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NASDAQ: VERX

Second Quarter 2026 Earnings Conference Call

August 3, 2026

Safe Harbor

Forward Looking Statements

Any statements made in this presentation that are not statements of historical fact, including statements about our beliefs and expectations, are forward-looking statements and should be evaluated as such. Forward-looking statements include information concerning possible or assumed future results of operations, including descriptions of our business plan and strategies. Forward-looking statements are based on Vertex management's beliefs, as well as assumptions made by, and information currently available to, them. Because such statements are based on expectations as to future financial and operating results and are not statements of fact, actual results may differ materially from those projected. Factors which may cause actual results to differ materially from current expectations include, but are not limited to: our ability to attract new customers on a cost-effective basis and the extent to which existing customers renew and upgrade their subscriptions; our ability to sustain and expand revenues, maintain profitability, and to effectively manage our anticipated growth; our ability to maintain and expand our strategic relationships with third parties; and the other factors described under the heading "Risk Factors" in the Company's Annual Report on Form 10-K for the year ended December 31, 2025 as filed with the Securities Exchange Commission ("SEC") and the Company's subsequent filings with the SEC. Copies of each filing may be obtained from the Company or the SEC. All forward-looking statements reflect our beliefs and assumptions only as of the date of this presentation. We undertake no obligation to update forward-looking statements to reflect future events or circumstances.

Definitions of Certain Key Business Metrics

Annual Recurring Revenue ("ARR") – We derive the vast majority of our revenues from recurring software subscriptions. We believe ARR provides us with visibility to our projected software subscription revenues in order to evaluate the health of our business. Because we recognize subscription revenues ratably, we believe investors can use ARR to measure our expansion of existing customer revenues, new customer activity, and as an indicator of future software subscription revenues. ARR is based on monthly recurring revenues ("MRR") from software subscriptions for the most recent month at period end, multiplied by twelve. MRR is calculated by dividing the software subscription price, inclusive of discounts, by the number of subscription covered months. MRR only includes customers with MRR at the end of the last month of the measurement period.

Net Revenue Retention Rate ("NRR") – We believe that our NRR provides insight into our ability to retain and grow revenues from our customers, as well as their potential long-term value to us. We also believe it demonstrates to investors our ability to expand existing customer revenues, which is one of our key growth strategies. Our NRR refers to the ARR expansion during the 12 months of a reporting period for all customers who were part of our customer base at the beginning of the reporting period. Our NRR calculation takes into account any revenues lost from departing customers or customers who have downgraded or reduced usage, as well as any revenue expansion from migrations, new licenses for additional products or contractual and usage-based price changes.

Use and Reconciliation of Non-GAAP Financial Measures

In addition to our results determined in accordance with accounting principles generally accepted in the U.S. ("GAAP"), we have calculated non-GAAP cost of revenues, non-GAAP gross profit, non-GAAP gross margin, non-GAAP research and development expense, non-GAAP selling and marketing expense, non-GAAP general and administrative expense, non-GAAP operating income, non-GAAP net income, non-GAAP diluted EPS, Adjusted EBITDA, Adjusted EBITDA margin, free cash flow and free cash flow margin, which are each non-GAAP financial measures. We have provided tabular reconciliations of each of these non-GAAP financial measures used in this presentation to its most directly comparable GAAP financial measure.

Management uses these non-GAAP financial measures to understand and compare operating results across accounting periods, for internal budgeting and forecasting purposes, and to evaluate financial performance and liquidity. Our non-GAAP financial measures are presented as supplemental disclosure as we believe they provide useful information to investors and others in understanding and evaluating our results, prospects, and liquidity period-over-period without the impact of certain items that do not directly correlate to our operating performance and that may vary significantly from period to period for reasons unrelated to our operating performance, as well as comparing our financial results to those of other companies. Our definitions of these non-GAAP financial measures may differ from similarly titled measures presented by other companies and therefore comparability may be limited. In addition, other companies may not publish these or similar metrics. Thus, our non-GAAP financial measures should be considered in addition to, not as a substitute for, or in isolation from, the financial information prepared in accordance with GAAP financial measures, and should be read in conjunction with the consolidated financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2025 and in our other reports periodically filed with the SEC.

Market & Industry Data

Market data and industry information used throughout this presentation are based on management's knowledge of the industry and the good faith estimates of management. The Company also relied, to the extent available, upon management's review of independent industry surveys and publications and other publicly available information prepared by a number of third-party sources. All of the market data and industry information used in this presentation involves a number of assumptions and limitations, and you are cautioned not to give undue weight to such assumptions and resulting estimates. Although the Company believes that these sources are reliable, the Company cannot guarantee the accuracy or completeness of this information, and the Company has not independently verified this information. While the Company believes the estimated market position, market opportunity and market size information included in this presentation are generally reliable, such information, which is derived in part from management's estimates and beliefs, is inherently uncertain and imprecise. No representations or warranties are made by the Company, any of its affiliates or underwriters as to the accuracy of any such statements or projections. Projections, assumptions and estimates of the Company's future performance and the future performance of the industry in which the Company operates are necessarily subject to a high degree of uncertainty and risk due to a variety of factors, including those described above. These and other factors could cause results to differ materially from those expressed in the Company's estimates and beliefs and in the estimates prepared by independent parties.

Christopher Young

President and
Chief Executive Officer

Second Quarter 2026 Highlights

Revenue of

$204 million

up 10.5%

compared to second quarter 2025

Second quarter guidance: $200 to $204 million

Adjusted EBITDA of

$51 million

up 33.0%

compared to second quarter 2025

Adjusted EBIDTA margin of 25.0 percent

Second quarter guidance: $47 to $50 million

Continued stable customer metrics

GRR 95% NRR 105%

Notes:

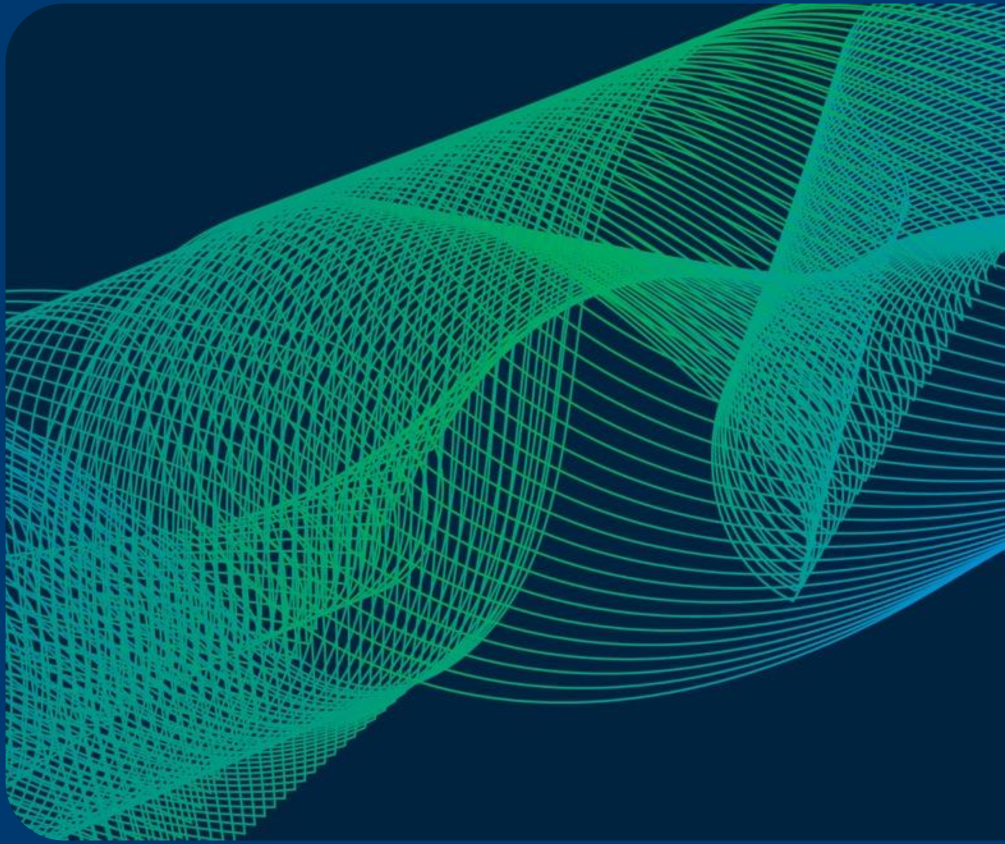
1. Based on information as of June 30, 2026.
2. Adjusted EBITDA is a non-GAAP measure, for a reconciliation of this non-GAAP measure to the nearest GAAP measure, see Appendix.

E-invoicing Update

- Strong growth in ARR and revenue across the Compliance business
- June was the highest month ever for new e-invoicing ARR
- Clear momentum and acceleration ahead of key upcoming mandates in Europe
  - France – September 2026
  - Germany – January 2027
- ecosio and Brinta both performing well, winning new deals (including large enterprise deals) and ahead of acquisition assumptions.

Artificial Intelligence

Update



“AI-First” is becoming an operating rhythm

Adoption is broad, measurable and translating into faster engineering, delivery and workforce enablement.

ENGINEERING

Faster innovation loops

Nearly all software engineers are using AI tools; merge rates are up 30%, AI-generated code is scaling, and more than half of merges now have AI review.

DELIVERY

Compressed customer outcomes

AI is reducing onboarding and validation cycle times — including 50% faster E-Invoicing onboarding and accelerated regulatory expansion across rules and formats.

WORKFORCE

Adoption with governance

AI adoption is broadening through a managed tool catalog, self-service and approval-based access, and structured learning for employees.

AI is now embedded across Vertex’s operating model — improving productivity, accelerating release velocity and expanding the innovation pipeline while building enterprise-wide AI literacy.

Q2 2026
New Business Wins

Select Existing Customer New Business Wins

Industry	New Revenue	Ecosystem	Catalyst	Solution
Mobility and Delivery	Mid six figures	Oracle	Business expansion	North America Sales Tax, Value Added Tax, Edge
Consumer Packaged Goods	High six figures	SAP	SAP cloud transformation	North American Sales Tax, Value-Added Tax EMEA & APAC, SAP Accelerator, Vertex Consulting
Quick Serve Restaurants	Mid six figures	Oracle	Competitive Displacement	North American Sales Tax, Edge, Oracle Accelerator, Address Cleansing, Vertex Consulting

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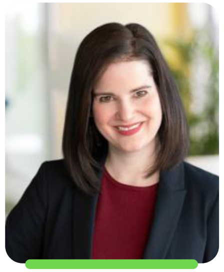
Select New Logos

Industry	New ACV	Ecosystem	Catalyst	Solution
Telecommunications	Low six figures	Microsoft D365	Automation Adoption	North American Sales Tax, Certificate Center, Address Cleansing, Azure Hosting
Management Consulting	Low six figures	SAP	Cloud migration	North America Sales Tax, Consumers' Use Tax, SAP Accelerator, Vertex Consulting
Building Products	High six figures	Oracle	Transaction volume growth	North America Sales Tax, Certificate Center, Edge, Address Cleansing, Tax Returns

World Class Executive Leadership

Chris Young
President and CEO

John Schwab
Chief Financial Officer



Allison Cerra
Chief Marketing Officer

Bala Chandran
Chief Product and Technology Officer

Aneel Jaeel
Chief Operating Officer

Chris Jones
Chief Commercial Officer

Chatelle Lynch
Chief People Officer

Chirag Patel
Chief Strategy Officer

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Financial Overview & Outlook

Quarter Ended – June 30, 2026

Q2 2026 Results – Revenue

TOTAL REVENUE	SOFTWARE SUBSCRIPTION REVENUE	SERVICES REVENUE
$204M	$174.8M	$29.2M
+10.5% Year-Over-Year Change	+10.7% Year-Over-Year Change	+9.4% Year-Over-Year Change

CLOUD REVENUE	ANNUAL RECURRING REVENUE (ARR)
$101.7M	$703.4M
+17.9% Year-Over-Year Change	+10.5% Year-Over-Year Change

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Notes:
1. Based on information as of June 30, 2026.

Q2 2026 Results – Customer Metrics

Gross Revenue Retention

95%

Stable Q/Q

Net Revenue Retention

105%

Stable Q/Q

Scaled Customer Growth (Count)

+8%

-4 points Q/Q

Average Annual Revenue Per Direct Customer (AARPC)

$142,997

+9.2% YoY

Notes:
1. Based on information as of June 30, 2026.

Q2 2026 Results – Profitability (Non-GAAP Metrics)

Overall Gross Margin	Software Subscription Gross Margin	Services Gross Margin	Adjusted EBITDA
76.1%	83.3%	32.9%	$51.0M
+15 bps YoY	+12 bps YoY	-21 bps YoY	+33.0% YoY

AEBITDA Margin	Free Cash Flow*	Proforma Free Cash Flow*	Proforma FCF Margin*
25.0%	$2.7M	$13.2M	6.5%
+421 bps YoY	*Cash Flow impacted in 2Q26 by $10.5 million of VCP and other cash reorganization costs		

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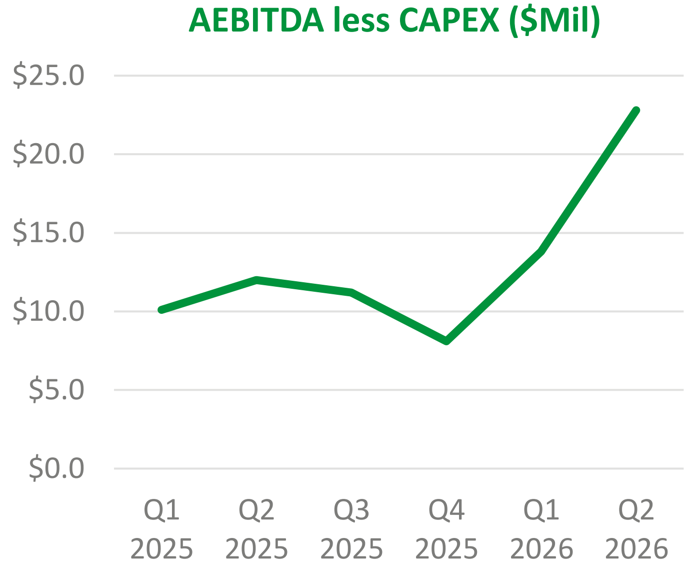
Notes:
1. Based on information as of June 30, 2026.
2. Adjusted EBITDA is a non-GAAP measure, for a reconciliation of this non-GAAP measure to the nearest GAAP measure, see Appendix.

2025-2026 Adjusted EBITDA less CAPEX

$ millions

Quarter	Adjusted EBITDA	CAPEX	AEBITDA less CAPEX
Q1 2025	$37.2	$27.1	$10.1
Q2 2025	$38.4	$26.4	$12.0
Q3 2025	$43.5	$32.3	$11.2
Q4 2025	$42.5	$34.2	$8.3
Q1 2026	$44.1	$30.3	$13.8
Q2 2026	$51.0	$28.2	$22.8



- The 2026 Value Creation Program is driving operating efficiency while freeing up capital to invest in growth opportunities.

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Financial Outlook

Q3 2026

Revenue expected to be

$208 to $211 million

Adjusted EBITDA expected to be

$55 to $57 million

FY 2026

Revenue expected to be

$825 to $830 million

18% Cloud Revenue Growth

Adjusted EBITDA expected to be

$206 to $210 million

Appendix

Adjusted EBITDA Reconciliation [1]

($ in Thousands)

Adjusted EBITDA	Q1'23	Q2'23	Q3'23	Q4'23	Q1'24	Q2'24	Q3'24	Q4'24	Q1'25	Q2'25	Q3'25	Q4'25	Q1'26	Q2'26
Net Income (Loss)	**(18,132)**	**(6,896)**	**(3,399)**	**15,334**	**2,684**	**5,164**	**7,221**	**(67,798)**	**11,130**	**(961)**	**4,045**	**(7,003)**	**(2,510)**	**9,043**
Interest expense (income), net	(350)	(105)	597	4,022	286	181	(2,938)	(1,666)	(1,539)	(1,228)	(1,245)	(1,236)	(957)	(344)
Income tax expense (benefit)	9,553	2,929	784	(21,847)	(4,535)	2,200	613	56,360	(5,105)	(1,675)	1,520	5,628	(7,139)	(13,142)
Depreciation and amortization – property and equipment	3,741	3,878	3,782	3,801	5,006	5,212	5,214	5,521	5,880	6,187	6,372	6,373	6,442	6,720
Depreciation and amortization of capitalized software and acquired intangible assets – cost of subscription revenues	12,435	12,686	14,029	14,898	15,347	14,578	14,198	15,179	15,855	16,670	18,143	19,174	20,086	21,882
Amortization of acquired intangible assets - selling and marketing expense	766	684	596	595	595	592	706	585	531	571	588	587	525	522
Amortization of cloud computing implementation costs – general and administrative	-	631	919	1,020	994	995	1,005	1,013	1,006	1,018	871	843	1,037	1,358
Stock-based compensation expense	11,434	7,022	7,772	7,691	16,324	10,001	10,134	10,966	21,044	11,990	13,215	11,514	18,508	13,762
Severance expense	555	905	643	1,473	842	619	927	660	457	317	1,199	4,850	7,408	2,689
Acquisition contingent consideration	200	249	900	200	(800)	(1,575)	100	(300)	-	200	-	-	-	-
Change in fair value of acquisition contingent earn-outs	-	-	-	-	-	-	-	17,500	(14,700)	2,300	(4,000)	(600)	(5,738)	(100)
Acquisition-related retained employee compensation	-	-	-	-	-	-	-	-	-	-	-	-	417	1,250
Transaction costs	-	-	-	4,853	-	548	1,443	41	2,660	2,980	2,785	2,329	5,984	7,375
Adjusted EBITDA ($)	**20,202**	**21,983**	**26,623**	**32,040**	**36,743**	**38,515**	**38,623**	**38,061**	**37,219**	**38,369**	**43,493**	**42,459**	**44,063**	**51,015**

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Notes:
1. Adjusted EBITDA is a non-GAAP financial measure. The above table reconciles this non-GAAP financial measure to the most directly comparable GAAP financial measure. Refer to Form 10Q for the six months ended June 30, 2026 for additional information regarding the Company's use of this non-GAAP financial measure