

DISCO

INVESTOR PRESENTATION

Q3 FY25

Disclaimer

Forward-Looking Statements
This presentation contains forward-looking statements, including, among other things, statements regarding our future financial performance and our strategies and business initiatives. Words such as "may," "should," "will," "believe," "expect," "anticipate," "target," "project," and similar phrases that denote future expectation or intent regarding our financial results, operations, and other matters are intended to identify forward-looking statements. You should not rely upon forward-looking statements as predictions of future events.

The outcome of the events described in these forward-looking statements is subject to known and unknown risks, uncertainties, and other factors that may cause our actual results, performance, or achievements to differ materially, including (i) our history of operating losses; (ii) our limited operating history; (iii) our ability to maintain and advance our innovation and brand; (iv) our ability to effectively add new customers; (v) our ability to effectively increase usage and penetration with our existing customer base; (vi) our ability to expand our sales coverage and establish a digital sales channel; (vii) our ability to expand internationally; (viii) our ability to grow our partner ecosystem and maintain existing strategic relationships with law firms, legal services providers and our other partners; (ix) our ability to expand our offering portfolio to a wider range of legal processes outside of our current core offerings; (x) our dependence on revenue from customer usage, which fluctuates based on the timing of and activity driven by legal matters for which our product offerings are used, and any shortfall of large matters on our platform; (xi) our ability to pursue strategic acquisitions and strategic investments to expand the functionality and value of our product offerings; (xii) our ability to comply or remain in compliance with laws and regulations that currently apply or become applicable to our business in the jurisdictions in which we operate; (xiii) the potential that our computer or electronic systems, applications or services, or those of any third parties on whom we depend, fail or suffer security or data privacy breaches or other unauthorized or improper access to, use of, or destruction of our proprietary or confidential data, employee data, or personal data; (xiv) our ability to compete effectively with existing competitors and new market entrants; (xv) the impact of general macroeconomic conditions, such as fluctuations in inflation and fluctuating interest rates and the potential imposition of tariffs in the United States and abroad, on our or our customers' businesses; (xvi) the impact of unfavorable conditions in the legal industry, including as a result of decreased levels of regulatory enforcement and the current or future shutdowns of the U.S. government, on the growth of our business and usage of our product offerings; and (xvii) the impact that global events, such as the Russia-Ukraine war and conflict in the Middle East, and any related economic downturn could have on our or our customers' businesses, financial condition and results of operations.

The forward-looking statements contained in this presentation are also subject to additional risks, uncertainties, and factors, including those more fully described in our filings with the Securities and Exchange Commission ("SEC"), including our Quarterly Report on Form 10-Q for the quarter ended September 30, 2025. Further information on potential risks that could affect actual results will be included in the subsequent periodic and current reports and other filings that we make with the SEC from time to time.

Forward-looking statements represent our management's beliefs and assumptions only as of the date such statements are made. We undertake no obligation to update any forward-looking statements made in this presentation to reflect events or circumstances after the date of this presentation or to reflect new information or the occurrence of unanticipated events, except as required by law.

Market and Industry Data
This presentation may contain statistical data, estimates and forecasts that are based on independent industry publications or other publicly available information, as well as other information based on our internal sources. While we believe that any industry and market data included in this presentation are reliable and are based on reasonable assumptions, such data may involve many assumptions and limitations, and you are cautioned not to give undue weight to these estimates. We have not independently verified the accuracy or completeness of any data contained in such industry publications and other publicly available information. These and other factors could cause results to differ materially from those expressed in any projections and estimates made by the independent third parties and us.

Financial Information; Non-GAAP Financial Measures
This presentation includes the following non-GAAP financial measures: Adjusted EBITDA, Adjusted EBITDA margin; non-GAAP gross profit; non-GAAP gross margin; non-GAAP research and development expense; non-GAAP research and development expense as a percentage of revenue; non-GAAP sales and marketing expense; non-GAAP sales and marketing expense as a percentage of revenue; non-GAAP general and administrative expense; and non-GAAP general and administrative expense as a percentage of revenue. See the Appendix for a reconciliation the nearest applicable GAAP measures for the periods presented. Our management believes that these non-GAAP financial measures are useful measures of operating performance because they exclude items that our management not consider indicative of our core performance.

In the case of Adjusted EBITDA and Adjusted EBITDA margin, we adjust net loss for such items as depreciation and amortization expense; income tax provision; interest and other, net; stock-based compensation expense; payroll tax expense on employee stock transactions; expenses associated with stockholder litigation; and other one-time, non-recurring items, when applicable. In the case of non-GAAP gross profit, non-GAAP gross margin, non-GAAP research and development expense, non-GAAP research and development expense as a percentage of revenue, non-GAAP sales and marketing expense and non-GAAP sales and marketing expense as a percentage of revenue, we adjust the respective GAAP balances for stock-based compensation expense, and other one-time, non-recurring items, when applicable. In the case of non-GAAP general and administrative expense, non-GAAP general and administrative expense as a percentage of revenue, we adjust the respective GAAP balances for stock-based compensation expense, expenses associated with stockholder litigation, and other one-time, non-recurring items, when applicable.

There are limitations associated with the use of these non-GAAP financial measures. These non-GAAP financial measures are not prepared in accordance with GAAP, do not reflect a comprehensive system of accounting and may not be completely comparable to similarly titled measures of other companies due to potential differences in the exact method of calculation between companies. Certain items that are excluded from these non-GAAP financial measures can have a material impact on operating loss and net loss. As a result, these non-GAAP financial measures have limitations and should be considered in addition to, not as a substitute for or superior to, the closest GAAP measures, or other financial measures prepared in accordance with GAAP.

Q3 2025 Key Financials

$40.9m
Total Revenue

13%
Total Revenue Growth

$35.2m
Software Revenue

17%
Software Revenue Growth

77%
Non-GAAP Gross Margin

(1%)
Adjusted EBITDA Margin

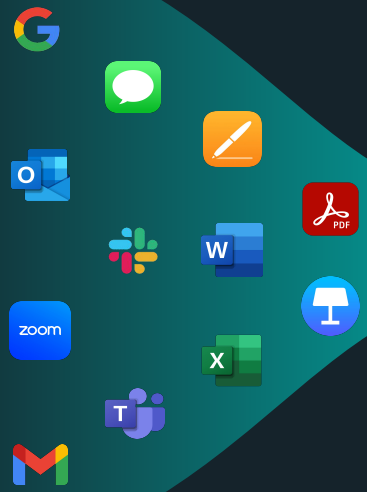
326
$100,000+ LTM Total Revenue Customers

Note: Please refer to the Appendix for GAAP to Non-GAAP Reconciliation.

The litigation process is long and complex



The increasing volume and variety of discoverable data are driving up both the time and cost of litigation



22 Zb

of productivity data generated in 2024, projected to grow to over **146 Zb in 2029**, a **46% compounded annual growth rate**[1]

60%

Increase in litigation time-to-close due to growing discovery demands[2]

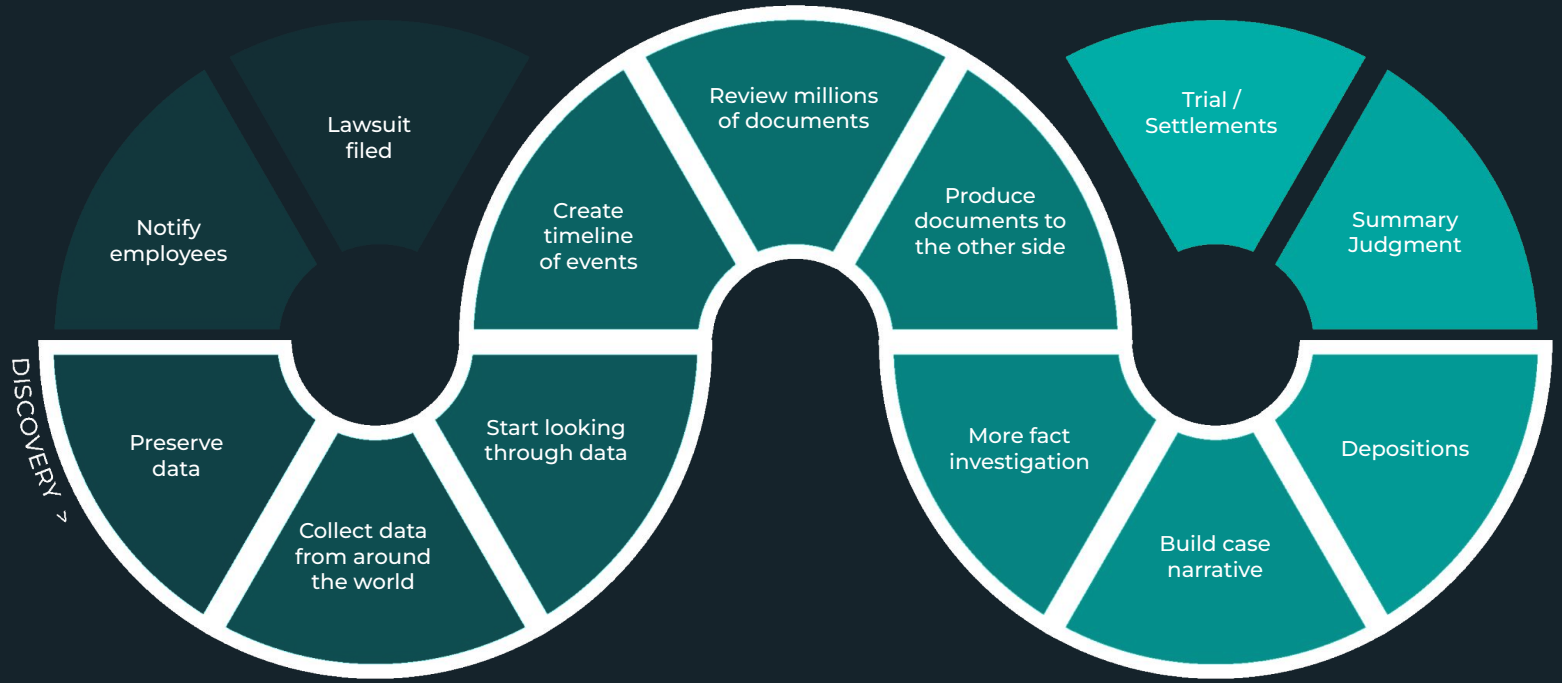
64%

Increase in litigation spend[3] per year[4] to

$360bn+

Source:
1. IDC's Worldwide Global DataSphere Forecast, 2025–2029 (Doc #US53363625), May 2025. ZB represents Zettabytes, equivalent to 1 trillion gigabytes. Productivity data includes software, email and productivity documents, business application data, content and collaboration data, web infrastructure data, metadata, and data from big data, analytics, artificial intelligence, and/or machine learning.
2. Per the Federal Courts of the United States, based on a 5 year period from 2018 to 2022. "Case Closure Rates Get Longer as E-Discovery Increases", March 21, 2024.
3. U.S. Bureau of Economic Analysis, Gross Domestic Product: Legal Services (5411) in the United States [USLEGALNGSP], retrieved from FRED, Federal Reserve Bank of St. Louis; April 30, 2025. Legal Services GDP Growth from 2013 to 2023.
4. U.S. Bureau of Economic Analysis, Gross Domestic Product: Legal Services (5411) in the United States [USLEGALNGSP], retrieved from FRED, Federal Reserve Bank of St. Louis; April 30, 2025.

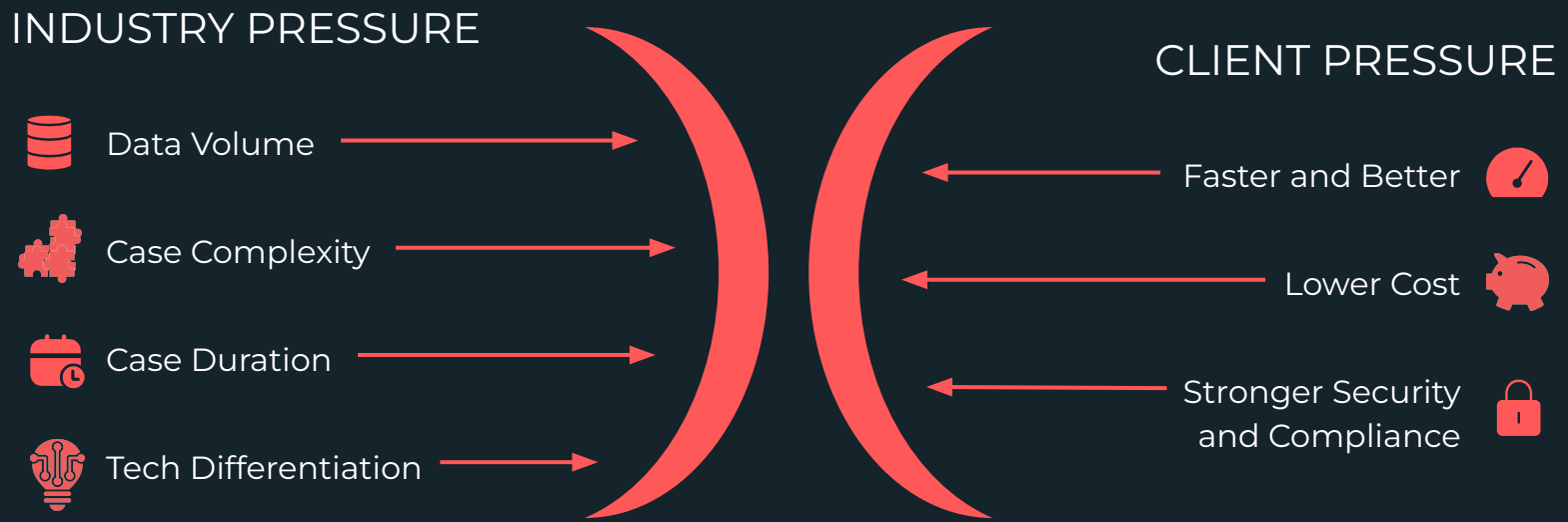
Discovery alone accounts for **>50% of litigation costs**[1]



DISCOVERY = fact investigation, collection, review and production

Source:
1. Company Estimates

Law firms are managing evolving industry and client pressure



DISCO provides litigation solutions for the most complex legal matters

DISCO enables top law firms and corporations to take on the biggest cases. We streamline everything from fact investigation to document review — with an **AI-powered technology platform.**

DISCO

With you in every case.

The DISCO difference

Technology that changes the way lawyers work with evidence

With DISCO, **I'm closer to the documents than ever before**. I can explore my case theories as soon as I have an idea, and flesh them out in real time. **Because it gives me better command over the facts, the advice I give and the end results are better for my client**.

COUNSEL, AM LAW 50 FIRM

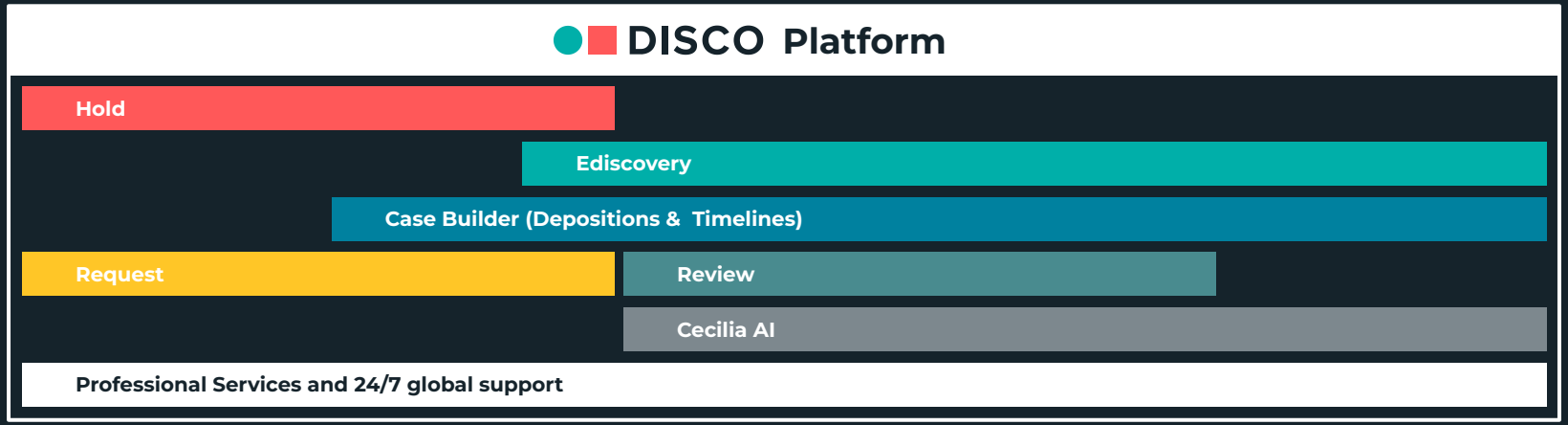
Intuitive technology
Get deeper visibility into case facts with intuitive platform designed for legal professionals of all skill levels

Purposeful innovation
Pressure test and validate case theories in real-time with state-of-the-art AI capabilities

Expert partnership
Industry experts to maximize the value of the technology and navigate case complexities

DISCO supports lawyers in every stage of the case



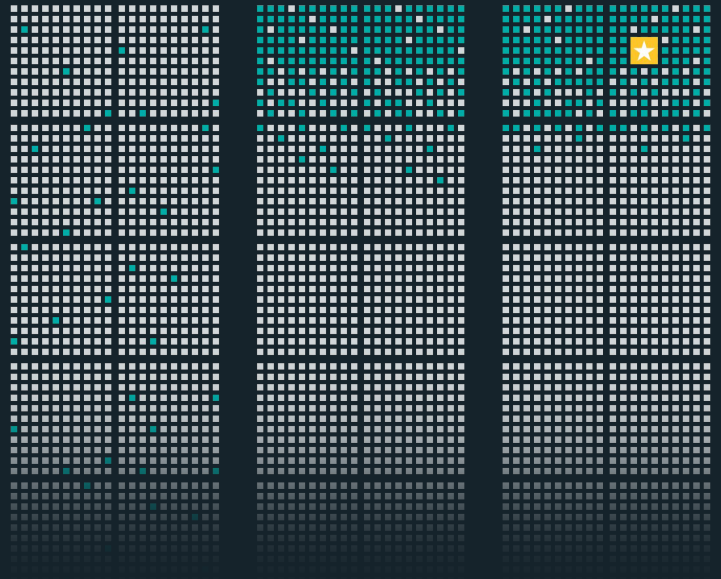


DISCO Ediscovery

Enterprise-grade platform to support the largest, most sensitive litigation matters

Designed top to bottom for the lawyer's workflow

10+ years of AI research, including cutting-edge gen AI technology



Evidence is scattered everywhere

With, DISCO prioritize what matters

DISCO pinpoints that crucial evidence

DISCO AI has the power to disrupt the traditional, manual forms of document review

Ask complex questions, unearth insights into case data, test theories, and get back answers with citations to documents in **under 5 seconds**[1]

Review millions of documents at unprecedented speeds
Up to **32,000 documents per hour**, equivalent to a 20 person team working for 3 months[2]

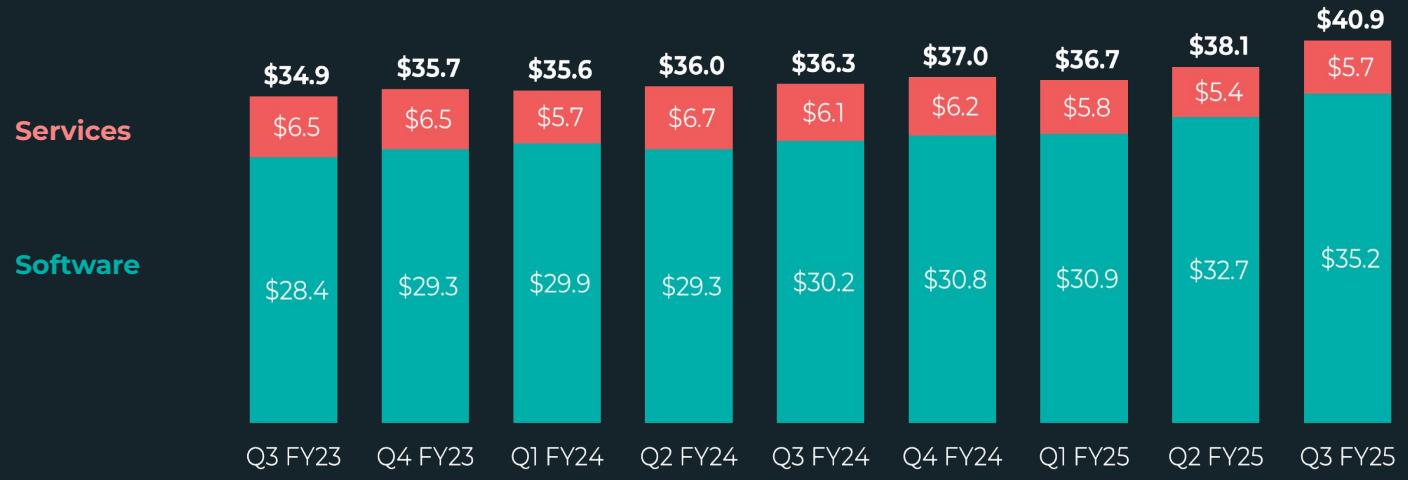
GET MORE FROM CECILIA AI · Q&A · Auto Timelines · Doc Summaries · Deposition Summaries · Definitions

Source:
1. Internal benchmarking.
2. Internal benchmarking, review speed based on a 24 hour period and compared to human teams working 8 hour days.

DISCO Growth Strategy

- Expand wallet share with existing law firms and corporations
- Increase the number of large, multi-terabyte matters
- Grow commitment of volume from customers
- Reaccelerate growth while focusing on sales and marketing efficiency
- Continue to offer reliable, secure, performant and innovative technology
- Make DISCO a great place to work!

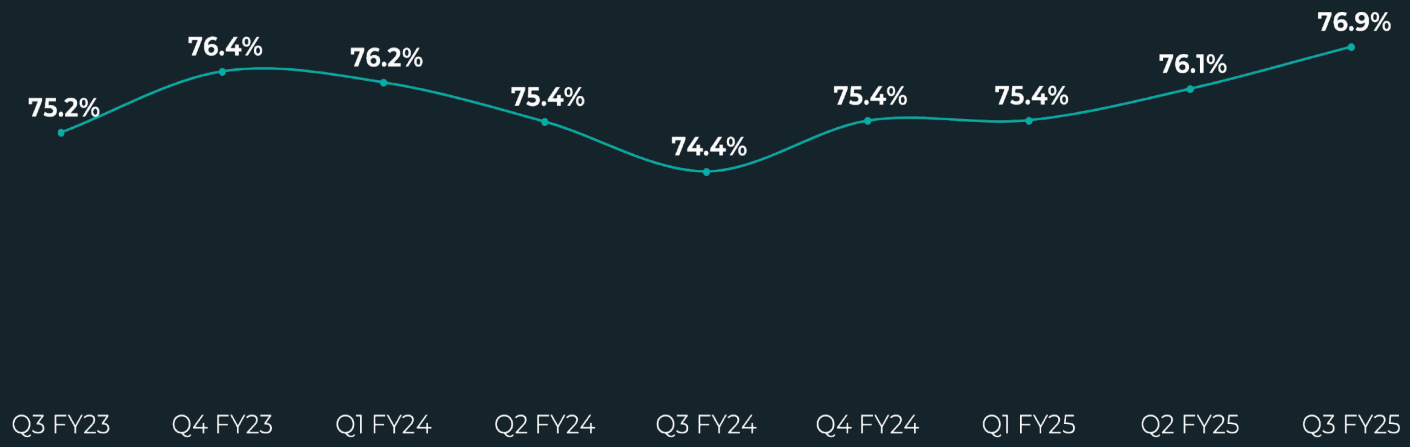
Historical quarterly revenue and growth



Y/Y Growth	Q3 FY23	Q4 FY23	Q1 FY24	Q2 FY24	Q3 FY24	Q4 FY24	Q1 FY25	Q2 FY25	Q3 FY25
Total	**1%**	**10%**	**7%**	**5%**	**4%**	**4%**	**3%**	**6%**	**13%**
Software	(0%)	5%	9%	8%	6%	5%	3%	12%	17%
Services	8%	37%	2%	(7%)	(7%)	(4%)	2%	(20%)	(7%)

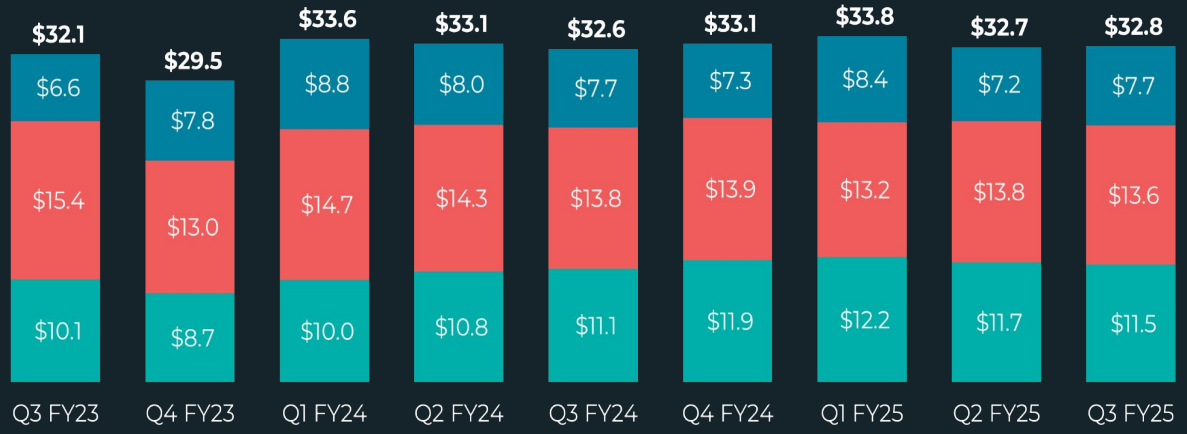
Note: $ in millions.

Historical non-GAAP gross margin



Note: Please refer to the Appendix for GAAP to Non-GAAP Reconciliation.

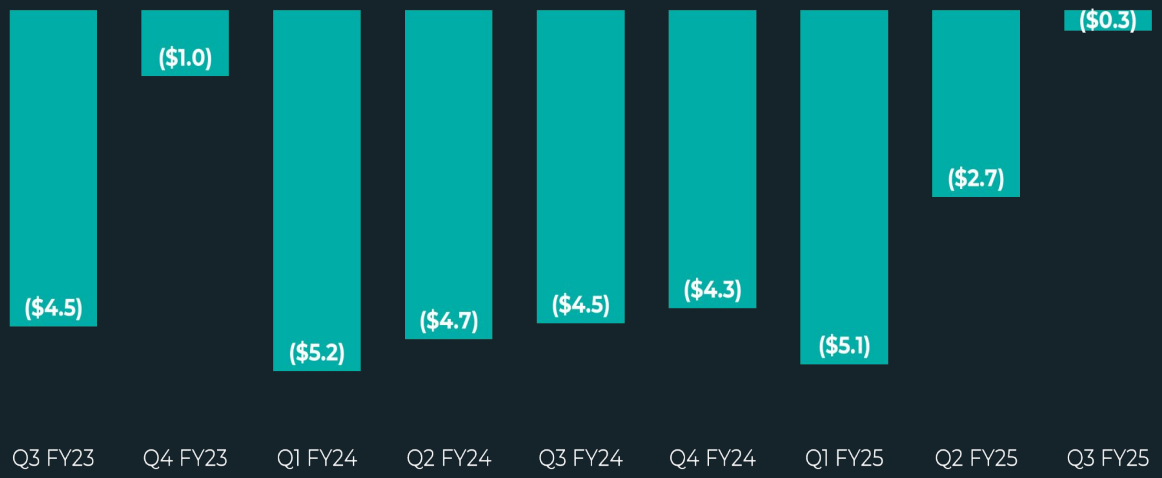
Historical non-GAAP operating expense



	Q3 FY23	Q4 FY23	Q1 FY24	Q2 FY24	Q3 FY24	Q4 FY24	Q1 FY25	Q2 FY25	Q3 FY25
Non-GAAP Operating Expense as % of Total Revenue	**92%**	**82%**	**94%**	**92%**	**90%**	**89%**	**92%**	**86%**	**80%**

Note: $ in millions. Please refer to the Appendix for GAAP to Non-GAAP Reconciliation.

Historical non-GAAP adjusted EBITDA and margin



Adjusted EBITDA as % of Total Revenue	**(13%)**	**(3%)**	**(15%)**	**(13%)**	**(12%)**	**(12%)**	**(14%)**	**(7%)**	**(1%)**

Note: $ in millions. Please refer to the Appendix for GAAP to Non-GAAP Reconciliation.



Appendix

GAAP to Non-GAAP Reconciliation: Gross Profit

Fiscal Period	Q3 FY23	Q4 FY23	Q1 FY24	Q2 FY24	Q3 FY24	Q4 FY24	Q1 FY25	Q2 FY25	Q3 FY25
GAAP Gross Profit	**$26.0**	**$27.0**	**$26.7**	**$26.7**	**$26.5**	**$27.5**	**$27.2**	**$28.4**	**$30.9**
Stock-based compensation	($0.3)	($0.3)	($0.4)	($0.4)	($0.5)	($0.4)	($0.5)	($0.6)	($0.6)
Non-GAAP Gross Profit	**$26.3**	**$27.3**	**$27.1**	**$27.1**	**$27.0**	**$27.9**	**$27.6**	**$29.0**	**$31.5**
GAAP Gross Profit Margin	**74.4%**	**75.7%**	**75.1%**	**74.2%**	**73.1%**	**74.2%**	**74.1%**	**74.6%**	**75.5%**
Stock-based compensation	(0.8%)	(0.7%)	(1.1%)	(1.2%)	(1.3%)	(1.2%)	(1.4%)	(1.5%)	(1.4%)
Non-GAAP Gross Profit Margin	**75.2%**	**76.4%**	**76.2%**	**75.4%**	**74.4%**	**75.4%**	**75.4%**	**76.1%**	**76.9%**

Note: $ in millions.

GAAP to Non-GAAP Reconciliation: OpEx

Fiscal Period	Q3 FY23	Q4 FY23	Q1 FY24	Q2 FY24	Q3 FY24	Q4 FY24	Q1 FY25	Q2 FY25	Q3 FY25
Sales and Marketing	**$16.7**	**$14.3**	**$15.8**	**$15.5**	**$15.0**	**$15.1**	**$14.5**	**$15.2**	**$15.0**
Stock-based compensation	($1.3)	($1.3)	($1.1)	($1.2)	($1.2)	($1.2)	($1.3)	($1.5)	($1.4)
Non-GAAP Sales and Marketing	**$15.4**	**$13.0**	**$14.7**	**$14.3**	**$13.8**	**$13.9**	**$13.2**	**$13.8**	**$13.6**
Non-GAAP sales and marketing as a % of revenue	*44%*	*36%*	*41%*	*40%*	*38%*	*37%*	*36%*	*36%*	*33%*
Research and Development	**$12.1**	**$10.5**	**$12.1**	**$12.9**	**$12.8**	**$13.8**	**$14.3**	**$14.0**	**$13.4**
Stock-based compensation	($2.0)	($1.8)	($2.1)	($2.1)	($1.7)	($1.9)	($2.0)	($2.2)	($2.0)
Non-GAAP Research and Development	**$10.1**	**$8.7**	**$10.0**	**$10.8**	**$11.1**	**$11.9**	**$12.2**	**$11.7**	**$11.5**
Non-GAAP Research and Development as a % of revenue	*29%*	*24%*	*28%*	*30%*	*31%*	*32%*	*33%*	*31%*	*28%*
General and Administrative	**$0.1**	**$9.9**	**$11.2**	**$10.7**	**$9.7**	**$9.5**	**$11.0**	**$11.0**	**$16.9**
Stock-based compensation	$6.4	($1.5)	($2.1)	($2.4)	($1.8)	($1.9)	($2.0)	($2.2)	($2.2)
Revaluation expense	–	($0.5)	–	–	–	($0.3)	–	–	–
Expenses associated with stockholder litigation	–	($0.1)	($0.2)	($0.4)	($0.1)	($0.0)	($0.6)	($1.6)	($7.0)
Non-GAAP General and Administrative	**$6.6**	**$7.8**	**$8.8**	**$8.0**	**$7.7**	**$7.3**	**$8.4**	**$7.2**	**$7.7**
Non-GAAP General and Administrative as a % of revenue	*19%*	*22%*	*25%*	*22%*	*21%*	*20%*	*23%*	*19%*	*19%*

Note: $ in millions.

GAAP to Non-GAAP Reconciliation: Adjusted EBITDA

Fiscal Period	Q3 FY23	Q4 FY23	Q1 FY24	Q2 FY24	Q3 FY24	Q4 FY24	Q1 FY25	Q2 FY25	Q3 FY25
Net loss	**($1.0)**	**($5.8)**	**($10.6)**	**($10.8)**	**($9.2)**	**($25.2)**	**($11.4)**	**($10.8)**	**($13.7)**
Depreciation and amortization	$1.1	$1.1	$1.1	$1.0	$1.0	$0.8	$0.9	$0.9	$0.9
Provision for income taxes	$0.1	$0.3	$0.1	$0.1	$0.1	$0.0	$0.1	$0.2	$0.1
Interest and other, net	($1.9)	($2.1)	($1.8)	($1.7)	($1.8)	($1.0)	($1.4)	($1.2)	($0.9)
Stock-based compensation	($2.9)	$4.9	$5.7	$6.1	$5.1	$5.4	$5.9	$6.5	$6.1
Payroll tax associated with stock-based compensation expense	$0.2	$0.1	$0.2	$0.2	$0.1	$0.1	$0.2	$0.2	$0.2
Revaluation expense	–	$0.5	–	–	–	$0.3	–	–	–
Expenses associated with stockholder litigation	–	$0.1	$0.2	$0.4	$0.1	$0.0	$0.6	$1.6	$7.0
Impairment	–	–	–	–	–	$15.2	–	–	–
Adjusted EBITDA	**($4.5)**	**($1.0)**	**($5.2)**	**($4.7)**	**($4.5)**	**($4.3)**	**($5.1)**	**($2.7)**	**($0.3)**
Adjusted EBITDA margin	*(13%)*	*(3%)*	*(15%)*	*(13%)*	*(12%)*	*(12%)*	*(14%)*	*(7%)*	*(1%)*

Note: $ in millions.

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THANK YOU

