

**NICE LTD. AND SUBSIDIARIES**  
**RECONCILIATION OF GAAP TO NON-GAAP RESULTS**  
U.S. dollars in thousands (except per share amounts)

|   | Quarter ended<br>December 31, |            | Year to date<br>December 31, |              |
|---|-------------------------------|------------|------------------------------|--------------|
|   | 2024                          | 2023       | 2024                         | 2023         |
| GAAP revenues   | \$ 721,600                    | \$ 623,192 | \$ 2,735,272                 | \$ 2,377,508 |
| Non-GAAP revenues   | \$ 721,600                    | \$ 623,192 | \$ 2,735,272                 | \$ 2,377,508 |
| GAAP cost of revenue  | \$ 232,386                    | \$ 200,878 | \$ 909,524                   | \$ 768,173   |
| Amortization of acquired intangible assets on cost of cloud   | (19,592)                      | (17,935)   | (93,370)                     | (75,667)     |
| Amortization of acquired intangible assets on cost of product | -                             | (255)      | (410)                        | (1,021)      |
| Cost of cloud revenue adjustment (1,2)                        | (3,520)                       | (4,605)    | (12,549)                     | (10,965)     |
| Cost of services revenue adjustment (1)                       | (2,966)                       | (3,142)    | (10,472)                     | (11,906)     |
| Cost of product revenue adjustment (1)                        | (18)                          | 15         | (108)                        | 121          |
| Non-GAAP cost of revenue                                      | \$ 206,290                    | \$ 174,956 | \$ 792,615                   | \$ 668,735   |
| GAAP gross profit   | \$ 489,214                    | \$ 422,314 | \$ 1,825,748                 | \$ 1,609,335 |
| Gross profit adjustments                                      | 26,096                        | 25,922     | 116,909                      | 99,438       |
| Non-GAAP gross profit   | \$ 515,310                    | \$ 448,236 | \$ 1,942,657                 | \$ 1,708,773 |
| GAAP operating expenses                                       | \$ 334,902                    | \$ 299,649 | \$ 1,279,794                 | \$ 1,174,108 |
| Research and development (1,2)                                | (6,461)                       | (6,997)    | (28,822)                     | (31,402)     |
| Sales and marketing (1,2)                                     | (15,565)                      | (11,515)   | (57,891)                     | (48,048)     |
| General and administrative (1,2)                              | (21,628)                      | (34,588)   | (81,042)                     | (92,291)     |
| Amortization of acquired intangible assets                    | (6,263)                       | (3,506)    | (22,087)                     | (15,757)     |
| Valuation adjustment on acquired deferred commission          | -                             | 22         | 24                           | 128          |
| Change in fair value of contingent consideration              | 3,054                         | 18,258     | 3,054                        | 18,258       |
| Non-GAAP operating expenses                                   | \$ 288,039                    | \$ 261,323 | \$ 1,093,030                 | \$ 1,004,996 |
| GAAP financial and other income, net                          | \$ (16,938)                   | \$ 2,635   | \$ (58,872)                  | \$ (22,473)  |
| Amortization of discount and loss of extinguishment on debt   | (430)                         | (1,182)    | (1,834)                      | (4,668)      |
| Realized loss on marketable securities, net                   | -                             | (12,271)   | -                            | (12,271)     |
| Change in fair value of contingent consideration              | -                             | -          | (115)                        | (817)        |
| Non-GAAP financial and other income, net                      | (17,368)                      | (10,818)   | (60,821)                     | (40,229)     |
| GAAP taxes on income  | \$ 71,741                     | \$ 38,378  | \$ 162,238                   | \$ 119,399   |
| Tax adjustments re non-GAAP adjustments                       | (22,878)                      | 4,464      | 19,787                       | 41,937       |
| Non-GAAP taxes on income                                      | \$ 48,863                     | \$ 42,842  | \$ 182,025                   | \$ 161,336   |
| GAAP net income   | \$ 99,509                     | \$ 81,652  | \$ 442,588                   | \$ 338,301   |
| Amortization of acquired intangible assets                    | 25,855                        | 21,696     | 115,867                      | 92,445       |
| Valuation adjustment on acquired deferred commission          | -                             | (22)       | (24)                         | (128)        |
| Share-based compensation (1)                                  | 49,720                        | 47,298     | 187,717                      | 180,504      |
| Acquisition related expenses (2)                              | 438                           | 13,534     | 3,167                        | 13,987       |
| Amortization of discount and loss of extinguishment on debt   | 430                           | 1,182      | 1,834                        | 4,668        |
| Realized loss on marketable securities, net                   | -                             | 12,271     | -                            | 12,271       |
| Change in fair value of contingent consideration              | (3,054)                       | (18,258)   | (2,939)                      | (17,441)     |
| Tax adjustments re non-GAAP adjustments                       | 22,878                        | (4,464)    | (19,787)                     | (41,937)     |
| Non-GAAP net income   | \$ 195,776                    | \$ 154,889 | \$ 728,423                   | \$ 582,670   |
| GAAP diluted earnings per share                               | \$ 1.54                       | \$ 1.24    | \$ 6.76                      | \$ 5.11      |
| Non-GAAP diluted earnings per share                           | \$ 3.02                       | \$ 2.36    | \$ 11.12                     | \$ 8.79      |
| Shares used in computing GAAP diluted earnings per share      | 64,802                        | 65,749     | 65,506                       | 66,265       |
| Shares used in computing non-GAAP diluted earnings per share  | 64,802                        | 65,749     | 65,506                       | 66,265       |

**NICE LTD. AND SUBSIDIARIES**  
**RECONCILIATION OF GAAP TO NON-GAAP RESULTS (continued)**

U.S. dollars in thousands

**(1) Share-based Compensation**

|                            | Quarter ended<br>December 31, |                  | Year to date<br>December 31, |                   |
|----------------------------|-------------------------------|------------------|------------------------------|-------------------|
|                            | 2024                          | 2023             | 2024                         | 2023              |
| Cost of cloud revenue      | \$ 3,520                      | \$ 4,605         | \$ 12,487                    | \$ 10,965         |
| Cost of services revenue   | 2,966                         | 3,142            | 10,472                       | 11,906            |
| Cost of product revenue    | 18                            | (15)             | 108                          | (121)             |
| Research and development   | 6,461                         | 6,997            | 28,492                       | 31,402            |
| Sales and marketing        | 15,554                        | 11,515           | 57,230                       | 48,023            |
| General and administrative | 21,201                        | 21,054           | 78,928                       | 78,329            |
|                            | <u>\$ 49,720</u>              | <u>\$ 47,298</u> | <u>\$ 187,717</u>            | <u>\$ 180,504</u> |

**(2) Acquisition related expenses**

|                            | Quarter ended<br>December 31, |                  | Year to date<br>December 31, |                  |
|----------------------------|-------------------------------|------------------|------------------------------|------------------|
|                            | 2024                          | 2023             | 2024                         | 2023             |
| Cost of cloud revenue      | \$ -                          | \$ -             | \$ 62                        | \$ -             |
| Research and development   | -                             | -                | 330                          | -                |
| Sales and marketing        | 11                            | -                | 661                          | 25               |
| General and administrative | 427                           | 13,534           | 2,114                        | 13,962           |
|                            | <u>\$ 438</u>                 | <u>\$ 13,534</u> | <u>\$ 3,167</u>              | <u>\$ 13,987</u> |

**NICE LTD. AND SUBSIDIARIES**  
**RECONCILIATION OF GAAP NET INCOME TO NON-GAAP EBITDA**  
U.S. dollars in thousands

|  | Quarter ended     |                   | Year to date      |                   |
|--|-------------------|-------------------|-------------------|-------------------|
|  | December 31,      |                   | December 31,      |                   |
|  | 2024              | 2023              | 2024              | 2023              |
|  | Unaudited         | Audited           | Unaudited         | Audited           |
| GAAP net income                                      | \$ 99,509         | \$ 81,652         | \$ 442,588        | \$ 338,301        |
| Non-GAAP adjustments:                                |                   |                   |                   |                   |
| Depreciation and amortization                        | 48,776            | 41,212            | 205,020           | 167,360           |
| Share-based Compensation                             | 48,185            | 46,170            | 182,067           | 176,658           |
| Financial and other expense/ (income), net           | (16,938)          | 2,635             | (58,872)          | (22,473)          |
| Acquisition related expenses                         | 438               | 13,534            | 3,167             | 13,987            |
| Change in fair value of contingent consideration     | (3,054)           | (18,258)          | (3,054)           | (18,258)          |
| Valuation adjustment on acquired deferred commission | -                 | (22)              | (24)              | (128)             |
| Taxes on income                                      | 71,741            | 38,378            | 162,238           | 119,399           |
| Non-GAAP EBITDA                                      | <u>\$ 248,657</u> | <u>\$ 205,301</u> | <u>\$ 933,130</u> | <u>\$ 774,846</u> |

**NICE LTD. AND SUBSIDIARIES****NON-GAAP RECONCILIATION - FREE CASH FLOW FROM CONTINUING OPERATIONS**

U.S. dollars in thousands

|   | <b>Quarter ended</b> |                   | <b>Year to date</b> |                   |
|---|----------------------|-------------------|---------------------|-------------------|
|   | <b>December 31,</b>  |                   | <b>December 31,</b> |                   |
|   | <b>2024</b>          | <b>2023</b>       | <b>2024</b>         | <b>2023</b>       |
|   | <u>Unaudited</u>     | <u>Audited</u>    | <u>Unaudited</u>    | <u>Audited</u>    |
| Free cash flow (a)                            |                      |                   |                     |                   |
| Net cash provided by operating activities     | \$ 249,522           | \$ 180,496        | \$ 832,641          | \$ 561,430        |
| Purchase of property and equipment            | (7,567)              | (6,079)           | (34,962)            | (29,205)          |
| Capitalization of internal use software costs | (16,819)             | (13,868)          | (64,805)            | (54,974)          |
| Free Cash Flow                                | <u>\$ 225,136</u>    | <u>\$ 160,549</u> | <u>\$ 732,874</u>   | <u>\$ 477,251</u> |

(a) Free cash flow from continuing operations is defined as operating cash flows from continuing operations less capital expenditures of the continuing operations and less capitalization of internal use software costs.