composed principally of NOL carryforwards, Section 174 carryforwards, investment tax credit carryforward, and foreign tax credit carryforwards. Management has determined that it is more likely than not that we will not realize the benefits of foreign tax credit carryforwards. At the foreign subsidiaries, management has determined that it is more likely than not that we will not realize the benefits of certain NOL carryforwards. As a result, a valuation allowance of $29 million is recorded at December 31, 2025. As of September 30, 2026, the valuation allowance remained unchanged from December 31, 2025.

Off-Balance Sheet Arrangements

During the periods presented, we did not have, and currently do not have, any off-balance sheet arrangements, as defined under the rules and regulations of the SEC, that have, or are reasonably likely to have, a material effect on our current or future financial condition, results of operations, liquidity, capital expenditures, or capital resources.

Critical Accounting Estimates

Our accounting policies are more fully described in Note 2 - "Summary of Significant Accounting Policies," in our audited consolidated financial statements included in our 2025 Annual Report. The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. We monitor estimates and assumptions on a continuous basis and update these estimates and assumptions as facts and circumstances change and new information is obtained. Actual results could differ materially from those estimates and assumptions. We discussed the accounting policies that we believe are most critical to the portrayal of our results of operations and financial condition and require management's most difficult, subjective, and complex judgments in Part II, Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations," in our 2025 Annual Report. There were no significant changes to our critical accounting estimates during the three months ended September 30, 2026.

Recently Adopted and Issued Accounting Standards

We have reviewed all recently issued standards and have determined that, other than as disclosed in Note 2 - "Summary of Significant Accounting Policies" to our condensed consolidated financial statements appearing elsewhere in this Quarterly Report, such standards will not have a material impact on our condensed consolidated financial statements or do not otherwise apply to our operations.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

For information regarding our exposure to certain market risks, see "Quantitative and Qualitative Disclosures about Market Risk," in Part II, Item 7A of the Company's 2025 Annual Report. There were no material changes to the Company's market risk exposure during the nine months ended September 30, 2026.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Under the supervision and with the participation of our management, including our Chief Executive Officer and Interim Chief Financial Officer, we evaluated the effectiveness of the design and operation of our disclosure controls and procedures pursuant to Rule 13a-15(e) and 15d-15(e) under the Exchange Act as of the end of the period covered by this Quarterly Report. Our disclosure controls and procedures are designed to ensure that information required to be disclosed in the reports we file or submit under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to our management, including the Chief Executive Officer and the Interim Chief Financial Officer, to allow timely decisions regarding required disclosures. Any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objective, and management necessarily applies its judgment in evaluating the cost-benefit relationship of possible controls and procedures. Based on that evaluation, our Chief Executive Officer and interim Chief Financial Officer have concluded that our disclosure controls and procedures were effective at a reasonable assurance level as of September 30, 2026.

Changes in Internal Control over Financial Reporting

During the three months period ended September 30, 2026, there were no changes in our internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f)) that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II — OTHER INFORMATION

Item 1. Legal Proceedings

Other than as set forth below, there have been no material changes to our legal proceedings as previously disclosed in our 2025 Annual Report.

On October 3, 2025, the Company filed a complaint against Edvise Inc. ("Edvise") in the United States District Court for the District of Delaware alleging that Edvise infringed on a patent held by the Company, namely U.S. Patent No. 11,132,492 ("Methods for Automated Filling of Columns in Spreadsheets") (the "Patent"). This patent relates to methods and systems for populating electronic documents, including spreadsheet columns, by automatically filling in certain columns using a machine learning module. Among other outcomes, the Company is seeking a judgment that the Patent is valid and enforceable, a judgment that Edvise has infringed directly and/or indirectly certain elements of the Patent, a permanent injunction prohibiting Edvise from further acts of infringement, monetary damages and attorney fees. In September 2026, the Company sent notices to seven other companies related to alleged infringement of the Patent.

Item 1A. Risk Factors

There are no material changes from any of the risk factors previously disclosed in our 2025 Annual Report .

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

The following table illustrates the activities of equity security repurchases during the three months ended September 30, 2026.

	Total Number of Shares Purchased (b)	Average Price Paid per Share(b)	Total Number of Shares Purchased As Part of Publicly Announced Plans or Programs (a)	Approximate Dollar Value of Shares That May Yet be Purchased Under the Plans or Programs (a)
7/1/2026 to 7/31/2026	27,776	$ 6.41	—	$ —
8/1/2026 to 8/31/2026	—	$ —	—	$ 50 Million
9/1/2026 to 9/30/2026	308	$ 8.29	—	$ 50 Million
Total	28,084	$ 6.43	—	$ 50 Million

a. On August 3, 2026, our Board of Directors approved a stock repurchase program authorizing the Company to repurchase up to $50.0 million of its common stock. Under this program, the Company may repurchase shares from time to time, depending on market conditions and alternate uses of capital. The timing and actual number of shares repurchased will depend on a variety of factors, including price, general business and market conditions and alternate uses of capital. The share repurchase program may be effected through Rule 10b5-1 plans, open market purchases, each in compliance with Rule 10b-18 under the Exchange Act, or privately negotiated transactions. The program may be suspended or discontinued at any time and does not have an expiration date. During the three months ended September 30, 2026, the Company did not repurchase any shares of its common stock under this program.

b. Reflects shares purchased by the Company from employees for the payment of taxes resulting from issuance of common stock upon the vesting of RSUs relating to stock-based compensation plans. Employees tendered 28,084 shares for the three months ended September 30, 2026.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information
Trading Plans

Our directors and officers may adopt written plans, known as Rule 10b5-1 plans, in which they will contract with a broker to buy or sell our common stock on a periodic basis. Under a Rule 10b5-1 plan, a broker executes trades pursuant to parameters established by the director or officer when entering into the plan, without further direction from them.

During the three months ended September 30, 2026, no director or officer (as defined in Rule 16a-1(f) of the Exchange Act) adopted or terminated a Rule 10b5-1 trading arrangement or non-Rule 10b5-1 trading arrangement (as such terms are defined in Item 408 of Regulation S-K of the Securities Act).

Item 6. Exhibits

See Exhibit Index.

EXHIBIT INDEX

Exhibit Number	Exhibit Title	Incorporated by Reference			
		Form	File No.	Exhibit	Filing Date
2.1	Agreement and Plan of Merger dated as of August 2, 2021, by and among Certara, Inc., Puma Merger Sub, LLC and Shareholder Representative Services LLC, as the Equityholder Representative thereunder	8 - K	001-39799	2.1	8/05/2021
2.2	Purchase Agreement dated as of April 21, 2026, by and among Certara, Inc., Veristat, LLC and certain of its affiliates	10-Q	001-39799	2.2	8/4/2026
3.1	Amended and Restated Certificate of Incorporation of Certara, Inc.	S-8	333-251368	4.1	12/15/2020
3.2	Certificate of Correction to Amended and Restated Certificate of Incorporation of Certara, Inc.	10-K	001-39799	3.2	2/26/2025
3.3	Second Amended and Restated Bylaws of Certara, Inc.	10-Q	001-39799	3.3	8/6/2025
31.1	Certification of Principal Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002				
31.2	Certification of Principal Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002				
32.1+	Certification of Principal Executive Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002+				
32.2+	Certification of Principal Financial Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002+				
101.INS	XBRL Instance Document –the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document				
101.SCH	XBRL Taxonomy Extension Schema Document				
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document				
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document				
101.LAB	XBRL Taxonomy Extension Label Linkbase Document				
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document				
104	Cover Page Interactive Data File (formatted in Inline XBRL and contained in Exhibit 101)				

+ This certification is deemed not filed for purpose of Section 18 of the Exchange Act, or otherwise subject to the liability of that section, nor shall it be deemed incorporated by reference into any filings under the Securities Act or the Exchange Act.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

CERTARA, INC.

Date: November 5, 2026

By: /s/ JON RESNICK
Name: Jon Resnick
Title: Chief Executive Officer
(Principal Executive Officer)

Date: November 5, 2026

By: /s/ FAIZ MOHAMMED
Name: Faiz Mohammed
Title: Interim Chief Financial Officer
(Principal Financial Officer and Principal Accounting Officer)

Exhibit 31.1

RULE 13a-14(a) CERTIFICATION
CERTARA, INC.

CERTIFICATION OF CHIEF EXECUTIVE OFFICER (Principal Executive Officer)

I, Jon Resnick, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Certara, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's Board of Directors:

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 5, 2026

/s/ Jon Resnick

Jon Resnick
Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

RULE 13a-14(a) CERTIFICATION
CERTARA, INC.

CERTIFICATION OF CHIEF FINANCIAL OFFICER (Principal Financial Officer)
I, Faiz Mohammed , certify that:

1. I have reviewed this quarterly report on Form 10-Q of Certara, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's Board of Directors:

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 5, 2026

/s/ Faiz Mohammed
Faiz Mohammed
Interim Chief Financial Officer
(Principal Financial Officer)

Exhibit 32.1

STATEMENT PURSUANT TO
18 U.S.C. SECTION 1350
AS REQUIRED BY
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Certara, Inc. (the "Company") on Form 10-Q for the quarterly period ended September 30, 2026, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, the undersigned, hereby certify that to the best of my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

November 5, 2026

/s/ Jon Resnick
Jon Resnick
Chief Executive Officer
(Principal Executive Officer)

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 32.2

STATEMENT PURSUANT TO
18 U.S.C. SECTION 1350
AS REQUIRED BY
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Certara, Inc. (the "Company") on Form 10-Q for the quarterly period ended September 30, 2026, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, the undersigned, hereby certify that to the best of my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

November 5, 2026

/s/ Faiz Mohammed
Faiz Mohammed
Interim Chief Financial Officer
(Principal Financial Officer)

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.