

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 July 31, 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: 001-42522

SailPoint, Inc.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

11120 Four Points Drive, Suite 100
Austin, TX
(Address of principal executive offices)

88-2001765
(I.R.S. Employer
Identification No.)

78726
(Zip Code)

(512) 346-2000
(Registrant's telephone number, including area code)

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common stock, par value \$0.0001 per share	SAIL	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 ☒

The registrant had 570,911,633 shares of common stock outstanding as of September 4, 2026.

SailPoint, Inc.
Quarterly Report on Form 10-Q

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SAILPOINT, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(In thousands, except share and per share amounts)
(unaudited)

	July 31, 2026	January 31, 2026
Assets		
Current assets		
Cash and cash equivalents	\$ 309,850	\$ 358,144
Accounts receivable, net of allowance	275,764	335,001
Contract acquisition costs	62,683	47,697
Contract assets, net of allowance	73,802	70,565
Prepayments and other current assets	54,595	39,288
Total current assets	776,694	850,695
Property and equipment, net	46,789	35,178
Contract acquisition costs, non-current	140,393	117,833
Contract assets, non-current, net of allowance	45,707	41,249
Other non-current assets	27,182	23,621
Goodwill	5,250,334	5,151,668
Intangible assets, net	1,296,723	1,377,317
Total assets	\$ 7,583,822	\$ 7,597,561
Liabilities and stockholders' equity		
Current liabilities		
Accounts payable	\$ 13,415	\$ 5,824
Accrued expenses and other liabilities	103,876	121,464
Deferred revenue	515,319	516,007
Total current liabilities	632,610	643,295
Deferred tax liabilities, non-current	34,503	56,112
Other long-term liabilities	25,485	12,732
Deferred revenue, non-current	29,615	39,191
Total liabilities	722,213	751,330
Commitments and contingencies (Note 6)		
Stockholders' equity		
Preferred stock, par value of \$0.0001 per share; 50,000,000 shares authorized; no shares issued or outstanding as of July 31, 2026 and January 31, 2026	—	—
Common stock, par value of \$0.0001 per share; 1,750,000,000 shares authorized; 570,907,856 and 563,781,636 shares issued and outstanding as of July 31, 2026 and January 31, 2026, respectively	57	56
Additional paid in capital	7,237,385	7,096,974
Accumulated deficit	(375,833)	(250,799)
Total stockholders' equity	6,861,609	6,846,231
Total liabilities and stockholders' equity	\$ 7,583,822	\$ 7,597,561

See accompanying notes to condensed consolidated financial statements.

SAILPOINT, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands, except per share amounts)
(unaudited)

	Three Months Ended July 31,		Six Months Ended July 31,	
	2026	2025	2026	2025
Revenue				
Subscription	\$ 295,205	\$ 247,937	\$ 561,026	\$ 463,260
Services and other	13,608	16,422	27,929	31,567
Total revenue	308,813	264,359	588,955	494,827
Cost of revenue				
Subscription	84,103	70,443	164,323	145,934
Services and other	19,325	16,110	38,135	43,432
Total cost of revenue	103,428	86,553	202,458	189,366
Gross profit	205,385	177,806	386,497	305,461
Operating expenses				
Research and development	62,185	48,111	123,871	115,381
Sales and marketing	155,881	131,289	310,157	295,819
General and administrative	46,277	39,204	91,253	120,024
Total operating expenses	264,343	218,604	525,281	531,224
Loss from operations	(58,958)	(40,798)	(138,784)	(225,763)
Other income (expense), net				
Interest income	3,390	2,336	6,439	5,562
Interest expense	(264)	(1,693)	(529)	(24,082)
Other income (expense), net	(1,301)	(1,710)	(4,307)	(1,901)
Total other income (expense), net	1,825	(1,067)	1,603	(20,421)
Loss before income taxes	(57,133)	(41,865)	(137,181)	(246,184)
Income tax benefit	6,773	31,313	12,147	48,320
Net loss	\$ (50,360)	\$ (10,552)	\$ (125,034)	\$ (197,864)
Class A yield	—	—	—	(23,786)
Net loss attributable to common stockholders	\$ (50,360)	\$ (10,552)	\$ (125,034)	\$ (221,650)
Net loss per share attributable to common stockholders, basic and diluted ⁽¹⁾	\$ (0.09)	\$ (0.02)	\$ (0.22)	\$ (0.42)
Weighted average common shares outstanding, basic and diluted ⁽¹⁾	568,113	555,757	566,360	528,355

(1) Amounts for the period during February 2025 prior to the Corporate Conversion have been retrospectively adjusted to give effect to the Corporate Conversion described in Note 1. These amounts do not consider the shares of common stock sold in the Company's IPO or the Class A Units considered preferred shares that were converted into common stock due to the Corporate Conversion.

See accompanying notes to condensed consolidated financial statements.

SAILPOINT, INC.
CONDENSED CONSOLIDATED STATEMENTS OF REDEEMABLE CONVERTIBLE UNITS, STOCKHOLDERS' EQUITY AND PARTNERS'
EQUITY
(In thousands)
(unaudited)

	Redeemable Convertible Units		Common Stock		Additional Paid in Capital	Accumulated Deficit	Total Stockholders' Equity
	Units	Amount	Shares	Amount			
Balance at April 30, 2026	—	\$ —	567,038	\$ 56	\$ 7,167,574	\$ (325,473)	\$ 6,842,157
Equity-based compensation expense	—	—	—	—	69,811	—	69,811
Issuance and vesting of restricted stock and restricted stock units	—	—	3,647	1	—	—	1
Net loss	—	—	—	—	—	(50,360)	(50,360)
Balance at July 31, 2026	—	\$ —	570,685	\$ 57	\$ 7,237,385	\$ (375,833)	\$ 6,861,609

	Redeemable Convertible Units		Common Stock		Additional Paid in Capital	Accumulated Deficit	Total Stockholders' Equity
	Units	Amount	Shares	Amount			
Balance at January 31, 2026	—	\$ —	563,487	\$ 56	\$ 7,096,974	\$ (250,799)	\$ 6,846,231
Equity-based compensation expense	—	—	—	—	140,411	—	140,411
Issuance and vesting of restricted stock and restricted stock units	—	—	7,198	1	—	—	1
Net loss	—	—	—	—	—	(125,034)	(125,034)
Balance at July 31, 2026	—	\$ —	570,685	\$ 57	\$ 7,237,385	\$ (375,833)	\$ 6,861,609

	Redeemable Convertible Units		Common Stock		Additional Paid in Capital	Accumulated Deficit	Total Stockholders' Equity / Partners' Deficit
	Units	Amount	Shares	Amount			
Balance at April 30, 2025	—	\$ —	555,515	\$ 56	\$ 6,945,784	\$ (168,057)	\$ 6,777,783
Equity-based compensation expense after Corporate Conversion	—	—	—	—	48,915	—	48,915
Issuance of common stock upon settlement of restricted stock	—	—	320	—	—	—	—
Net loss after Corporate Conversion	—	—	—	—	—	(10,552)	(10,552)
Balance at July 31, 2025	—	\$ —	555,835	\$ 56	\$ 6,994,699	\$ (178,609)	\$ 6,816,146

	Redeemable Convertible Units		Common Stock		Additional Paid in Capital	Accumulated Deficit	Total Stockholders' Equity / Partners' Deficit
	Units	Amount	Shares	Amount			
Balance at January 31, 2025	495,161	\$ 11,196,141	—	\$ —	\$ —	\$ (5,588,440)	\$ (5,588,440)
Vesting of incentive units into Class B Units	3,049	—	—	—	—	—	—
Adjustment to reflect redemption value of redeemable convertible Class A Units	—	23,787	—	—	—	(23,787)	(23,787)
Adjustment to reflect redemption value of redeemable convertible Class B Units	—	229,744	—	—	—	(229,744)	(229,744)
Equity-based compensation expense prior to Corporate Conversion	—	—	—	—	862	—	862
Net loss prior to Corporate Conversion	—	—	—	—	—	(19,255)	(19,255)
Effect of Corporate Conversion	(498,210)	(11,449,672)	497,807	50	5,588,396	5,861,226	11,449,672
Issuance of common stock in connection with IPO, net of underwriters' discounts and commissions and offering costs and tax effects	—	—	57,500	6	1,251,430	—	1,251,436
Equity-based compensation expense after Corporate Conversion	—	—	—	—	154,011	—	154,011
Issuance of common stock upon settlement of restricted stock	—	—	528	—	—	—	—
Net loss after Corporate Conversion	—	—	—	—	—	(178,609)	(178,609)
Balance at July 31, 2025	—	\$ —	555,835	\$ 56	\$ 6,994,699	\$ (178,609)	\$ 6,816,146

See accompanying notes to condensed consolidated financial statements.

SAILPOINT, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)
(unaudited)

	Six Months Ended July 31,	
	2026	2025
Cash flows from operating activities		
Net loss	\$ (125,034)	\$ (197,864)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization expense	106,736	104,531
Amortization and write-off of debt issuance costs	272	17,120
Amortization of contract acquisition costs	28,598	17,484
Adjustments to contingent consideration	—	1,609
Provision for credit losses	2,421	4,346
Equity-based compensation expense, net of amounts capitalized	137,426	154,061
Deferred taxes	(22,448)	(58,908)
Other	57	—
Net changes in operating assets and liabilities, net of acquisitions		
Accounts receivable	57,467	46,275
Contract acquisition costs	(66,144)	(26,623)
Contract assets	(7,942)	(13,679)
Prepayments and other current assets	(15,310)	(21,241)
Other non-current assets	(382)	468
Operating leases, net	(67)	314
Accounts payable	7,591	(7)
Accrued expenses and other liabilities	(8,192)	(74,911)
Deferred revenue	(11,845)	163
Net cash provided by (used in) operating activities	83,204	(46,862)
Cash flows from investing activities		
Purchase of property and equipment	(2,903)	(3,153)
Capitalized software development costs	(10,372)	(4,731)
Business acquisitions, net of cash acquired	(118,225)	—
Net cash used in investing activities	(131,500)	(7,884)
Cash flows from financing activities		
Proceeds from IPO, net of underwriting discounts and commissions	—	1,259,681
Repayment of Term Loans	—	(1,040,000)
Payment of debt issuance costs	—	(2,716)
Payments of deferred offering costs, net	—	(8,618)
Payments related to holdback and contingent consideration	—	(675)
Net cash provided by financing activities	—	207,672
Net change in cash, cash equivalents and restricted cash	(48,296)	152,926
Cash, cash equivalents and restricted cash, beginning of period	361,386	124,390
Cash, cash equivalents and restricted cash, end of period	\$ 313,090	\$ 277,316

	Six Months Ended July 31,	
	2026	2025
Supplemental cash flow information:		
Cash paid for:		
Interest	\$ 258	\$ 36,746
Income taxes, net of refunds	5,902	3,312
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	3,411	3,139
Supplemental disclosure of noncash investing and financing activities:		
Effect of Corporate Conversion	—	11,449,672
Adjustment to reflect the redemption value of the redeemable convertible units	—	253,531
Capitalized equity-based compensation included in property and equipment, net	2,985	812
Operating lease right of use assets obtained in exchange for lease liabilities	4,754	—
Reconciliation of cash, cash equivalents and restricted cash from the condensed consolidated balance sheets to the condensed consolidated statements of cash flows:		
Cash and cash equivalents	\$ 309,850	\$ 271,052
Restricted cash within prepayments and other current assets	3,240	6,264
Total cash, cash equivalents, and restricted cash in the consolidated statements of cash flows	<u>\$ 313,090</u>	<u>\$ 277,316</u>

See accompanying notes to condensed consolidated financial statements.

SAILPOINT, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)

1. Description of Business and Summary of Significant Accounting Policies

Organization

On February 12, 2025, in connection with our initial public offering ("IPO"), SailPoint Parent, LP converted into a Delaware corporation pursuant to a statutory conversion and changed its name to SailPoint, Inc. (the "Corporate Conversion"). The purpose of the Corporate Conversion was to reorganize the Company's corporate structure so that the entity offering its securities to the public in the IPO would be a corporation rather than a limited partnership. References in this Quarterly Report on Form 10-Q to "SailPoint," the "Company," "we," "us" and "our" (i) for periods prior to the Corporate Conversion, refer to SailPoint Parent, LP and, where appropriate, its consolidated subsidiaries and (ii) for periods after the Corporate Conversion, refer to SailPoint, Inc. and, where appropriate, its consolidated subsidiaries.

In conjunction with the Corporate Conversion, all of the Company's outstanding partnership units were converted into an aggregate of 499,060,464 shares of our common stock. The number of shares of common stock issuable to holders of Class A Units of SailPoint Parent, LP ("Class A Units") and holders of Class B Units of SailPoint Parent, LP ("Class B Units") in connection with the Corporate Conversion were determined pursuant to the applicable provisions of the plan of conversion. The Company continues to be controlled by Thoma Bravo UGP, LLC (together with its affiliated entities, "Thoma Bravo") following the Corporate Conversion. Immediately after the Corporate Conversion and the closing of the IPO, Thoma Bravo controlled approximately 86.2% of the voting power of the Company. The condensed consolidated financial statements and footnotes give effect to the Corporate Conversion on a prospective basis as of the conversion date.

The Company conducts business as SailPoint and delivers solutions to enable comprehensive identity security for the enterprise.

Completion of Initial Public Offering

On February 14, 2025, the Company closed its IPO of 60.0 million shares of its common stock, of which 57.5 million shares were sold by the Company and 2.5 million shares were sold by certain selling stockholders, at an initial offering price to the public of \$23.00 per share for an aggregate offering price of approximately \$1.4 billion. The Company received net proceeds of approximately \$1.2 billion, net of approximately \$62.8 million of underwriting discounts and commissions and approximately \$11.5 million of offering costs, net.

Basis of Presentation

The accompanying condensed consolidated financial statements, which include the accounts of the Company and its wholly owned subsidiaries, have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP") and applicable rules and regulations of the Securities and Exchange Commission (the "SEC"). All intercompany accounts and transactions have been eliminated in consolidation.

The condensed consolidated balance sheet data as of January 31, 2026 was derived from the Company's audited financial statements included in its Annual Report on Form 10-K for the fiscal year ended January 31, 2026 (the "fiscal 2026 Form 10-K") but does not include all disclosures required by GAAP. Therefore, these interim condensed consolidated financial statements and accompanying footnotes should be read in conjunction with the Company's annual consolidated financial statements and related footnotes included in the fiscal 2026 Form 10-K.

The accompanying condensed consolidated financial statements reflect all adjustments, consisting only of normal recurring adjustments, that are, in the opinion of management, necessary for the fair presentation of the Company's results for the interim periods presented. The results of operations for the three and six months ended July 31, 2026 shown in this report are not necessarily indicative of the results to be expected for the full year ending January 31, 2027 or any other period.

Beginning with the year ended January 31, 2026, the Company began presenting "perpetual license revenue" and "cost of perpetual license revenue" as part of "revenue - services and other" and "cost of revenue - services and other," respectively, as the amounts were not material and has recast prior period amounts accordingly to conform to the presentation in the Company's fiscal 2026 Form 10-K.

Use of Estimates

The preparation of condensed consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions about future events that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Future events and their effects cannot be determined with certainty. On an ongoing basis, management evaluates these estimates, judgments, and assumptions.

The Company bases its estimates on historical and anticipated results and trends and on various other assumptions that the Company believes are reasonable under the circumstances, including assumptions as to future events. In particular, the Company makes estimates with respect to the fair value allocation of multiple performance obligations in revenue recognition, the expected period of benefit of contract acquisition costs, and estimated useful lives and impairment of intangible assets and goodwill arising from business combinations. Appropriate adjustments, if any, to the estimates used are made prospectively based upon such periodic evaluation. Actual results could differ from those estimates.

Concentration of Credit and Other Risks

Financial instruments that potentially subject the Company to concentrations of credit risk consist of cash and cash equivalents, accounts receivable, and contract assets. The Company maintains its cash in bank deposit accounts that exceeded federally insured limits as of July 31, 2026 and January 31, 2026. There was no concentration of credit risk for customers as of July 31, 2026 and January 31, 2026 as no individual entity represented more than 10% of accounts receivable and contract assets as of such dates. No customer accounted for more than 10% of revenue during the three and six months ended July 31, 2026 or 2025. The Company did not experience concentration of credit risk in foreign countries as of July 31, 2026 and January 31, 2026 as no foreign country represented more than 10% of the Company's condensed consolidated revenues or net assets as of such dates.

Significant Accounting Policies

There have been no changes to the Company's significant accounting policies as previously disclosed in the fiscal 2026 Form 10-K.

Recently Adopted Accounting Pronouncements

Accounting Standards Update 2025-05

In July 2025, the Financial Accounting Standards Board (the "FASB") issued ASU-2025-05, *Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses for Accounts Receivable and Contract Assets* ("ASU 2025-05"), which amends Topic 326 to provide a practical expedient and an accounting policy election related to the estimation of expected credit losses for current accounts receivable and current contract assets that arise from transactions accounted for under Accounting Standards Codification ("ASC") 606. Specifically, 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. ASU 2025-05 is effective for annual reporting periods beginning after December 15, 2025, and interim reporting periods within those annual reporting periods, with early adoption permitted. Entities should apply the new guidance prospectively. The Company adopted this standard prospectively and it did not have a material impact on its consolidated financial statements or disclosures.

Recently Issued Accounting Standards Not Yet Adopted

Accounting Standards Update 2025-06

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* ("ASU 2025-06"), which amends the guidance in ASC 350-40, *Intangibles—Goodwill and Other—Internal-Use Software*. The amendments modernize the recognition and disclosure framework for internal-use software costs, removing the previous "development stage" model and introducing a more judgment-based approach. ASU 2025-06 is effective for fiscal years beginning after December 15, 2027, and for interim periods within those annual reporting periods, with early adoption permitted. The Company is currently evaluating the impact of the new standard on its consolidated financial statements and related disclosures.

Accounting Standards Update 2024-03

In November 2024, the FASB issued ASU 2024-03, *Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosure (Subtopic 220-40): Disaggregation of Income Statement Expenses* ("ASU 2024-03"), which requires disaggregated disclosures, in the notes to the financial statements, of certain categories of expenses that are included in expense line items on the face of the income statement. ASU 2024-03 is effective for annual periods beginning after December 15, 2026, and for interim periods within fiscal years beginning after December 15, 2027. Early adoption is permitted. ASU

2024-03 should be applied on a prospective basis, with a retrospective application permitted in the financial statements. The Company is currently evaluating the impact of the new standard on its consolidated financial statements and related disclosures.

2. Revenue Recognition

Disaggregation of Revenue

The following table presents the Company's revenue disaggregated by subscription product categories (in thousands):

	Three Months Ended July 31,		Six Months Ended July 31,	
	2026	2025	2026	2025
Subscription				
SaaS	\$ 193,872	\$ 144,758	\$ 372,351	\$ 276,573
Maintenance and support	35,468	38,471	70,031	75,860
Term subscriptions	56,196	58,120	100,112	98,160
Other subscription services	9,669	6,588	18,532	12,667
Total Subscription	295,205	247,937	561,026	463,260
Services and other	13,608	16,422	27,929	31,567
Total revenue	<u>\$ 308,813</u>	<u>\$ 264,359</u>	<u>\$ 588,955</u>	<u>\$ 494,827</u>

The following table summarizes the revenue the Company recognizes at a point in time and over time (in thousands):

	Three Months Ended July 31,		Six Months Ended July 31,	
	2026	2025	2026	2025
Revenue recognized over time	\$ 273,141	\$ 223,165	\$ 528,650	\$ 428,014
Revenue recognized at a point in time	35,672	41,194	60,305	66,813
Total revenue	<u>\$ 308,813</u>	<u>\$ 264,359</u>	<u>\$ 588,955</u>	<u>\$ 494,827</u>

Contract Balances

Deferred revenue consists primarily of payments received in advance of revenue recognition under the Company's contracts with customers. Revenue recognized during the three months ended July 31, 2026 and 2025 that was included in the deferred revenue balances at the beginning of the respective periods was \$212.3 million and \$174.5 million, respectively. Revenue recognized during the six months ended July 31, 2026 and 2025 that was included in the deferred revenue balances at the beginning of the respective periods was \$360.0 million and \$290.8 million, respectively.

Remaining Performance Obligations

The Company's contracts with customers include amounts allocated to performance obligations that will be satisfied at a later date. These remaining performance obligations represent contract value that has not yet been recognized as revenue. Remaining performance obligations includes both invoices that have been issued to customers but have not been recognized as revenue and amounts that will be invoiced and recognized as revenue in future periods. As of July 31, 2026, remaining performance obligations were \$1.9 billion, of which the Company expects to recognize \$931.1 million as revenue over the next 12 months.

3. Allowance for Expected Credit Losses

The following table presents the balance of the allowance for expected credit losses for accounts receivable and contract assets (in thousands):

	July 31, 2026	January 31, 2026
Allowance for credit losses - accounts receivable	\$ 989	\$ 910
Allowance for credit losses - contract assets	\$ 463	\$ 216

For the three months ended July 31, 2026 and 2025, the provision for credit losses was \$1.4 million and \$0.8 million, respectively. For the six months ended July 31, 2026 and 2025, the provision for credit losses was \$2.4 million and \$4.3 million, respectively.

4. Fair Value Measurements

Assets and Liabilities Measured at Fair Value on a Recurring Basis

Assets and liabilities recorded at fair value in the financial statements are categorized based upon the level of judgment associated with the inputs used to measure their fair value. Hierarchical levels which are directly related to the amount of subjectivity associated with the inputs to the valuation of these assets or liabilities are as follows:

- Level 1: Observable inputs that reflect quoted prices (unadjusted) for identical assets or liabilities in active markets.
- Level 2: Observable inputs, other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.
- Level 3: Unobservable inputs reflecting the Company's own assumptions incorporated in valuation techniques used to determine fair value. These assumptions are required to be consistent with market participant assumptions that are reasonably available.

The following tables present information about the Company's financial assets that are measured at fair value on a recurring basis (in thousands):

	July 31, 2026			
	Level 1	Level 2	Level 3	Total
Assets:				
Cash equivalents and restricted cash:				
Money market funds	\$ 54,844	\$ —	\$ —	\$ 54,844
Certificate of deposit	75,000	—	—	75,000
Total assets	<u>\$ 129,844</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 129,844</u>

	January 31, 2026			
	Level 1	Level 2	Level 3	Total
Assets:				
Cash equivalents and restricted cash:				
Money market funds	\$ 308,535	\$ —	\$ —	\$ 308,535
Total assets	<u>\$ 308,535</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 308,535</u>

The Company's carrying amounts of financial instruments, including cash, accounts receivable, accounts payable, and accrued expenses, are considered Level 1 and approximate their fair values due to their short maturities as of July 31, 2026 and January 31, 2026 and are excluded from the fair value tables above.

There were no transfers between fair value measurement levels during the period ended July 31, 2026 and January 31, 2026.

5. Acquisitions

Asset Acquisition

Security Savvy Ltd

On September 15, 2025, the Company acquired certain assets of Security Savvy Ltd, a third-party security platform that helps organizations manage identity-related risks associated with their software as a service ("SaaS") applications, for \$18.4 million, which included \$0.5 million in direct transaction costs that were capitalized as a component of the consideration transferred. The transaction was accounted for as an asset acquisition and substantially all of the acquired assets consisted of developed technology. The purchase price includes a holdback amount of \$1.8 million to be paid 12 months from the date of closing subject to the resolution of certain indemnities. The purchase price also includes a contingent consideration of \$0.2 million, which was paid and fully settled on November 21, 2025. The purchase price consideration was primarily allocated to a developed technology intangible asset with a useful life of six years.

Business Combinations

Entro

On June 29, 2026, the Company completed the acquisition of 100% of the outstanding equity interests of Entro Security Ltd. and its wholly owned subsidiary, Entro Security Inc. (collectively, "Entro"), for total purchase consideration of approximately \$122.6 million in cash. In connection with the acquisition, the Company committed to issue up to \$7.3 million in restricted stock to certain key employees and former shareholders of Entro who became employees. Because the issuance and vesting of these awards is contingent upon the recipients' continued employment with the Company, this arrangement is excluded from the consideration transferred and is recognized as post-combination compensation expense. The arrangement consists of three annual tranches of restricted stock valued at approximately \$2.4 million each, to be granted and issued at closing and on the first and second anniversaries of the acquisition date, with each tranche vesting quarterly over a one-year service period. Entro is a cloud-based platform that secures non-human identities, machine secrets, and artificial intelligence ("AI") agents across enterprise environments, extending the Company's Identity Security Cloud product suite. The Company allocated the preliminary consideration transferred, subject to working capital adjustments and provisional income taxes, to intangible assets of \$15.8 million for developed technology, with an estimated useful life of four years, \$5.0 million for customer relationships intangible, with a useful life of seven years, and \$0.4 million for tradename and trademark with a useful life of two years, preliminary goodwill of \$98.7 million, and net assets of \$2.7 million. The goodwill arising from the acquisition is deductible for tax purposes.

Imprivata

On December 13, 2024, the Company acquired the Identity Governance and Administration business of Imprivata, a digital identity company for life-and mission-critical industries that is majority owned by Thoma Bravo, for aggregate consideration of \$16.4 million, which includes contingent consideration that was settled in August 2025. The Company recorded intangible assets of \$1.6 million for developed technology, with an estimated useful life of 3 years and a \$8.2 million for customer relationships intangible, with a useful life of 4 years, goodwill of \$9.3 million and net liabilities of \$2.7 million. The goodwill arising from the acquisition is deductible for tax purposes.

Double Zero

On April 9, 2024, the Company acquired all of the outstanding stock of Double Zero Security, Inc. ("Double Zero"), a third-party provider of digital-identity threat detection and response for secure enterprise access. The aggregate consideration transferred in connection with this acquisition was \$5.4 million, net of cash acquired. The Company recorded intangible assets of \$1.4 million for developed technology, with an estimated useful life of 6 years. The Company recorded goodwill of \$3.6 million, and net assets of \$0.4 million.

Additional Business Combination Related Information

The operating results of the acquired companies are included in the Company's condensed consolidated statements of operations from the respective dates of acquisition. Pro forma results of operations have not been presented because the effects of these acquisitions, individually and in the aggregate, were not material to the Company's condensed consolidated statements of operations. Unless otherwise noted above, goodwill arising from these acquisitions is not deductible for tax purposes.

The measurement period for the valuation of assets acquired and liabilities assumed ends as soon as information on the facts and circumstances that existed as of the applicable acquisition date becomes available but does not exceed 12 months from

the acquisition date. The measurement periods have closed for the acquisitions of Imprivata and Double Zero as of July 31, 2026.

6. Commitments and Contingencies

Contractual Purchase Commitments

The Company has contractual commitments associated with agreements that are enforceable and legally binding. These contractual commitments do not include obligations under contracts that the Company can cancel without significant penalty or purchase orders as the purchase orders represent authorizations to purchase rather than binding agreements.

On February 1, 2026, the Company entered into a new amendment with its cloud storage provider, terminating the previous arrangement. The new agreement, effective February 1, 2026 through January 31, 2031, requires the Company to commit to minimum annual purchases of \$107.0 million, \$127.0 million, \$147.0 million, \$162.0 million, and \$178.0 million in contract years one through five, respectively, for a total commitment of \$721.0 million. If the Company does not meet the minimum purchase obligation during any contract year, it will be required to pay the difference. There have been no further amendments or material developments related to this agreement since its execution.

During the six months ended July 31, 2026, there were no other material changes outside the ordinary course of business to the Company's non-cancelable contractual commitments previously disclosed in the fiscal 2026 Form 10-K.

Indemnification Arrangements

In the ordinary course of business, the Company enters into contractual arrangements under which it agrees to provide indemnification of varying scope and terms to customers, business partners, and other parties with respect to certain matters, including losses arising out of the breach of such agreements, intellectual property infringement claims made by third parties, and other liabilities with respect to the Company's products, services, and business. In these circumstances, payment may be conditional on the other party making a claim pursuant to the procedures specified in a particular contract. The Company includes service level commitments to the Company's cloud customers warranting certain levels of uptime reliability and performance and permitting those customers to receive credits in the event that the Company fails to meet those levels.

To date, the Company has not incurred any material costs as a result of these commitments, and the Company expects the time between any potential claims and issuance of the credits to be short. As a result, the Company has not accrued any liabilities related to these commitments in the accompanying condensed consolidated financial statements.

Litigation Claims and Assessments

The Company is subject to claims and suits that may arise from time to time in the ordinary course of business. In addition, some legal actions, claims, and governmental inquiries may be instituted or asserted in the future against the Company and its subsidiaries. Although the outcome of these legal proceedings cannot be predicted with certainty and no assurances can be provided, based upon current information, the Company does not believe the liabilities, if any, which may ultimately result from the outcome of such matters, individually or in the aggregate, will have a material adverse impact on these condensed consolidated financial statements.

7. Credit Agreement and Debt

2025 Credit Agreement

On June 25, 2025, the Company entered into a credit agreement (the "2025 Credit Agreement") that provides for a five-year \$250.0 million secured revolving credit facility, including a letter of credit sub-facility of up to \$10.0 million (the "2025 Revolving Credit Facility"). The 2025 Revolving Credit Facility matures on June 25, 2030. The Company incurred deferred financing costs of \$2.7 million related to the entry into the 2025 Credit Agreement, which are included in other non-current assets on the accompanying condensed consolidated balance sheets. These costs are being amortized to interest expense over the life of the 2025 Credit Agreement on a straight-line basis. Amortization of deferred financing costs related to the 2025 Credit Agreement was \$0.1 million and \$0.3 million for the three and six months ended July 31, 2026, respectively. Amortization of deferred financing costs related to the 2025 Credit Agreement was \$0.1 million for both the three and six months ended July 31, 2025. The Company is subject to customary letter of credit fees, including a fronting fee equal to 0.125% per annum of the daily maximum amount then available to be drawn under such letters of credit, as well as customary

issuance and administration fees. These fees were \$0.1 million and \$0.3 million for the three and six months ended July 31, 2026, respectively, and are recorded as interest expense on the condensed consolidated statements of operations.

The Company is subject to quarterly financial covenants relating to maintaining a Total Net Leverage Ratio (as defined in the 2025 Credit Agreement) of generally not more than 4.00 to 1.00 (which may be increased to 4.50 to 1.00 for a limited period in the event a material acquisition is consummated). The Company was in compliance with all applicable covenants as of July 31, 2026.

All obligations under the 2025 Revolving Credit Facility are unconditionally guaranteed by the Company and each Restricted Subsidiary other than any Excluded Subsidiary (each, as defined in the 2025 Credit Agreement) and are supported by a security interest in substantially all of the borrowers' and guarantors' tangible and intangible assets (subject to permitted liens).

The Company may voluntarily repay and reborrow outstanding loans under the 2025 Revolving Credit Facility at any time without a premium or a penalty. The Company had no outstanding 2025 Revolving Credit Facility balance as of July 31, 2026.

2022 Credit Agreement

On August 16, 2022, the Company entered into a Credit Agreement (the "2022 Credit Agreement") that provided for (i) a six-year \$125.0 million senior secured revolving credit facility, including a letter of credit sub-facility of up to \$5.0 million (the "2022 Revolving Credit Facility"), and (ii) a seven-year \$1.59 billion term loan facility (the "Term Loans"). After the closing of the IPO, the Company fully repaid its Term Loans and recorded an extinguishment of debt related to the remaining balance of its deferred financing costs of \$15.3 million during the three months ended April 30, 2025, which is recorded within interest expense on the condensed consolidated statement of operations.

On June 25, 2025, the 2022 Credit Agreement was terminated upon the Company's entry into the 2025 Credit Agreement. The remaining unamortized deferred financing costs of \$1.4 million for the 2022 Revolving Credit Facility was recorded as a loss from extinguishment of debt and included in interest expense on the condensed consolidated statements of operations for the three months ended July 31, 2025. There was no amortization of debt issuance costs related to the 2022 Credit Agreement for the three and six months ended July 31, 2026. Amortization of debt issuance costs was \$0.2 million and \$0.5 million for the three and six months ended July 31, 2025, respectively.

There was no interest expense recognized related to the Term Loans for the three and six months ended July 31, 2026. Total interest expense recognized related to the Term Loans for the six months ended July 31, 2025 was \$22.3 million, consisting of contractual interest expense of \$6.7 million, amortization of debt issuance costs of \$0.2 million, and \$15.3 million loss from the extinguishment of debt. There was no interest expense related to the Term Loans for the three months ended July 31, 2025.

8. Related Party Transactions

The Company is an affiliate of Thoma Bravo. The Company engaged in ordinary sales transactions with entities affiliated with Thoma Bravo, with no significant activity for the three months ended July 31, 2026 and \$0.1 million for the three months ended July 31, 2025, and \$0.8 million for each of the six months ended July 31, 2026 and 2025.

The Company engaged in ordinary purchase transactions with entities affiliated with Thoma Bravo of \$0.2 million and \$0.9 million for the three months ended July 31, 2026 and 2025, respectively, and \$1.5 million and \$2.2 million for the six months ended July 31, 2026 and 2025, respectively.

9. Equity-Based Compensation

Omnibus Incentive Plan and Other Awards

On February 12, 2025, the shareholders and the Company's Board of Directors (the "Board") approved the SailPoint, Inc. Omnibus Incentive Plan (the "Omnibus Plan"), which then became effective. The aggregate number of shares of common stock that may be issued pursuant to the Omnibus Plan is 61,083,763, subject to an annual increase on February 1 of each fiscal year, equal to the lesser of (a) 5% of the aggregate number of shares of common stock outstanding on January 31 of the immediately preceding fiscal year and (b) such smaller number of shares as determined by the Board. Pursuant to the "evergreen" provision contained in the Omnibus Plan, the Board approved an increase of 28,189,081 additional shares to be added to the plan effective as of February 1, 2026. As of July 31, 2026, the maximum number of shares authorized under the Omnibus Plan was 89,272,844 and the number of shares available for issuance was 44,924,448.

Under the Omnibus Plan, the Company may grant stock options, stock appreciation rights, restricted stock awards ("RSAs"), restricted stock units ("RSUs"), stock awards, dividend equivalents, other stock-based awards, cash awards, and substitute awards intended to align the interests of award holders with those of the Company's stockholders. Awards made under the Omnibus Plan vest based on continued service to the Company and/or its affiliates. Equity-based compensation costs for granted awards are recognized as an expense on a straight-line basis over the requisite service period as the services are performed.

Capitalized equity-based compensation expense is recorded as part of property and equipment, net on the condensed consolidated balance sheets and is amortized on a project-by-project basis using the straight-line method.

During the six months ended July 31, 2026, the Company granted 25,173,794 RSUs that vest ratably, predominantly over two to four years based on continued service to the Company. Remaining total unrecognized equity-based compensation related to outstanding RSUs as of July 31, 2026 is \$433.4 million, with a weighted average remaining life of 3.0 years.

In addition to awards granted under the Omnibus Plan, during the six months ended July 31, 2026, the Company issued 160,670 RSAs outside of the Omnibus Plan that vest ratably over one year based on continued service to the Company. Remaining total unrecognized equity-based compensation related to outstanding RSAs as of July 31, 2026 is \$2.6 million, with a weighted average remaining life of 0.8 years.

Equity-Based Compensation Expense

A summary of the Company's equity-based compensation expense by award type is presented below (in thousands):

	Three Months Ended July 31,		Six Months Ended July 31,	
	2026	2025	2026	2025
Incentive equity units	\$ —	\$ —	\$ —	\$ 62,358
Equity appreciation rights	—	—	—	13,307
Restricted stock awards	744	2,884	2,084	7,836
Restricted stock units	67,265	46,035	136,181	84,552
Employee stock purchase plan	1,802	—	2,146	—
Cash-settled awards	—	65	16	41,636
Total equity-based compensation expense	<u>\$ 69,811</u>	<u>\$ 48,984</u>	<u>\$ 140,427</u>	<u>\$ 209,689</u>

On January 31, 2025, the Board approved modifications to accelerate the vesting of certain incentive units, equity appreciation rights ("EARS"), and cash-settled awards subject to the pricing and closing of the IPO. Prior to the Corporate Conversion, the Company modified 3,036,888 incentive units and 377,077 EARS. Upon the IPO, the vested incentive units were considered redeemable. For the six months ended July 31, 2025, as a result of the modifications and the closing of the IPO, the Company recognized \$113.8 million of equity-based compensation expense in the condensed consolidated statement of operations, which was comprised of \$61.5 million, \$12.6 million, and \$39.8 million of expense for the modified incentive units, EARS, and cash-settled awards, respectively.

A summary of the Company's equity-based compensation expense as recognized in the condensed consolidated statements of operations is presented below (in thousands):

	Three Months Ended July 31,		Six Months Ended July 31,	
	2026	2025	2026	2025
Cost of revenue - subscription	\$ 4,115	\$ 1,931	\$ 8,726	\$ 13,195
Cost of revenue - services and other	1,588	681	3,506	11,009
Research and development	15,822	7,512	31,297	35,351
Sales and marketing	22,944	18,203	45,413	71,706
General and administrative	23,852	20,091	48,500	77,616
Total equity-based compensation expense, net of amounts capitalized	\$ 68,321	\$ 48,418	\$ 137,442	\$ 208,877
Capitalized equity-based compensation	1,490	566	2,985	812
Total equity-based compensation expense	<u>\$ 69,811</u>	<u>\$ 48,984</u>	<u>\$ 140,427</u>	<u>\$ 209,689</u>

There are equity-based compensation awards that could potentially dilute basic earnings per share in the future that were not included in the computation of diluted basic earnings per share because to do so would have been anti-dilutive. The following table summarizes the Company's anti-dilutive securities (in thousands):

	Three Months Ended July 31,		Six Months Ended July 31,	
	2026	2025	2026	2025
Unvested shares - RSAs	222	769	222	769
Unvested shares - RSUs	28,748	17,303	28,748	17,303
ESPP	936	—	936	—
Total	29,906	18,072	29,906	18,072

Employee Stock Purchase Plan

In February 2025, the Board adopted the SailPoint, Inc. Employee Stock Purchase Plan (the "ESPP"). The ESPP authorized the issuance of shares of common stock pursuant to purchase rights granted to employees. The aggregate number of shares of common stock originally authorized for issuance under the ESPP was 11,106,139 shares, subject to an annual increase on February 1 of each fiscal year, equal to the lesser of (a) 1% of the aggregate number of shares of common stock outstanding on January 31 of the immediately preceding fiscal year and (b) such smaller number of shares as determined by the Board. As of July 31, 2026, the maximum number of shares authorized and available for issuance under the ESPP was 16,743,955.

Under the ESPP, employees are offered the right to purchase shares at a discount during one or more offering periods. The plan administrator designates the terms and conditions of each offering, including the offering period. The first such offering period is six months and commenced April 11, 2026. Future offering periods are expected to also be six months and are to begin on each April 11th and October 11th. Stock-based compensation related to the ESPP is recognized on a straight-line basis over the applicable offering period. Under the ESPP, eligible employees may purchase shares of the Company's common stock at a price equal to 85% of the lower of the fair market value of the Company's common stock on (i) the first trading day of the applicable offering period and (ii) the last trading day of the applicable offering period. As of July 31, 2026, no shares were purchased under the ESPP. Remaining unrecognized equity-based compensation related to the ESPP as of July 31, 2026 is \$1.4 million, with a weighted average remaining life of 0.2 years.

The Company uses a Monte Carlo option-pricing model to estimate the fair value of ESPP awards. The grant date for each offering period is the first trading day of the offering period, and compensation cost is measured using the fair value of the award on that date. The following table summarizes the assumptions used in the Monte Carlo model to determine the grant-date fair value of employee stock purchase rights granted under the ESPP for the offering period with a grant date occurring during the six months ended July 31, 2026:

	Six Months Ended July 31, 2026
Expected term (in years)	0.49
Expected volatility	65.00 %
Risk-free interest rate	3.74 %
Expected dividend yield	— %

10. Balance Sheet Related Items

Property and Equipment

The cost and accumulated depreciation of property and equipment are as follows (in thousands):

	July 31, 2026	January 31, 2026
Computer equipment	\$ 16,609	\$ 15,620
Capitalized software development costs	36,701	23,345
Furniture and fixtures	3,545	3,792
Leasehold improvements	15,457	13,498
Other	1,290	1,216
Total property and equipment	73,602	57,471
Less: accumulated depreciation and amortization	(26,813)	(22,293)
Total property and equipment, net	\$ 46,789	\$ 35,178

Depreciation and amortization expense was \$2.7 million and \$2.3 million for the three months ended July 31, 2026 and 2025, respectively, which includes amortization of software development costs of \$1.0 million and \$0.4 million for the three months ended July 31, 2026 and 2025, respectively. Depreciation and amortization expense was \$5.0 million and \$4.4 million for the six months ended July 31, 2026 and 2025, respectively, which includes amortization of software development costs of \$1.7 million and \$0.7 million for the six months ended July 31, 2026 and 2025, respectively.

Prepayments and Other Current Assets and Other Non-Current Assets

Prepayments and other current assets consisted of the following (in thousands):

	July 31, 2026	January 31, 2026
Prepaid expenses	\$ 39,032	\$ 26,699
Restricted cash	3,240	3,242
Income tax receivables	3,957	2,209
Other	8,366	7,138
Total prepayments and other current assets	\$ 54,595	\$ 39,288

Amortization expense related to capitalized implementation costs was \$0.5 million and \$0.4 million for the three months ended July 31, 2026 and 2025, respectively. Amortization expense related to capitalized implementation costs was \$1.4 million and \$0.7 million for the six months ended July 31, 2026 and 2025, respectively.

Other non-current assets consisted of the following (in thousands):

	July 31, 2026	January 31, 2026
Prepaid expenses	\$ 3,464	\$ 3,681
Right-of-use assets, net	19,389	16,949
Other	4,329	2,991
Total other non-current assets	\$ 27,182	\$ 23,621

Accrued Expenses and Other Liabilities

Accrued expenses and other liabilities consisted of the following (in thousands):

	July 31, 2026	January 31, 2026
Employee-related costs	\$ 29,933	\$ 50,380
Commissions	32,912	33,186
Operating lease liabilities	5,880	5,349
Sales and other taxes payable	4,615	7,053
Other	30,536	25,496
Total accrued expenses and other liabilities	\$ 103,876	\$ 121,464

11. Income Taxes

The provision for income taxes consists of U.S. and state income taxes and income taxes in foreign jurisdictions in which the Company conducts business.

The effective tax rate for the three months ended July 31, 2026 and 2025 was 11.9% and 74.8%, respectively. The effective tax rate for the six months ended July 31, 2026 and 2025 was 8.9% and 19.6%, respectively. For the three and six months ended July 31, 2026, the effective tax rate differs from the statutory rate primarily as a result of certain non-deductible equity-based compensation, non-deductible executive officer compensation, and an increase in valuation allowance. For the three and six months ended July 31, 2025, the effective tax rate differs from the statutory rate primarily as a result of a net discrete tax benefit for the change in valuation allowance for interest expense and Texas research and development credit carryforwards from changes in tax law.

12. Segments and Geographic Information

Operating segments are defined as components of an entity for which separate financial information is available and that is regularly reviewed by the Chief Operating Decision Maker (the "CODM"). The CODM is comprised of the Company's Chief Executive Officer, Chief Financial Officer and President. The Company's CODM reviews financial information presented on a consolidated basis for the purposes of making operating decisions, allocating resources, and evaluating financial performance. Accordingly, the Company determined that it operates in one reportable segment. The CODM utilizes GAAP and non-GAAP measures of profit and loss for evaluating the Company's overall performance and informing resource allocation to support strategic priorities. The GAAP measure of profit and loss used by the CODM for such purposes is net loss. Significant expense categories regularly provided to the CODM are those disclosed in the condensed consolidated financial statements and related notes.

The following is a summary of consolidated revenues within geographic areas determined by the billing address of the customer for the periods presented (in thousands):

	Three Months Ended July 31,		Six Months Ended July 31,	
	2026	2025	2026	2025
United States	\$ 205,112	\$ 170,356	\$ 383,902	\$ 321,533
EMEA	62,509	58,618	123,919	106,575
Rest of the World	41,192	35,385	81,134	66,719
Total revenue	<u>\$ 308,813</u>	<u>\$ 264,359</u>	<u>\$ 588,955</u>	<u>\$ 494,827</u>

No single country other than the United States represented more than 10% of the Company's revenue.

13. Employee Benefit Plans

The Company has established a defined contribution savings plan under Section 401(k) of the Internal Revenue Code of 1986 (the "401(k) Plan"). The 401(k) Plan covers substantially all employees who meet minimum age and service requirements and allows participants to defer a percentage of their annual compensation as defined in the 401(k) Plan. The Company matches portions of employees' voluntary contributions. Additional employer contributions may also be made at the Company's discretion. The Company recorded expense of \$2.4 million and \$2.0 million for the three months ended July 31, 2026 and 2025, respectively, for matching contributions to the 401(k) Plan. The Company recorded expense of \$4.9 million and \$4.3 million for the six months ended July 31, 2026 and 2025, respectively, for matching contributions to the 401(k) Plan.

SPECIAL NOTE ABOUT FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q (this “Quarterly Report”) contains forward-looking statements within the meaning of, and we intend such forward-looking statements to be covered by, the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. You can identify forward-looking statements by the fact that they do not relate strictly to historical or current facts, and these statements may include words such as “anticipate,” “estimate,” “expect,” “project,” “plan,” “intend,” “believe,” “may,” “will,” “should,” “can have,” “likely,” and other words and terms of similar meaning. For example, all statements we make relating to our estimated and projected costs, expenditures, cash flows, growth rates, and financial results or our plans and objectives for future operations, growth initiatives, or strategies are forward-looking statements. Statements regarding the development, release, and timing of any features or functionality described for our products that are not currently available are also forward-looking statements; the development, release, and timing of any such features or functionality remain at our sole discretion on a when, and if available, basis and may not be delivered at all.

Because forward-looking statements relate to the future, they involve substantial risks and uncertainties, and you should not rely upon forward-looking statements as predictions of future events or place undue reliance thereon. We derive many of our forward-looking statements from our operating budgets and forecasts, which are based on many detailed assumptions. While we believe that our assumptions are reasonable, we caution that it is very difficult to predict the impact of known factors, and it is impossible for us to anticipate all factors that could affect our actual results. Important factors that could cause actual results to differ materially from our expectations include the following:

- our ability to sustain historical growth rates;
- our ability to attract and retain customers and to deepen our relationships with existing customers;
- the growth in the market for identity security solutions;
- our ability to maintain successful relationships with our channel partners;
- the length and unpredictable nature of our sales cycle;
- our ability to compete successfully against current and future competitors;
- our ability to successfully integrate acquired businesses and technologies and achieve the expected benefits of such acquisitions;
- the increasing complexity of our operations;
- our ability to maintain and enhance our brand or reputation as an industry leader and innovator;
- unfavorable conditions in our industry or the global economy;
- our estimated market opportunity and forecasts of our market and market growth may prove to be inaccurate;
- our ability to hire, retain, train, and motivate our personnel and our ability to maintain our corporate culture;
- our ability to successfully introduce, use, and integrate AI with our solutions;
- breaches in our security, cyber attacks, or other cyber risks;
- interruptions, outages, or other disruptions affecting the delivery of our SaaS solution or any of the third-party cloud-based systems that we use in our operations;
- our ability to adapt and respond to rapidly changing technology, industry standards, regulations, or customer needs, requirements, or preferences;
- real or perceived errors, failures, or disruptions in our platform or solutions;
- the ability of our platform and solutions to effectively interoperate with our customers’ existing or future information technology (“IT”) infrastructures;
- our ability to comply with our privacy policy or related legal or regulatory requirements;
- the impact of various tax laws and regulations, including our failure to comply therewith; and
- other factors disclosed in the section titled “Risk Factors” in Part I, Item 1A of our fiscal 2026 Form 10-K.

Any forward-looking statements made by us are based only on information available to us as of the date on which such statements are made and speak only as of such date. We undertake no obligation to update any forward-looking statements made in this Quarterly Report to reflect events or circumstances after such date or to reflect new information or the occurrence

of unanticipated events, except as required by law. Our forward-looking statements do not reflect the potential impact of any future acquisitions, mergers, dispositions, joint ventures, or investments we may make.

All written and oral forward-looking statements attributable to us, or persons acting on our behalf, are expressly qualified in their entirety by these cautionary statements as well as other cautionary statements that are made from time to time in our other filings with the SEC and other public communications.

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

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our condensed consolidated financial statements and related notes included elsewhere in this Quarterly Report.

Our fiscal year end is January 31, and our fiscal quarters end on April 30, July 31, October 31, and January 31. Our fiscal years ended January 31, 2027 and January 31, 2026 are referred to herein as "fiscal 2027" and "fiscal 2026," respectively.

Overview

We deliver solutions to enable adaptive identity security for the enterprise. We do this via the SailPoint Platform that unifies identity data across systems and identity types, including employee identities, non-employee identities, machine identities, and AI agents for real-time governance. Our SaaS and customer-hosted offerings leverage intelligent analytics to provide organizations with critical visibility into which identities currently have access to which resources, which identities should have access to those resources, and how that access is being used. Our solutions enable organizations to establish, control, and automate policies that help them define and maintain a robust security posture and achieve regulatory compliance. Powered by AI, our solutions enable organizations to overcome the scale and complexity of managing identities in real-time across dynamic, complex IT environments. Our solutions empower organizations to maintain a robust security posture and achieve regulatory compliance. Today, we offer a range of solutions to meet the varied needs of our customers across a broad set of deployment options including: Identity Security Cloud, our SaaS-based cloud solution built on our unified SailPoint Platform, and IdentityIQ, our customer-hosted identity security solution. These solutions are designed to enable our customers to make more effective decisions regarding access, improve security processes, and provide them with a deeper understanding of identity and access.

Recent Developments

On June 29, 2026, the Company completed the acquisition of Entro for total cash consideration of approximately \$122.6 million and restricted stock consideration of approximately \$7.3 million. For more information regarding the equity consideration, see Part II Item 2 of this Form 10-Q. Entro is a cloud-based platform specializing in NHI and secrets security, providing discovery and governance capabilities across over 1,200 types of credentials, tokens, and certificates within cloud and hybrid environments, including CI/CD pipelines, codebases, and container registries.

The acquisition extends the Company's Identity Security Cloud product suite and complements the recently launched SailPoint Agentic Fabric solution, which is designed to discover, govern, and secure autonomous AI agents and machine identities at enterprise scale. Together, Entro's NHI-focused security controls and SailPoint Agentic Fabric are intended to deliver an integrated identity security solution spanning human, machine, and agentic identities.

Entro's solutions are available to SailPoint customers as standalone offerings, with native platform integration ongoing. See Note 5 "Acquisitions" in the notes to our consolidated financial statements included in this Quarterly Report for additional information regarding the purchase price allocation.

Our Business Model

Our customers include many of the world's largest and most complex organizations, including large enterprises across all major verticals and governments. The approximate number of total customers and customers at each annual recurring revenue ("ARR") level are as follows:

	July 31, 2026	July 31, 2025
Customers	3,310	
Customers less than \$250,000 in ARR	1,980	
Customers greater than \$250,000 in ARR	1,330	
Customers greater than \$1,000,000 in ARR	235	

The number of customers with \$250,000 or more of ARR as of July 31, 2026 increased 22% on a year-over-year basis, and the number of customers with over \$1,000,000 of ARR as of July 31, 2026 increased 27% on a year-over-year basis.

For Identity Security Cloud, our SaaS-based cloud solution, and IdentityIQ, our customer-hosted solution, our customers typically enter into three-year contracts, with annual billing upfront.

For Identity Security Cloud, our pricing is tiered and based on the suite, with the option for the customer to purchase additional products and capabilities à la carte. We price our IdentityIQ term subscriptions based on a number of factors, including the number of digital identities governed with the solution. Customers also have the option to purchase additional products and capabilities.

Key Factors Affecting Our Performance

Our historical financial performance has been, and we expect our financial performance in the future to be, driven by our ability to:

Add New Customers within Existing Markets. Countless organizations still use a combination of legacy solutions and home-grown tools. Furthermore, we estimate that over 60% of organizations in our target market still have a fragmented identity experience or use a mostly manual process based on our internal research. As a result, we believe that there is a significant opportunity for us to accelerate the growth of our customer base by enhancing our marketing efforts, increasing our sales capacity and productivity, and expanding and further leveraging our use of channel partners, including managed service providers. Our ability to attract new customers depends on a number of factors, including the effectiveness and pricing of our solutions, our ability to drive awareness of them, and the offerings of our competitors.

Generate Additional Sales to Existing Customers. We believe that our existing customer base provides us with a significant opportunity to expand incremental sales. Most new customers initially purchase one of our SaaS suites (Standard, Business, or Business Plus). We focus on expanding our customer relationships over time through up-selling and cross-selling opportunities, including suite upgrades and additional products. Additionally, we are focused on continuing to migrate customers of our customer-hosted solution to our SaaS suites, which typically results in increased ARR because of the additional functionality that our SaaS suites offer. Our ability to increase sales to existing customers will depend on a number of factors, including our customers' satisfaction with our products, competition, pricing, and overall changes in our customers' spending levels.

Increase Share of Revenue Derived from SaaS. Our go-to-market motion is focused primarily on Identity Security Cloud, our SaaS offering. While we expect that an increase in SaaS contracts will drive growth in ARR, it is also expected to have a near term negative impact on revenue growth, driven by differences in revenue recognition policies between SaaS subscriptions and term subscriptions, and gross margins, as we incur hosting costs for our SaaS offering. Our ability to increase our revenue from SaaS subscriptions will depend on a number of factors, including our customers' specific circumstances, some of which necessitate their preference for our customer-hosted identity governance solution, IdentityIQ.

Deepen our Penetration in International Markets. We expect to continue to invest in our sales and marketing efforts and channel partner network to expand our reach and deepen our presence in existing geographies and to expand into new geographies. We believe that our global market opportunity is large and growing in response to the evolving IT and threat landscapes. For the three and six months ended July 31, 2026, we generated 66% and 65% of our revenue from the United States, 20% and 21% from Europe, the Middle East and Africa ("EMEA"), and 13% and 14% from the rest of the world, respectively. For the three and six months ended July 31, 2025, we generated 64% and 65% of our revenue from the United States, respectively, 22% of our revenue from EMEA and 13% from the rest of the world for both periods, respectively. Our ability to deepen our penetration in international markets will depend on a number of factors, including the competitiveness of our solutions, the efficacy of our channel partner network, and our sales and marketing efforts.

Sustain Technology Leadership Through Extending Identity Security Portfolio. We recently launched new offerings in agentic security, non-employee risk management, data access security, access risk management, and cloud infrastructure entitlement management. We are thoughtfully investing in AI, both to increase the capabilities of our solutions, as well as to help our customers protect their organizations while adopting AI for their own use cases. We intend to continue investing to extend our position as the leader in identity security by developing or acquiring new products and technologies and extending our portfolio into additional identity security use cases. Our future success is dependent on our ability to successfully develop, identify, market, and sell existing and new products to both new and existing customers.

Factors Affecting the Comparability of Our Results of Operations

Our historical results of operations may not be comparable from period to period or going forward. During fiscal year 2026, we incurred a significant increase in equity-based compensation expense due to the conversion and vesting of equity awards issued prior to the IPO as well as the issuance of equity awards to certain employees in connection with the IPO. On January 31, 2025, the Board approved modifications to accelerate the vesting of certain incentive units, EARs, and cash-settled awards subject to the pricing and closing of the IPO. Upon the IPO, the vested incentive units were considered redeemable. As a result of the modifications and the closing of the IPO during our fiscal year 2026, we recognized \$113.8 million of equity-based compensation expense in the consolidated statement of operations, which was comprised of \$61.5 million, \$12.6 million, and \$39.8 million of expense for the modified incentive units, EARs, and cash-settled awards, respectively, with no comparable activity in the current fiscal year. See Note 9 "Equity-Based Compensation" in the notes to our consolidated financial statements for additional information.

Impact of Current Economic Conditions

Worldwide economic and political uncertainties and negative trends, including financial and credit market fluctuations, tariffs and increasing trade protectionism, changes in government spending levels, uncertainty in the banking sector, rising interest rates, inflation, and other impacts from the macroeconomic environment have, and could continue to, adversely affect our business operations or financial results. As we continue to monitor the direct and indirect impacts of these circumstances, the broader implications of these macroeconomic and political events on our business, results of operations, and overall financial position remain uncertain. See the section titled "Risk Factors" included under Part I, Item 1A of the fiscal 2026 Form 10-K for further discussion of the possible impact of these factors and other risks on our business.

Key Business Metrics

In addition to our financial information prepared in accordance with GAAP, we monitor the following key business metrics to help us measure and evaluate the effectiveness of our operations. Although we believe we have a reasonable basis for each of these metrics, we caution you that these metrics are based on a combination of assumptions that may prove to be inaccurate over time. Please see the section titled "Risk Factors" included under Part I, Item 1A of the fiscal 2026 Form 10-K for more information.

Annual Recurring Revenue

We believe ARR is a key metric to measure our business performance because it measures our ability to generate sales with new customers and to maintain and expand spend with existing customers. The way we define ARR normalizes the impact of revenue recognition differences between SaaS contracts and term subscription agreements. In recent years, ARR has grown faster than revenue, as a greater share of incremental ARR (which we define as the increase in ARR from the prior period to current period) has been driven by SaaS contracts which have ratable revenue recognition compared to term subscription agreements where a portion of the contract value is recognized as revenue upfront.

We define ARR as the annualized value of SaaS, maintenance, term subscription, and other subscription contracts as of the measurement date. To the extent that we are actively negotiating a renewal or new agreement with a customer after the expiration of a contract, we continue to include that contract's annualized value in ARR until the customer notifies us that it is not renewing its contract. The amount included in our ARR calculation related to these contracts was less than 1% as of the dates shown in the ARR table below. We calculate ARR by dividing the active contract value by the number of days of the contract and then multiplying by 365. ARR should be viewed independently of revenue, as ARR is an operating metric and is not intended to be combined with or to replace revenue. ARR is not a forecast of future revenue, which can be impacted by ASC 606 allocations, and ARR does not consider other sources of revenue that are not recurring in nature.

ARR does not have a standardized meaning and is not necessarily comparable to similarly titled measures presented by other companies. The following table presents our ARR as of the dates noted below (dollars in millions):

	July 31, 2026	July 31, 2025
ARR	\$ 1,230.7	\$ 982.0

SaaS Annual Recurring Revenue

In recent years, we have transitioned our business to a SaaS-first subscription model. As a result of those efforts, the share of SaaS ARR to total ARR has increased to 69% as of July 31, 2026 from 63% as of July 31, 2025. We believe the share of ARR generated by our SaaS solution will continue to increase over time.

We define SaaS ARR as the annualized value of SaaS contracts as of the measurement date. To the extent that we are actively negotiating a renewal or new agreement with a customer after the expiration of a contract, we continue to include that contract's annualized value in SaaS ARR until the customer notifies us that it is not renewing its contract. The amount included in our ARR calculation related to these contracts was less than 1% as of the dates shown in the SaaS ARR table below. We calculate SaaS ARR by dividing the active SaaS contract value by the number of days of the contract and then multiplying by 365.

SaaS ARR should be viewed independently of subscription revenue as SaaS ARR is an operating metric and is not intended to be combined with or replace subscription revenue. SaaS ARR is not a forecast of future subscription revenue, which can be impacted by ASC 606 allocations and renewal rates and does not consider other sources of revenue that are not recurring in nature. The following table presents our SaaS ARR as of the dates noted below (dollars in millions):

	July 31, 2026	July 31, 2025
SaaS ARR	\$ 846.9	\$ 622.7

Dollar-Based Net Retention Rate

Our dollar-based net retention rate has decreased to 113% as of July 31, 2026 from 114% as of July 31, 2025. We continue to focus on growing our product portfolio, increasing our SaaS mix, and expanding customer relationships over time through cross-selling and up-selling.

We define dollar-based net retention rate as the comparison of our ARR from our subscription customers against the same metric for those subscription customers from the prior year. For the purposes of calculating our dollar-based net retention rate, we define a subscription customer as a separate legal entity that has entered into a distinct subscription agreement. Our dollar-based net retention rate reflects customer expansion, contraction, and churn. We calculate our dollar-based net retention rate as of period end by starting with the ARR from all subscription customers as of 12 months prior to such period end ("prior period ARR"). We then calculate the ARR from these same subscription customers as of the current period end ("current period ARR"). We then divide the current period ARR by the prior period ARR to arrive at our dollar-based net retention rate. The dollar-based net retention rate at the end of any period is the weighted average of the dollar-based net retention rates as of the end of each of the trailing four quarters. The following table presents our dollar-based net retention rate as of the dates noted below:

	July 31, 2026	July 31, 2025
Dollar-based net retention rate	113 %	114 %

Components of Results of Operations

Revenue

Subscription Revenue

The majority of our revenue relates to subscription revenue which consists of (i) fees for access to, and related support for, the SaaS offerings, (ii) fees for term subscriptions, (iii) fees for ongoing maintenance and support of perpetual license

solutions, and (iv) other subscription services such as cloud managed services, and certain professional services. Term subscriptions include the term licenses and ongoing maintenance and support. Maintenance and support agreements consist of fees for providing software updates on a when and if available basis and for providing technical support for software products for a specified term.

Subscription revenue, including support for term licenses, is recognized ratably over the term of the applicable agreement. Revenue related to term subscription performance obligations, excluding support for term subscriptions, is recognized upfront at the point in time when the customer has taken control of the software license.

Over time, we expect subscription revenue will increase as a percentage of total revenue as we continue to focus on increasing our subscription revenue, specifically our SaaS offering, as a key strategic priority.

Services and Other Revenue

Services and other revenue consist primarily of fees from professional services provided to customers and partners to configure and optimize the use of our solutions as well as non-subscription training services. Our professional services are structured on a time-and-materials or fixed priced basis, and the related revenue is recognized as the services are rendered.

Services and other revenue also consists of revenues from perpetual license performance obligations and is recognized upfront at the point in time when the customer has taken control of the software license. All perpetual license transactions include maintenance and support performance obligations which are included in subscription revenue.

Over time, we expect our professional services revenue as a percentage of total revenue to decrease as we increasingly rely on partners to help our customers deploy our software and we focus on increasing subscription revenue.

Cost of Revenue

Cost of Subscription Revenue

Cost of subscription revenue consists primarily of third-party cloud-based hosting costs, software, amortization expenses for developed technology acquired, amortization expense for capitalized software development costs, equity-based compensation, employee-related costs (which we define as salaries, benefits, bonuses, and allocated overhead) for providing subscriptions, third party royalties, facilities costs, and contractor costs to supplement staff levels. We expect third-party cloud-based hosting costs to increase as our SaaS subscriptions continue to grow.

Cost of Services and Other Revenue

Cost of services and other revenue consists primarily of (i) employee-related costs of professional services and training organizations, equity-based compensation, travel-related costs, facilities costs, and contractor costs to supplement staff levels; and (ii) amortization expense for developed technology acquired and third-party royalties related to perpetual licenses.

Gross Profit and Gross Profit Margin

Gross profit is revenue less cost of revenue, and gross profit margin is gross profit as a percentage of total revenue. Gross profit has been and will continue to be affected by various factors, including the mix of our revenue, the costs associated with third-party cloud-based hosting services and software for our SaaS offering, and the extent to which we expand our customer support, professional services, and training organizations. We expect that our overall gross profit margin will fluctuate from period to period depending on the mix of these various factors.

Operating Expenses

Research and Development Expenses

Research and development expenses consist primarily of employee-related costs, equity-based compensation, software and hosting arrangement expenses, facilities costs, professional services expense, and amortization expense for acquired intangible assets.

We believe that continued investment in our offerings is vital to the growth of our business, and we intend to continue to invest in product development. We expect our research and development expenses to continue to increase on an absolute basis in the foreseeable future but to decrease as a percentage of revenue as our business grows.

Sales and Marketing Expenses

Sales and marketing expenses consist primarily of employee-related costs (which includes commissions), equity-based compensation, costs for events and travel, facilities costs, costs of general marketing and promotional activities, payment processing fees, amortization expense for acquired intangible assets, and contract acquisition costs.

We expect our sales and marketing expenses to increase on an absolute basis for the foreseeable future as we continue to invest in our sales force for expansion to new geographic and vertical markets. We expect sales and marketing expenses to continue to be our largest operating expense category.

General and Administrative Expenses

General and administrative expenses consist primarily of employee-related costs related to the corporate functions such as executive and internal administrative operations, as well as equity-based compensation, third-party professional fees, bad debt expense, travel, and facilities costs.

We expect our general and administrative expenses to increase on an absolute basis as a result of operating as a public company, including costs to comply with the rules and regulations applicable to companies listed on a national securities exchange, costs related to compliance and reporting obligations, and increased expenses for insurance, investor relations, and professional services. However, we expect that our general and administrative expense will decrease as a percentage of our revenue as our revenue grows over the longer term as our business grows.

We also expect to incur higher equity-based compensation, which will result in an increase in costs of revenue, research and development expenses, sales and marketing expenses, and general and administrative expenses.

Other Income (Expense), Net

Other income (expense), net consists primarily of interest income and interest expense. Interest income consists primarily of interest received on cash equivalents, which we expect will fluctuate based on our cash balances and interest rates. We expect interest expense to be insignificant unless we begin to utilize our 2025 Revolving Credit Facility.

Income Tax Benefit

Our income tax benefit (expense) consists of U.S. and state income taxes and income taxes in certain foreign jurisdictions in which we conduct business. Our income tax rate varies from the federal statutory rate due to state income taxes, differences in accounting and tax treatment of our equity-based compensation, research and development credits, and changes in the valuation allowance. We expect fluctuation in effective income tax rates, as well as its potential impact on our results of operations, to continue.

Seasonality

We generally experience seasonal fluctuations in demand for our products and services. Our quarterly sales are impacted by industry buying patterns. As a result, our sales have generally been highest in the fourth fiscal quarter and lowest in the first fiscal quarter. Although these seasonal factors are common in the technology industry, historical patterns should not be considered a reliable indicator of our future sales activity or performance.

Results of Operations

The following table sets forth our results of operations for the periods presented and as a percentage of revenue⁽¹⁾ (in thousands, except for percentages and per share amounts)⁽²⁾. The period-to-period comparison of results is not necessarily indicative of results for future periods.

	Three Months Ended July 31,				Six Months Ended July 31,			
	2026		2025		2026		2025	
Revenue								
Subscription	\$	295,205	96 %	\$	247,937	94 %	\$	561,026
Services and other		13,608	4		16,422	6		27,929
Total revenue		308,813	100		264,359	100		588,955
Cost of revenue								
Subscription ^{(3) (4)}		84,103	27		70,443	27		164,323
Services and other ^{(3) (4)}		19,325	6		16,110	6		38,135
Total cost of revenue		103,428	33		86,553	33		202,458
Gross profit		205,385	67		177,806	67		386,497
Operating expenses								
Research and development ^{(3) (4)}		62,185	20		48,111	18		123,871
Sales and marketing ^{(3) (4)}		155,881	50		131,289	50		310,157
General and administrative ⁽³⁾		46,277	15		39,204	15		91,253
Total operating expenses		264,343	86		218,604	83		525,281
Loss from operations		(58,958)	(19)		(40,798)	(15)		(138,784)
Other income (expense), net								
Interest income		3,390	1		2,336	1		6,439
Interest expense		(264)	—		(1,693)	(1)		(529)
Other income (expense), net		(1,301)	—		(1,710)	(1)		(4,307)
Total other income (expense), net		1,825	1		(1,067)	—		1,603
Loss before income taxes		(57,133)	(19)		(41,865)	(16)		(137,181)
Income tax benefit		6,773	2		31,313	12		(23)
Net loss	\$	(50,360)	(16)%	\$	(10,552)	(4)%	\$	(125,034)
Class A yield	\$	—		\$	—		\$	(23,786)
Net loss attributable to common stockholders	\$	(50,360)		\$	(10,552)		\$	(125,034)
Net loss per share attributable to common stockholders, basic and diluted ⁽²⁾	\$	(0.09)		\$	(0.02)		\$	(0.22)
Weighted average shares outstanding, basic and diluted ⁽²⁾		568,113			555,757			566,360
								528,355

(1) Certain percentages may not foot due to rounding.

(2) Amounts for the period during February 2025 prior to the Corporate Conversion have been retrospectively adjusted to give effect to the Corporate Conversion described in Note 1 Description of Business and Summary of Significant Accounting Policies in the notes to our consolidated financial statements included in this Quarterly Report. These amounts do not consider the shares of common stock sold in our IPO or the Class A Units considered preferred shares that were converted into common stock and issued upon the closing of our IPO.

(3) Includes equity-based compensation expense as follows:

	Three Months Ended July 31,		Six Months Ended July 31,	
	2026	2025	2026	2025
(In thousands)				
Cost of revenue				
Subscription	\$ 4,115	\$ 1,931	\$ 8,726	\$ 13,195
Services and other	1,588	681	3,506	11,009
Operating expenses				
Research and development	15,822	7,512	31,297	35,351
Sales and marketing	22,944	18,203	45,413	71,706
General and administrative	23,852	20,091	48,500	77,616
Total equity-based compensation expense, net of amounts capitalized	\$ 68,321	\$ 48,418	\$ 137,442	\$ 208,877

(4) Includes amortization expense of acquired intangible assets as follows:

	Three Months Ended July 31,		Six Months Ended July 31,	
	2026	2025	2026	2025
(In thousands)				
Cost of revenue				
Subscription	\$ 27,013	\$ 26,322	\$ 53,845	\$ 52,380
Services and other	—	—	—	2
Operating expenses				
Research and development	137	95	274	190
Sales and marketing	23,878	23,797	47,675	47,553
Total amortization expense	\$ 51,028	\$ 50,214	\$ 101,794	\$ 100,125

Comparison of the Three Months Ended July 31, 2026 and 2025

Revenue

	Three Months Ended July 31,			
	2026	2025	\$ Change	% Change
	(In thousands, except percentages)			
Revenue				
Subscription				
SaaS	\$ 193,872	\$ 144,758	\$ 49,114	34 %
Maintenance and support	35,468	38,471	(3,003)	(8)%
Term subscriptions	56,196	58,120	(1,924)	(3)%
Other subscription services	9,669	6,588	3,081	47 %
Total subscription	295,205	247,937	47,268	19 %
Services and other	13,608	16,422	(2,814)	(17)%
Total revenue	\$ 308,813	\$ 264,359	\$ 44,454	17 %

Subscription Revenue. Subscription revenue increased by \$47.3 million, or 19%, for the three months ended July 31, 2026 compared to the three months ended July 31, 2025, primarily due to an increase in SaaS revenue from our shift in focus on selling subscriptions to new customers and expanding our footprint with existing customers.

Services and Other Revenue. Services and other revenue decreased by \$2.8 million, or 17%, for the three months ended July 31, 2026 compared to the three months ended July 31, 2025. This decrease was primarily a result of a strategic shift toward selling a higher proportion of professional services and training on a subscription basis.

Cost of Revenue

	Three Months Ended July 31,			
	2026	2025	\$ Change	% Change
	(In thousands, except percentages)			
Cost of revenue				
Subscription	\$ 84,103	\$ 70,443	\$ 13,660	19 %
Services and other	19,325	16,110	3,215	20 %
Total cost of revenue	\$ 103,428	\$ 86,553	\$ 16,875	19 %

Cost of Subscription Revenue. Cost of subscription revenue increased \$13.7 million, or 19%, for the three months ended July 31, 2026 compared to the three months ended July 31, 2025, primarily due to an increase in software and hosting costs of \$5.7 million driven by the increase in sales of SaaS subscriptions, an increase in employee-related costs of \$4.4 million due to higher headcount and increased investments in existing employees, and a \$2.2 million increase in equity-based compensation primarily due to new grants issued during fiscal year 2027.

Cost of Services and Other. Cost of services and other increased by \$3.2 million, or 20%, for the three months ended July 31, 2026 compared to the three months ended July 31, 2025, primarily due to an increase in partner-related costs of \$2.6 million driven by a greater use of partners to deliver professional services and a \$0.9 million increase in equity-based compensation primarily due to new grants issued during fiscal year 2027.

Gross Profit and Gross Margin

	Three Months Ended July 31,			
	2026	2025	\$ Change	% Change
	(In thousands, except percentages)			
Gross profit				
Subscription	\$ 211,102	\$ 177,494	\$ 33,608	19 %
Services and other	(5,717)	312	(6,029)	**
Total gross profit	\$ 205,385	\$ 177,806	\$ 27,579	16 %
	Three Months Ended July 31,			
	2026	2025		
Gross profit margin				
Subscription	72 %	72 %		
Services and other	(42)%	2 %		
Total gross profit margin	67 %	67 %		

** Percentage not deemed meaningful

Subscription. Subscription gross profit increased by \$33.6 million, or 19%, during the three months ended July 31, 2026 compared to the three months ended July 31, 2025. The increase was primarily due to the growth in subscription revenue. Subscription gross margin remained consistent with the prior period.

Services and Other. Services and other gross profit decreased by \$6.0 million during the three months ended July 31, 2026 compared to the three months ended July 31, 2025. The decrease in gross profit and gross profit margin was primarily due to the decrease in services and other revenue combined with an increase in the cost of delivering those services through the use of our partners.

Total gross profit increased by \$27.6 million, or 16%, during the three months ended July 31, 2026 compared to the three months ended July 31, 2025. The increase was primarily due to the growth in total revenue. Total gross profit margin remained consistent with the prior period.

Operating Expenses

	Three Months Ended July 31,			
	2026	2025	\$ Change	% Change
	(In thousands, except percentages)			
Operating expenses				
Research and development	\$ 62,185	\$ 48,111	\$ 14,074	29 %
Sales and marketing	155,881	131,289	24,592	19 %
General and administrative	46,277	39,204	7,073	18 %
Total operating expenses	\$ 264,343	\$ 218,604	\$ 45,739	21 %

Research and Development Expenses. Research and development expenses increased by \$14.1 million, or 29%, for the three months ended July 31, 2026 compared to the three months ended July 31, 2025. This increase was primarily driven by an \$8.3 million increase in equity-based compensation due to new grants issued during fiscal year 2027, and a \$5.4 million increase in employee-related costs due to continued investment in talent related to the development of our products.

Sales and Marketing Expenses. Sales and marketing expenses increased by \$24.6 million, or 19%, for the three months ended July 31, 2026 compared to the three months ended July 31, 2025. This increase was primarily driven by an \$18.0 million increase in employee-related costs to support deeper penetration into our existing customer base and expansion into new industry verticals and geographic markets, a \$4.7 million increase in equity-based compensation primarily due to new grants issued during fiscal year 2027, a \$2.2 million increase in travel expenses, and a \$2.0 million increase in advertising and promotion costs.

General and Administrative Expenses. General and administrative expenses increased by \$7.1 million, or 18%, for the three months ended July 31, 2026 compared to the three months ended July 31, 2025. This increase was primarily driven by a \$3.8 million increase in equity-based compensation primarily due to new grants issued during fiscal year 2027, a \$2.3 million increase in professional services fees driven by higher third-party consulting and advisory costs, and a \$1.3 million increase in software and hosting costs to support the growth of our business operations.

Other Income (Expense), Net

	Three Months Ended July 31,			
	2026	2025	\$ Change	% Change
	(In thousands, except percentages)			
Other income (expense), net				
Interest income	\$ 3,390	\$ 2,336	\$ 1,054	45 %
Interest expense	(264)	(1,693)	1,429	84 %
Other income (expense), net	(1,301)	(1,710)	409	24 %
Total other income (expense), net	\$ 1,825	\$ (1,067)	\$ 2,892	271 %

Total other income (expense), net increased by \$2.9 million, or 271%, for the three months ended July 31, 2026 compared to the three months ended July 31, 2025. This increase was primarily due to a \$1.4 million net decrease in interest expense due to the extinguishment of debt related to the remaining balance of debt issuance costs for our 2022 Revolving Credit Facility in the prior year, a \$1.1 million increase in interest income due to higher average cash and cash equivalent balances, and a \$0.4 million decrease in other expense related to foreign currency exchange loss.

Income Tax Benefit

	Three Months Ended July 31,			
	2026	2025	\$ Change	% Change
	(In thousands, except percentages)			
Income tax benefit	\$ 6,773	\$ 31,313	\$ (24,540)	(78)%

The Company recorded an income tax benefit of \$6.8 million for the three months ended July 31, 2026 compared to an income tax benefit of \$31.3 million for the three months ended July 31, 2025, leading to a net benefit decrease of \$24.5 million, or 78%, year-over-year. The decrease was primarily due to the net discrete tax benefit for the change in valuation allowance for interest expense and Texas R&D credit carryforwards from changes in tax law in the three months period ended July 31, 2025.

For further information, refer to Note 11 “Income Taxes” in the notes to our condensed consolidated financial statements included in this Quarterly Report.

Comparison of the Six Months Ended July 31, 2026 and 2025

Revenue

		Six Months Ended July 31,			
		2026	2025	\$ Change	% Change
(In thousands, except percentages)					
Revenue					
Subscription					
SaaS	\$	372,351	\$ 276,573	\$ 95,778	35 %
Maintenance and support		70,031	75,860	(5,829)	(8)%
Term subscriptions		100,112	98,160	1,952	2 %
Other subscription services		18,532	12,667	5,865	46 %
Total subscription		561,026	463,260	97,766	21 %
Services and other		27,929	31,567	(3,638)	(12)%
Total revenue	\$	588,955	\$ 494,827	\$ 94,128	19 %

Subscription Revenue. Subscription revenue increased by \$97.8 million, or 21%, for the six months ended July 31, 2026 compared to the six months ended July 31, 2025, primarily due to an increase in SaaS revenue from our shift in focus on selling subscriptions to new customers and expanding our footprint with existing customers.

Services and Other Revenue. Services and other revenue decreased by \$3.6 million, or 12%, for the six months ended July 31, 2026 compared to the six months ended July 31, 2025. This decrease is primarily a result of a strategic shift toward selling a higher proportion of professional services and training on a subscription basis.

Cost of Revenue

	Six Months Ended July 31,			
	2026	2025	\$ Change	% Change
	(In thousands, except percentages)			
Cost of revenue				
Subscription	\$ 164,323	\$ 145,934	\$ 18,389	13 %
Services and other	38,135	43,432	(5,297)	(12)%
Total cost of revenue	\$ 202,458	\$ 189,366	\$ 13,092	7 %

Cost of Subscription Revenue. Cost of subscription revenue increased \$18.4 million, or 13%, for the six months ended July 31, 2026 compared to the six months ended July 31, 2025 primarily due to an increase in employee-related costs of \$10.0 million due to higher headcount and increased investments in personnel, an increase in software and hosting costs of \$9.8 million driven by the increase in sales of SaaS subscriptions, an increase in amortization of intangibles of \$1.5 million an

increase in amortization of capitalized software of \$1.0 million, and an increase in third-party royalties of \$0.9 million. The overall increase was partially offset by a \$4.5 million decrease in equity-based compensation related to the acceleration of awards from the completion of our IPO.

Cost of Services and Other. Cost of services and other decreased by \$5.3 million, or 12%, for the six months ended July 31, 2026 compared to the six months ended July 31, 2025, primarily due to a decrease in equity-based compensation resulting from the acceleration of equity-based awards from the completion of our IPO.

Gross Profit and Gross Margin

	Six Months Ended July 31,			
	2026	2025	\$ Change	% Change
	(In thousands, except percentages)			
Gross profit				
Subscription	\$ 396,703	\$ 317,326	\$ 79,377	25 %
Services and other	(10,206)	(11,865)	1,659	14 %
Total gross profit	\$ 386,497	\$ 305,461	\$ 81,036	27 %
	Six Months Ended July 31,			
	2026	2025		
Gross profit margin				
Subscription	71 %	68 %		
Services and other	(37)%	(38)%		
Total gross profit margin	66 %	62 %		

Subscription. Subscription gross profit increased by \$79.4 million, or 25%, during the six months ended July 31, 2026 compared to the six months ended July 31, 2025. The increase was primarily due to the growth in subscription revenue. Subscription gross profit margin was 71% for the six months ended July 31, 2026 and 68% for the six months ended July 31, 2025. The increase was primarily due to the overall increase in subscription revenue.

Services and Other. Services and other gross profit increased by \$1.7 million, or 14%, during the six months ended July 31, 2026 compared to the six months ended July 31, 2025. The increase in gross profit was primarily due to the decrease in equity-based compensation related to acceleration of equity-based awards from the completion of our IPO. Services and other gross profit margin remained materially consistent with the prior period.

Total gross profit increased by \$81.0 million, or 27%, during the six months ended July 31, 2026 compared to the six months ended July 31, 2025. The increase is primarily due to the growth in total revenue. Total gross profit margin was 66% for the six months ended July 31, 2026 and 62% for the six months ended July 31, 2025. Total gross profit margin increased due to our growth in total revenue and lower equity-based compensation related to acceleration of equity-based awards from the completion of our IPO.

Operating Expenses

	<u>Six Months Ended July 31,</u>			
	<u>2026</u>	<u>2025</u>	<u>\$ Change</u>	<u>% Change</u>
	<u>(In thousands, except percentages)</u>			
Operating expenses				
Research and development	\$ 123,871	\$ 115,381	\$ 8,490	7 %
Sales and marketing	310,157	295,819	14,338	5 %
General and administrative	91,253	120,024	(28,771)	(24)%
Total operating expenses	<u>\$ 525,281</u>	<u>\$ 531,224</u>	<u>\$ (5,943)</u>	<u>(1)%</u>

Research and Development Expenses. Research and development expenses increased by \$8.5 million, or 7%, for the six months ended July 31, 2026 compared to the six months ended July 31, 2025. This increase was primarily driven by a \$11.2 million increase in employee-related costs due to continued investment in talent related to the development of our products and a \$1.9 million increase in software and hosting costs, partially offset by a \$4.1 million decrease in equity-based compensation due to the acceleration of awards from the completion of our IPO.

Sales and Marketing Expenses. Sales and marketing expenses increased by \$14.3 million, or 5%, for the six months ended July 31, 2026 compared to the six months ended July 31, 2025. This increase was primarily driven by a \$32.4 million increase in employee-related costs to support increased penetration into our existing customer base and expansion into new industry verticals and geographic markets, a \$6.8 million increase in advertising and promotion costs and a \$2.3 million increase in travel expenses. This increase was partially offset by a \$26.3 million decrease in equity-based compensation due to the acceleration of awards from the completion of our IPO.

General and Administrative Expenses. General and administrative expenses decreased by \$28.8 million, or 24%, for the six months ended July 31, 2026 compared to the six months ended July 31, 2025. This decrease was primarily driven by a \$29.1 million decrease in equity-based compensation due to the acceleration of awards from the completion of our IPO, a \$3.9 million decrease in employee-related costs due to lower contract labor and reduced third-party consulting spend, and a \$1.9 million decrease in provision for credit losses. This decrease was partially offset by a \$3.2 million increase in software and hosting costs to support the growth of our business operations and a \$2.0 million increase in professional service fees driven by higher third-party consulting and advisory costs.

Other Income (Expense), Net

	Six Months Ended July 31,			
	2026	2025	\$ Change	% Change
	(In thousands, except percentages)			
Other income (expense), net				
Interest income	\$ 6,439	\$ 5,562	\$ 877	
Interest expense	(529)	(24,082)	23,553	
Other income (expense), net	(4,307)	(1,901)	(2,406)	(121%)
Total other income (expense), net	\$ 1,603	\$ (20,421)	\$ 22,024	1,377%

Total other income (expense), net increased by \$22.0 million, or 108%, for the six months ended July 31, 2026 compared to the six months ended July 31, 2025. This increase was primarily due to a \$23.6 million net decrease in interest expense due to the full repayment of our Term Loans and termination of our 2022 Revolving Credit Facility, which includes \$16.7 million for the extinguishment of debt related to the remaining balance of the deferred financing costs of our Term Loans and debt issuance costs for our 2022 Revolving Credit Facility, and a \$0.9 million increase in interest income due to higher average cash and cash equivalent balances, partially offset by a \$2.4 million increase in other expense related to foreign currency exchange loss.

Income Tax (Expense) Benefit

	Six Months Ended July 31,			
	2026	2025	\$ Change	% Chang
	(In thousands, except percentages)			
Income tax benefit	\$ 12,147	\$ 48,320	\$ (36,173)	(

The Company recorded an income tax benefit of \$12.1 million for the six months ended July 31, 2026 compared to an income tax benefit of \$48.3 million for the six months ended July 31, 2025, leading to a net benefit decrease of \$36.2 million, or 75%, year-over-year. The decrease is primarily due to the net discrete tax benefit for the change in valuation allowance for interest expense and Texas R&D tax credit carryforwards from changes in tax law in the six months period ended July 31, 2025.

For further information, refer to Note 11 "Income Taxes" in the notes to our condensed consolidated financial statements included in this Quarterly Report.

Non-GAAP Financial Measures

In addition to our financial information presented in accordance with GAAP, we use certain non-GAAP financial measures to clarify and enhance our understanding of past performance.

Our non-GAAP financial measures may not provide information that is directly comparable to that provided by other companies in our industry because they may calculate non-GAAP financial results differently. In addition, there are limitations in using non-GAAP financial measures because they are not prepared in accordance with GAAP and exclude expenses that may have a material impact on our reported financial results. The presentation of non-GAAP financial information is not meant to be considered in isolation or as a substitute for the directly comparable financial measures prepared in accordance with GAAP. We urge you to review the reconciliations of our non-GAAP financial measures to the comparable GAAP financial measures included below and not to rely on any single financial measure to evaluate our business.

Our non-GAAP financial measures exclude items that do not reflect our ongoing, core operating or business performance, such as equity-based compensation, payroll taxes related to awards that were accelerated upon the closing of our IPO, payroll taxes related to RSUs, amortization of acquired intangible assets, and acquisition-related expenses (including fair value adjustments to acquisition-contingent consideration). We believe these adjustments enable management and investors to compare our underlying business performance from period to period and provide investors with additional means to evaluate cost and expense trends. We also believe these adjustments enhance comparability of our financial performance against those of other technology companies. Accordingly, we believe the presentation of our non-GAAP financial measures provides useful information to investors regarding our financial condition and results of operations. In addition, we use adjusted income (loss) from operations for budgeting and planning purposes, including with respect to our corporate bonus plan.

Adjusted Gross Profit and Adjusted Gross Profit Margin

We define adjusted gross profit as gross profit excluding equity-based compensation expense, payroll taxes related to awards that were accelerated upon the closing of our IPO and payroll taxes related to RSUs, amortization of acquired intangible assets, which includes impairment charges, impairment of intangible assets, acquisition-related expenses, and restructuring expenses. We define adjusted gross profit margin as adjusted gross profit divided by total revenue.

The following table reflects the reconciliation of adjusted gross profit to gross profit:

	Three Months Ended July 31,		Six Months Ended July 31,	
	2026	2025	2026	2025
(In thousands, except percentages)				
GAAP gross profit	\$ 205,385	\$ 177,806	\$ 386,497	\$ 305,461
GAAP gross profit margin	67 %	67 %	66 %	62 %
Equity-based compensation expense	5,703	2,612	12,232	24,204
Payroll taxes for IPO-accelerated awards and RSUs	231	—	475	634
Amortization of acquired intangible assets	27,013	26,322	53,845	52,382
Restructuring expense	758	—	758	—
Adjusted gross profit	\$ 239,090	\$ 206,740	\$ 453,807	\$ 382,681
Adjusted gross profit margin	77 %	78 %	77 %	77 %

Our adjusted gross profit margin for the three and six months ended July 31, 2026 and 2025 has remained generally consistent and reflects the high value-added nature of our offerings.

Adjusted Subscription Gross Profit and Adjusted Subscription Gross Profit Margin

We define adjusted subscription gross profit as subscription gross profit excluding equity-based compensation expense, payroll taxes related to awards that were accelerated upon the closing of our IPO and payroll taxes related to RSUs, all of which were issued after the closing of the IPO, amortization of acquired intangible assets, which include impairment charges, impairment of intangible assets, acquisition-related expenses, and restructuring expenses. We define adjusted subscription gross profit margin as adjusted subscription gross profit divided by subscription revenue.

The following table reflects the reconciliation of adjusted subscription gross profit to subscription gross profit:

	Three Months Ended July 31,		Six Months Ended July 31,	
	2026	2025	2026	2025
(In thousands, except percentages)				
GAAP subscription gross profit	\$ 211,102	\$ 177,494	\$ 396,703	\$ 317,326
GAAP subscription gross profit margin	72 %	72 %	71 %	68 %
Equity-based compensation expense	4,115	1,931	8,726	13,195
Payroll taxes for IPO-accelerated awards and RSUs	146	—	282	332
Amortization of acquired intangible assets	27,013	26,322	53,845	52,380
Restructuring expense	520	—	520	—
Adjusted subscription gross profit	\$ 242,896	\$ 205,747	\$ 460,076	\$ 383,233
Adjusted subscription gross profit margin	82 %	83 %	82 %	83 %

Our adjusted subscription gross profit margin for the three and six months ended July 31, 2026 and 2025 has remained generally consistent and reflects the high value-added nature of our offerings.

Adjusted Income from Operations and Adjusted Operating Margin

We define adjusted income from operations as income (loss) from operations excluding equity-based compensation expense, payroll taxes related to awards that were accelerated upon the closing of our IPO and payroll taxes related to RSUs, all of which were issued after the closing of the IPO, amortization of acquired intangible assets which includes impairment charges, impairment of intangible assets, benefit from amortization related to acquired contract acquisition costs, acquisition-related expenses (including fair value adjustments to acquisition-contingent consideration), Thoma Bravo monitoring fees (which were annual service fees for consultation and advice related to corporate strategy, budgeting of future corporate investments, acquisition and divestiture strategies, and debt and equity financings), and restructuring expenses. The Thoma Bravo monitoring fees were incurred pursuant to a services agreement that was terminated upon the closing of the IPO, and we do not expect to receive similar services in the future or enter into a similar arrangement again in the future.

The following table reflects the reconciliation of adjusted income (loss) from operations to operating income (loss):

	Three Months Ended July 31,		Six Months Ended July 31,	
	2026	2025	2026	2025
(In thousands, except percentages)				
GAAP loss from operations	\$ (58,958)	\$ (40,798)	\$ (138,784)	\$ (225,763)
GAAP loss from operations margin	(19)%	(15)%	(24)%	(46)%
Equity-based compensation expense	68,321	48,418	137,442	208,877
Payroll taxes for IPO-accelerated awards and RSUs	1,634	—	3,331	3,399
Amortization of acquired intangible assets	51,028	50,214	101,794	100,125
Restructuring expense	2,516	—	2,516	—
Amortization of acquired contract acquisition costs ⁽¹⁾	(3,461)	(5,444)	(7,375)	(11,208)
Acquisition-related expenses and Thoma Bravo monitoring fees	1,707	1,609	1,707	2,192
Adjusted income from operations	\$ 62,787	\$ 53,999	\$ 100,631	\$ 77,622
Adjusted operating margin	20 %	20 %	17 %	16 %

(1) In accordance with GAAP reporting requirements, the Company has written off its contract acquisition costs at the time when the Company was acquired in an all-cash take-private transaction by Thoma Bravo on August 16, 2022. Therefore, GAAP commissions expense related to contract acquisition costs after August 16, 2022 do not reflect the commissions expense that would have been reported if the contract acquisition costs had not been written off. Accordingly, the Company believes that presenting the approximate amount of acquisition-related commission expenses (so that the full amount of commission expense is included) provides a more appropriate representation of commission expense in a given period and, therefore, provides readers of the Company's financial statements with a more consistent basis for comparison across accounting periods.

Our adjusted income from operations and adjusted operating margin for the three and six months ended July 31, 2026 and 2025 has remained generally consistent and reflects the high value-added nature of our offerings.

Free Cash Flow

We define free cash flow as net cash provided by (used in) operating activities, less cash used for purchases of property and equipment, and capitalized software development costs. We use free cash flow as a measure of financial progress in our business, as it balances operating results, cash management, and capital efficiency. We believe information regarding free cash flow provides investors and others with an important perspective on the cash available to make strategic acquisitions and investments, to fund ongoing operations, and to fund other capital expenditures. Free cash flow can be volatile and is sensitive to many factors, including changes in working capital and timing of capital expenditures. Working capital at any specific point in time is subject to many variables including the discretionary timing of expense payments and fluctuations in foreign exchange rates.

The following table summarizes our free cash flow for the periods presented:

	Six Months Ended July 31,	
	2026	2025
(in thousands)		
GAAP net cash provided by (used in) operating activities	\$ 83,204	\$ (46,862)
Less: Purchase of property and equipment	(2,903)	(3,153)
Less: Capitalized software development costs	(10,372)	(4,731)
Free cash flow	\$ 69,929	\$ (54,746)

Our free cash flow for the six months ended July 31, 2026 increased when compared to the six months ended July 31, 2025, primarily due to a lower loss from operations as a result of higher revenue growth compared to the prior period. Free cash flow for the six months ended July 31, 2025 includes \$78.5 million of cash paid to settle equity related awards, cash awards and their associated payroll taxes upon the closing of our IPO, \$36.7 million in cash paid for interest expense related to our 2022

Credit Agreement, and \$9.3 million of cash paid for fees under our advisory services agreement with Thoma Bravo, which was terminated upon the closing of our IPO.

Liquidity, Capital Resources and Cash Requirements

We believe we have sufficient sources of funding to meet our business requirements for the next 12 months and in the longer term. Our primary sources of liquidity are cash flows from operations and proceeds from the IPO, which are supplemented by our undrawn 2025 Revolving Credit Facility. As of July 31, 2026, we had cash and cash equivalents totaling \$309.9 million. Our primary uses of liquidity are operating expenses, working capital requirements, capital expenditures, and acquisitions.

Although cash flows from operations have historically been negative, we had positive cash flow from operations for the year ended January 31, 2026 and for the six months ended July 31, 2026. We expect to continue to incur positive cash flows from operations in the foreseeable future.

Our future capital requirements will depend on many factors, including but not limited to our revenue growth rate, timing of cash receipt and payments, and the timing and extent of spending to support strategic initiatives. We may also enter into arrangements to acquire or invest in complementary businesses, services, and technologies.

To the extent existing cash and cash equivalents are not sufficient to fund future activities, we may borrow under our 2025 Revolving Credit Facility or seek to raise additional funds through equity, equity-linked, or debt financings. Also, we may continue to enter into agreements or letters of intent with respect to potential investments in, or acquisitions of, complementary businesses, services or technologies, which could also require us to seek additional equity financing, incur indebtedness or use cash resources. In the event that additional financing is required from outside sources, we may not be able to raise it on terms acceptable to us or at all. If we are unable to raise additional capital when desired, or if we cannot expand our operations or otherwise capitalize on our business opportunities because we lack sufficient capital, our business, operating results and financial condition would be adversely affected.

2025 Credit Agreement

On June 25, 2025, we entered into the 2025 Credit Agreement, which provides for a five-year \$250.0 million secured revolving credit facility, including a letter of credit sub-facility of up to \$10.0 million. The 2025 Revolving Credit Facility matures on June 25, 2030. Borrowings under the 2025 Revolving Credit Facility may be used to provide ongoing working capital as well as for other general corporate purposes of the Company. The Company had no outstanding 2025 Revolving Credit Facility balance and was in compliance with all applicable covenants as of July 31, 2026. See Note 7 “Credit Agreement and Debt” in the notes to our condensed consolidated financial statements included in this Quarterly Report for more information regarding the 2025 Credit Agreement.

2022 Credit Agreement

On August 16, 2022, we entered into the 2022 Credit Agreement. The 2022 Credit Agreement provided for (i) a six-year \$125.0 million senior secured revolving credit facility, including a letter of credit sub-facility of up to \$5.0 million, and (ii) the Term Loans. On June 25, 2025, the 2022 Credit Agreement was terminated upon our entry into the 2025 Credit Agreement.

Summary of Cash Flows

As of July 31, 2026, we had \$309.9 million of cash and cash equivalents, \$250.0 million of availability under the 2025 Credit Agreement, and \$659.4 million in net working capital, which we define as current assets less current liabilities, excluding deferred revenue. As of January 31, 2026, we had \$358.1 million of cash and cash equivalents, \$250.0 million of availability under the 2025 Credit Agreement, and \$723.4 million in net working capital. The change in cash and cash equivalents and net working capital was driven primarily by a lower loss from operations as a result of higher revenue growth, offset by cash used to acquire Entro.

The following table summarizes our cash flows for the periods presented:

	Six Months Ended July 31,	
	2026	2025
	(in thousands)	
Net cash provided by (used in) operating activities	\$ 83,204	\$ (46,862)
Net cash used in investing activities	(131,500)	(7,884)
Net cash provided by financing activities	—	207,672
Net change in cash, cash equivalents and restricted cash	\$ (48,296)	\$ 152,926

Cash Flows from Operating Activities

During the six months ended July 31, 2026, cash provided by operating activities was \$83.2 million, which consisted of a net loss of \$125.0 million, adjusted by non-cash charges of \$253.1 million and a net cash outflow of \$44.8 million from changes in our net operating assets and liabilities. The non-cash charges are primarily comprised of equity-based compensation of \$137.4 million, depreciation and amortization expense of \$106.7 million, amortization of contract acquisition costs of \$28.6 million, provision for credit losses of \$2.4 million, amortization of debt discount and issuance costs of \$0.3 million, partially offset by deferred taxes of \$22.4 million. The net cash outflow from changes in operating assets and liabilities was primarily a result of an increase in deferred contract acquisition costs of \$66.1 million due to an increase in our sales, an increase in prepayments and other current assets of \$15.7 million, an increase in contract assets of \$7.9 million primarily due to growth in our revenue and the timing of invoices and payments, a decrease in deferred revenue of \$11.8 million, and a decrease in accrued expenses and other liabilities of \$8.2 million due to the timing of cash disbursements primarily related to bonuses and commissions. The outflows were partially offset by a decrease in accounts receivable of \$57.5 million due to the timing of receipts of payments from customers and an increase in accounts payable of \$7.6 million due to the timing of invoicing and payments made to vendors.

During the six months ended July 31, 2025, cash used in operating activities was \$46.9 million, which consisted of a net loss of \$197.9 million, adjusted by non-cash charges of \$240.2 million and a net cash outflow of \$89.2 million from changes in our net operating assets and liabilities. The non-cash charges are primarily comprised of depreciation and amortization expense of \$104.5 million, equity-based compensation of \$154.1 million, amortization of contract acquisition costs of \$17.5 million, amortization of debt discount and issuance costs, including the early write-off of issuance costs related to the repayment of the Term Loans of \$17.1 million, and provision for credit losses of \$4.3 million and fair value adjustments to contingent consideration of \$1.6 million, partially offset by deferred taxes of \$58.9 million. The net cash outflow from changes in operating assets and liabilities was primarily a result of an increase in deferred contract acquisition costs of \$26.6 million due to an increase in our sales, an increase in prepayments and other current assets of \$21.2 million, an increase in contract assets of \$13.7 million primarily due to growth in our revenue and the timing of invoices and payments and a decrease in accrued expenses and other liabilities of \$74.9 million due to the timing of cash disbursements primarily related to bonuses and commissions, the settlement of vested EARs and cash-settled awards, interest payments, and fees paid to Thoma Bravo. The outflows were partially offset by a decrease in accounts receivable of \$46.3 million due to the timing of receipts of payments from customers.

Cash Flows used in Investing Activities

During the six months ended July 31, 2026, cash used in investing activities was \$131.5 million, consisting primarily of \$118.2 million for business acquisitions, \$10.4 million for capitalized software development costs, and \$2.9 million in purchases of property and equipment.

During the six months ended July 31, 2025, cash used in investing activities was \$7.9 million, consisting primarily of \$4.7 million for capitalized software development costs and \$3.2 million in purchases of property and equipment.

Cash Flows from Financing Activities

During the six months ended July 31, 2026, there was no cash provided by financing activities.

During the six months ended July 31, 2025, cash provided by financing activities was \$207.7 million primarily due to the proceeds from our IPO, net of underwriting discounts and commissions, of \$1.3 billion, partially offset by the repayment of our Term Loans of \$1.0 billion, payments of deferred offering costs of \$8.6 million, and payments of debt issuance costs related to our 2025 Credit Agreement of \$2.7 million.

Material Cash Commitments

On February 1, 2026, the Company entered into a new amendment with its cloud storage provider, terminating the previous arrangement. The new agreement, effective February 1, 2026 through January 31, 2031, requires the Company to commit to minimum annual purchases of \$107.0 million, \$127.0 million, \$147.0 million, \$162.0 million, and \$178.0 million in contract years one through five, respectively, for a total commitment of \$721.0 million. If the Company does not meet the minimum purchase obligation during any contract year, it will be required to pay the difference. There have been no further amendments or material developments related to this agreement since its execution.

The Company expects to satisfy cash requirements under the above agreements with cash flow from operations.

There were no additional significant changes outside the ordinary course of business to our material cash requirements disclosed in our fiscal 2026 Form 10-K.

We did not have any material off-balance sheet arrangements during the periods presented or as of July 31, 2026.

Critical Accounting Policies and Estimates

There have been no significant changes to our critical accounting estimates for the three months ended July 31, 2026 from those disclosed in our fiscal 2026 Form 10-K.

Recent Accounting Pronouncements

Refer to Note 1 "Description of Business and Summary of Significant Accounting Policies" in the notes to our condensed consolidated financial statements.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

We are exposed to market risk in the ordinary course of our business. Market risk represents the risk of loss that may impact our financial position due to adverse changes in financial market prices and rates. Our market risk exposure is primarily a result of fluctuations in foreign currency exchange rates. We do not hold or issue financial instruments for trading purposes. There have been no material changes in our market risk exposures for the six months ended July 31, 2026 as compared to those disclosed in our fiscal 2026 Form 10-K.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act")) are designed to ensure that information required to be disclosed in the reports that we file or submit under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in the rules and forms of the SEC and to ensure that information required to be disclosed is accumulated and communicated to management, including our principal executive officer ("PEO") and principal financial officer ("PFO"), to allow timely decisions regarding disclosure. Our management, with the participation of our PEO and PFO, has evaluated the effectiveness of our disclosure controls and procedures as of July 31, 2026 and, based on such evaluation, our PEO and PFO have concluded that our disclosure controls and procedures were effective as of such date.

Changes in Internal Control over Financial Reporting

There were no changes in the Company's internal control over financial reporting (as defined in Exchange Act Rule 13a-15(f) and 15d-15(f)) during the fiscal quarter ended July 31, 2026 that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II

Item 1. Legal Proceedings

We are not currently a party to, nor is our property currently subject to, any material legal proceedings other than ordinary routine litigation incidental to the business, and we are not aware of any such proceedings contemplated by governmental authorities.

Item 1A. Risk Factors

There have been no material changes to the risk factors disclosed in Part I, Item 1A in the fiscal 2026 Form 10-K.

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

Unregistered Sales of Equity Securities

On June 29, 2026, the Company issued 160,670 shares of restricted common stock, with an aggregate value of approximately \$2.4 million, to certain key employees and former shareholders of Entro who became employees of the Company in connection with its acquisition of Entro (the "Entro Acquisition"). Pursuant to the terms of the Entro Acquisition share purchase agreement, on June 29, 2027 and June 29, 2028, the Company will issue to such persons a number of shares of restricted common stock equal to approximately \$2.4 million, based on the fair market value of the Company's common stock as of such dates. Such shares of restricted common stock vest in four quarterly installments and vest in full roughly a year after issuance, subject to the respective recipients remaining employed by the Company or an affiliate of the Company on the applicable vesting date. For a description of this acquisition, see Note 5 "Acquisitions" in the notes to our consolidated financial statements included in this Quarterly Report.

The offer, sale, and issuance of the shares described above were not registered under the Securities Act of 1933, as amended (the "Securities Act"), in reliance upon the exemption from registration provided by Section 4(a)(2) of the Securities Act as a transaction by an issuer not involving a public offering and, with respect to shares issued to persons outside the United States, Regulation S promulgated under the Securities Act. The shares were issued to a limited number of persons who had adequate access to information about the Company and who acquired the shares for investment purposes and not with a view to, or for sale in connection with, any distribution thereof. No underwriters were involved in the issuance, and no commissions or other remuneration were paid in connection therewith. Appropriate restrictive legends were affixed to the shares.

Use of Proceeds from Initial Public Offering of Common Stock

On February 12, 2025, the Registration Statement on Form S-1 (File No. 333-284339) (the "Registration Statement") relating to our IPO was declared effective by the SEC and we priced our IPO. Pursuant to the Registration Statement, we registered an aggregate of 60.0 million shares of our common stock, of which 57.5 million shares were sold by us and 2.5 million shares were sold by certain selling stockholders named therein at a price to the public of \$23.00 per share (for an aggregate offering price of approximately \$1.4 billion). We received net proceeds of approximately \$1.2 billion, net of approximately \$62.8 million of underwriting discounts and commissions and approximately \$11.5 million of offering costs. Morgan Stanley & Co. LLC and Goldman Sachs & Co. LLC acted as joint lead book-running managers and representatives of the underwriters.

There has been no material change in the planned use of proceeds from our IPO as described in the related prospectus filed with the SEC pursuant to Rule 424(b)(4) under the Securities Act, except that we repaid the Term Loans in full.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

Insider Trading Arrangements

During the three months ended July 31, 2026, none of the Company's directors or officers (as defined in Rule 16a-1(f) of the Exchange Act) informed us of the adoption or termination of a "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement," as each term is defined in Item 408(a) of Regulation S-K, except as described in the table below:

Name	Action	Date of Adoption or Termination	Character of Trading Arrangement ⁽¹⁾	Aggregate Number of Shares of Common Stock to be Purchased or Sold Pursuant to Trading Arrangement	Duration
Brian Carolan, Chief Financial Officer	Adoption	July 6, 2026	Rule 10b5-1 trading arrangement	Up to 240,000 shares to be sold	September 15, 2027 ⁽²⁾

(1) Each trading arrangement listed as a "Rule 10b5-1 trading arrangement" is intended to satisfy the affirmative defense of Rule 10b5-1(c) of the Exchange Act (the "Rule") and, among other things, only permits transactions upon expiration of the applicable mandatory cooling-off period under the Rule.

(2) This trading arrangement permits transactions through and including the earliest to occur of (a) the completion of all sales of shares subject to the arrangement, (b) the date listed in the "Duration" column, and (c) the occurrence of such other termination event as specified in the arrangement.

Item 6. Exhibits

The documents listed below are incorporated by reference or are filed with this Quarterly Report, in each case as indicated therein (numbered in accordance with Item 601 of Regulation S-K).

Exhibit Number	Description
3.1	Certificate of Incorporation of SailPoint, Inc. (incorporated by reference to Exhibit 3.1 to the Current Report on Form 8-K filed by the Company on February 19, 2025).
3.2	Bylaws of SailPoint, Inc. (incorporated by reference to Exhibit 3.2 to the Current Report on Form 8-K filed by the Company on February 19, 2025).
31.1*	Certification of Principal Executive Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2*	Certification of Principal Financial Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1**	Certification of Principal Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2**	Certification of Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS*	Inline XBRL Instance Document.
101.SCH*	Inline XBRL Taxonomy Extension Schema Document.
101.CAL*	Inline XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF*	Inline XBRL Taxonomy Extension Definition Linkbase Document.
101.LAB*	Inline XBRL Taxonomy Extension Label Linkbase Document.
101.PRE*	Inline XBRL Taxonomy Extension Presentation Linkbase Document.
104*	Inline XBRL Cover Page Interactive Data File (included in Exhibit 101).

* Filed herewith.

** Furnished herewith (such certification shall not be deemed "filed" for purposes of Section 18 of the Exchange Act, except to the extent that the Company specifically incorporates it by reference).

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.

SailPoint, Inc.

Date: September 10, 2026

By: /s/ Brian Carolan
Brian Carolan
Chief Financial Officer
(Principal Financial Officer and Duly Authorized Officer)

Date: September 10, 2026

/s/ Mitra Rezvan

Mitra Rezvan
Chief Accounting Officer
(Principal Accounting Officer)

**CERTIFICATION PURSUANT TO
RULES 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934,
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Mark McClain, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarter ended July 31, 2026 of SailPoint, 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 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)) 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 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 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 (or persons performing the equivalent functions):
 - (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: September 10, 2026

By:

/s/ Mark McClain

Mark McClain
Chief Executive Officer
(Principal Executive Officer)

**CERTIFICATION PURSUANT TO
RULES 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934,
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Brian Carolan, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarter ended July 31, 2026 of SailPoint, 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 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)) 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 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 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 (or persons performing the equivalent functions):
 - (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: September 10, 2026

By: /s/ Brian Carolan

Brian Carolan
Chief Financial Officer
(Principal Financial Officer)

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report on Form 10-Q for the quarter ended July 31, 2026 of SailPoint, Inc. (the “Company”), as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Mark McClain, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to 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.

Date: September 10, 2026

By:

/s/ Mark McClain

Mark McClain
Chief Executive Officer
(Principal Executive Officer)

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report on Form 10-Q for the quarter ended July 31, 2026 of SailPoint, Inc. (the “Company”), as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Brian Carolan, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to 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.

Date: September 10, 2026

By:

/s/ Brian Carolan

Brian Carolan
Chief Financial Officer
(Principal Financial Officer)