CFO Letter

THIRD QUARTER | 2026

Introduction

At Q2, trust is foundational to the partnerships we build with our customers and to the confidence we aim to earn from the investment community.

For our customers, prospects, and their risk and procurement teams, this letter is intended to offer an accessible summary of Q2's financial position and recent performance, designed to address common financial questions and support your evaluation of Q2's financial position. We believe a financially strong Q2 is a better long-term partner, and this letter is intended to make that strength visible and easy to evaluate. For investors and analysts, it provides supplemental context alongside our quarterly earnings materials, grounding our results in the customer relationships, mission-critical platform, and operating discipline that we believe drives durable performance over time.

This is a supplement to, and not a replacement for, our financial reports and SEC filings, all of which are available on the Investor Relations section of our website. Unless otherwise noted, all financial metrics in this letter are as of September 30, 2026.

Thank you for your continued trust in Q2.

Sincerely,
Jonathan Price, CFO

Jonathan Price

From the Desk of the CFO

Q2 Holdings, Inc. delivered record third-quarter revenue and profitability in 2026, and we believe the results continue to reflect what we have been building: a high-quality, recurring revenue model with expanding profitability, growing customer relationships, and a balance sheet with no long-term debt.

Q2 continues to grow, expanding our customer base, deepening relationships within it, and generating strong free cash flow[1] that supports our continued investment in our platform and our people. Our business model is built around long-term, subscription-based relationships, which means our financial health is directly tied to the value we deliver to our customers. When Q2 performs well, we have more to invest in the solutions, security, and innovation that our customers depend on.

Our growth continues to be underpinned by durable subscription revenue, driven by new customer wins, cross-sells, and organic expansion within our existing base. Our substantial and growing backlog of contracted future revenue reflects the long-term nature of the relationships our customers choose to build with Q2.

During the third quarter, Q2 continued to operate with no long-term debt outstanding and nothing drawn on our revolving credit facility. Cash and investments increased to $123 million at quarter end, even as we repurchased ~$39 million of our shares. We believe our ongoing free cash flow generation provides the financial flexibility to continue investing in innovation for our customers and pursuing our capital allocation priorities.

Our performance this quarter, as disclosed in our quarterly Form 10-Q filed with the SEC, reflects the operating discipline and strategic clarity that we believe will continue to drive durable value for our customers and long-term financial strength for Q2.

Key Metrics vs. Prior Quarter

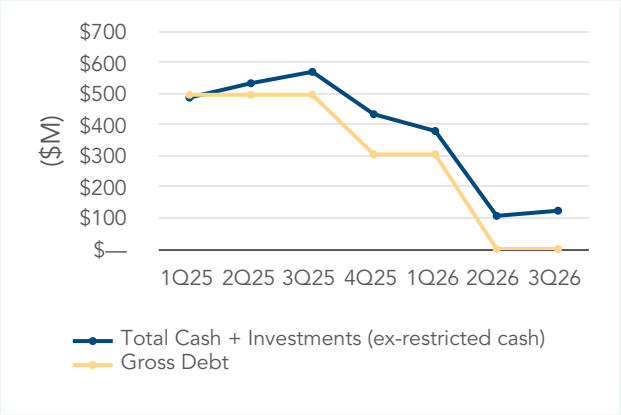
Metric	3Q 2026	2Q 2026
Revenue	$225.8M	$219.8M
Net Income	$33.2M	$29.9M
Adjusted EBITDA[1]	$67.8M	$62.8M
Total ARR	$988.6M	$970.8M
Subscription ARR	$846.0M	$825.5M
Operating Cash Flow (Last 12mos)	$245.4M	$226.3M
Free Cash Flow (Last 12mos)[1]	$206.8M	$189.0M
Cash & Investments	$123.0M	$106.4M
Debt Outstanding	$0.0M	$0.0M
Revolver Drawn	$0	$0

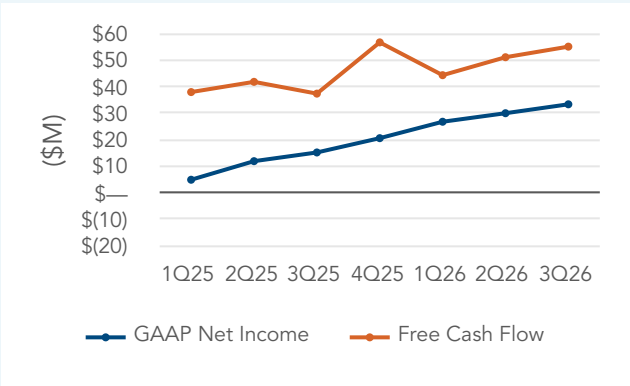
[1] Represents a non-GAAP financial measure. See the GAAP to non-GAAP reconciliations on the final page of this document. Non-GAAP measures should be considered as a supplement to, not a substitute for, results reported under GAAP.

Key Financial Charts

Balance Sheet Strength

Q2 ended the third quarter with no long-term debt outstanding and nothing drawn on our $125 million revolving credit facility. Cash and investments increased to $123 million at quarter end, supported by the cash our business generates, even after $38.8 million of share repurchases in the quarter. We remain focused on deploying our free cash flow toward continued platform investment and disciplined capital return.



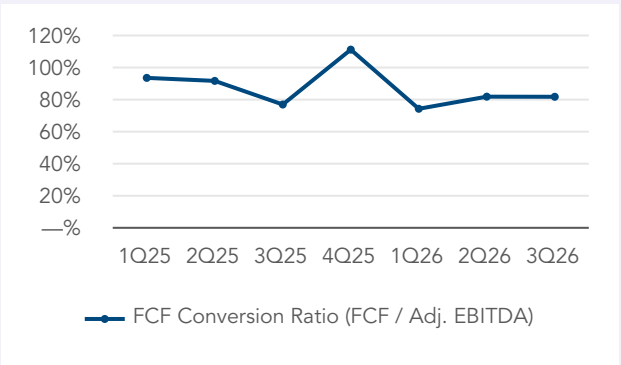


Record Profitability & Margin Expansion

Q2 achieved a record $67.8 million in Adjusted EBITDA[1] in the third quarter, up 39% year over year, with a record Adjusted EBITDA margin of 30.0%, compared to 24.2% in 3Q'25. These results derive from the operating leverage in our model as subscription revenue scales, cost discipline across our expense base, and the ongoing benefits of our prioritization of higher-margin revenue streams.

Free Cash Flow Conversion Remains Strong

Q2 has translated earnings growth into strong free cash flow[1], reflecting the disciplined working capital management and operational efficiency that we have coupled with our high-quality recurring revenue model. That cash generation is what enables us to reinvest in our platform, support our customers through transitions and implementations, and pursue opportunities to return capital to shareholders, all while maintaining the financial flexibility to execute on our strategy.



GAAP Net Income to Adjusted EBITDA Reconciliation

The reconciliation below illustrates how Q2 derives Adjusted EBITDA from 3Q'26 GAAP net income. Management believes that this non-GAAP financial measure is a useful measure of operating performance.

Item	Amount
GAAP Net Income	$33.2M
+ Stock-Based Compensation (non-cash)	$20.0M
+ Depreciation & Amortization (non-cash)	$12.5M
+ Transaction-related costs	$0.0M
+ Lease & Other Restructuring Charges	$1.4M
+ Provision for Income Taxes	$1.1M
+ Interest and Other Income, net	$(0.4)M
Adjusted EBITDA[1]	$67.8M

[1] Represents a non-GAAP financial measure. See the GAAP to non-GAAP reconciliations on the final page of this document. Non-GAAP measures should be considered as a supplement to, not a substitute for, results reported under GAAP.

Strategic Customer Base

As of December 31, 2025, Q2 supports approximately 1,200 strategic customers, spanning top-tier financial institutions, regional banks, credit unions, and FinTechs across the U.S. Our revenue remains well diversified, with no individual customer accounting for 10% or more of revenues, reflecting a balanced roadmap and broad applicability.

This reach has allowed us to design a platform that serves a wide range of use cases, whether for retail or commercial banking, or for institutions seeking to deepen relationships with loan-only customers. Our long-standing customer relationships enable us to grow alongside our customers, expanding solutions within our existing base while continuing to win new institutions.



Note: Data as of December 31, 2025. Customer counts represent the number of unique customers with signed contracts utilizing each respective set of solutions and are non-additive, as a single customer may be included in multiple solution cohorts when adopting multiple solutions. Cross-sell opportunity represents the estimated annual recurring revenue we believe can be generated from existing customers through the adoption of additional solutions, based on the customers and solutions currently in place. [1]Growth contribution percentages reflect the mix of annual incremental digital banking platform revenue generated during fiscal years 2024 and 2025 attributable to new digital banking platform customer wins and expansion within existing digital banking customer relationships and do not represent total Company net-new customer additions across all solutions.

Looking Ahead

As we continue to execute our strategy, we remain focused on delivering long-term value for our customers. We operate from a foundation of predictability and strength, reinvesting in our solutions, our teams, and the outcomes our customers rely on. Our platform powers mission-critical banking experiences, and our long-standing relationships enable us to grow together.

That growth fuels continued investment across the platform, including the integration of AI-driven capabilities designed to help our customers operate more efficiently and deepen relationships with their account holders. We believe a financially strong Q2 is better positioned to deliver on that commitment year after year.

- Highly attractive and predictable business with a healthy balance sheet
- Investing back into our customers and solutions
- Mission-critical technology powering the digital transformation of financial services
- Long-standing, strategic customer relationships allow us to grow alongside our customers

Reconciliation of GAAP to Non-GAAP Measures

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
GAAP gross profit	$ 134,843	$ 108,845	$ 392,957	$ 314,399
Stock-based compensation	2,140	2,323	6,442	7,603
Amortization of acquired technology	4,347	5,503	13,043	16,512
Lease and other restructuring charges	—	143	333	460
Non-GAAP gross profit	$ 141,330	$ 116,814	$ 412,775	$ 338,974
Revenues	$ 225,771	$ 201,704	$ 662,042	$ 586,587
GAAP gross margin	59.7 %	54.0 %	59.4 %	53.6 %
Non-GAAP gross margin	62.6 %	57.9 %	62.3 %	57.8 %
GAAP sales and marketing expense	$ 24,536	$ 26,401	$ 76,200	$ 79,965
Stock-based compensation	(1,918)	(3,945)	(6,741)	(11,386)
Non-GAAP sales and marketing expense	$ 22,618	$ 22,456	$ 69,459	$ 68,579
GAAP research and development expense	$ 41,356	$ 38,932	$ 124,351	$ 113,699
Stock-based compensation	(3,746)	(4,349)	(12,044)	(12,552)
Non-GAAP research and development expense	$ 37,610	$ 34,583	$ 112,307	$ 101,147
GAAP general and administrative expense	$ 33,641	$ 31,705	$ 98,896	$ 95,061
Stock-based compensation	(12,179)	(12,640)	(35,579)	(35,226)
Non-recurring legal settlements	—	—	—	(1,750)
Non-GAAP general and administrative expense	$ 21,462	$ 19,065	$ 63,317	$ 58,085
GAAP operating income	$ 33,958	$ 11,004	$ 90,988	$ 23,033
Stock-based compensation	19,983	23,257	60,806	66,767
Transaction-related costs	—	—	270	—
Amortization of acquired technology	4,347	5,503	13,043	16,512
Amortization of acquired intangibles	—	—	—	93
Lease and other restructuring charges	1,352	946	2,585	3,008
Non-recurring legal settlements	—	—	—	1,750
Non-GAAP operating income	$ 59,640	$ 40,710	$ 167,692	$ 111,163
GAAP net income	$ 33,220	$ 15,048	$ 89,717	$ 31,565
Stock-based compensation	19,983	23,257	60,806	66,767
Transaction-related costs	—	—	270	—
Amortization of acquired technology	4,347	5,503	13,043	16,512
Amortization of acquired intangibles	—	—	—	93
Lease and other restructuring charges	1,352	946	2,585	3,008
Non-recurring legal settlements	—	—	—	1,750
Amortization of debt issuance costs	47	558	767	1,791
Tax adjustment	(12,070)	(11,199)	(33,638)	(28,060)
Non-GAAP net income	$ 46,879	$ 34,113	$ 133,550	$ 93,426
Weighted average common shares outstanding, diluted	63,529	69,858	65,690	65,076
GAAP net income per common share, diluted	$ 0.52	$ 0.23	$ 1.38	$ 0.49
Non-GAAP net income per common share, diluted	$ 0.74	$ 0.50	$ 2.05	$ 1.44
Reconciliation of GAAP net income to adjusted EBITDA:				
GAAP net income	$ 33,220	$ 15,048	$ 89,717	$ 31,565
Stock-based compensation	19,983	23,257	60,806	66,767
Transaction-related costs	—	—	270	—
Depreciation and amortization	12,472	13,613	36,274	40,888
Lease and other restructuring charges	1,352	946	2,585	3,008
Non-recurring legal settlements	—	—	—	1,750
Provision for income taxes	1,111	160	6,084	2,380
Interest and other income, net	(375)	(4,206)	(5,153)	(11,032)
Adjusted EBITDA	$ 67,763	$ 48,818	$ 190,583	$ 135,326
Adjusted EBITDA margin	30.0 %	24.2 %	28.8 %	23.1 %

Reconciliation of Free Cash Flow

	Nine Months Ended September 30,	
	2026	2025
Net cash provided by operating activities	$ 181,656	$ 137,765
Purchases of property and equipment	(10,366)	(4,812)
Capitalized software development costs	(21,119)	(16,175)
Free cash flow	$ 150,171	$ 116,778

Safe Harbor Statement

This presentation and the accompanying oral presentation contain forward-looking statements and information that are based on our management's beliefs and assumptions and on information currently available to our management. The statements and information contained in this presentation that are not purely historical are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Forward-looking statements include statements about: Q2's expectations for the Co-CEO structure; our board's focus on long-term continuity; our ability to scale; CFO succession planning; our consistent execution against our profitable growth strategy; continued investment in products and customer experience; our long-term growth opportunity; our sales opportunities in different market segments; the capabilities of our solutions to meet customer needs and help them compete and grow; the ability of our customer base to support long-term growth; the capabilities and potential of our existing and contemplated AI solution offerings; the benefits of our developer and partner ecosystems; the market opportunity presented by AI; continued demand for our solutions; the strength of our pipeline; our ability to execute against our long-term financial framework; continued pressure on more discretionary services revenue; continued strong free cash flow generation; continued substantial balance sheet capacity and resulting flexibility in capital allocation; our focus on maintaining a healthy balance sheet to support organic investment and inorganic opportunities; and our quarterly and annual financial guidance and outlook.

Forward-looking statements include all statements that are not historical facts and can be identified by terms such as "anticipates," "believes," "could," "seeks," "estimates," "expects," "intends," "may," "plans," "potential," "predicts," "projects," "should," "will," "would," "strategy," "future," "likely" or similar expressions and the negatives of those terms. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Forward-looking statements represent our management's beliefs and assumptions only as of the date of this presentation. These statements are not guarantees of future performance or development and involve known and unknown risks, uncertainties and other factors that are in some cases beyond our control. Factors that may cause such differences include, but are not limited to, the risks described in our earnings press release for the period ending September 30, 2026 and under "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2025 filed with the SEC on February 11, 2026, and those discussed in other documents we file and furnish with the SEC. Except as required by law, we assume no obligation to update these forward-looking statements publicly, or to update the reasons actual results could differ materially from those anticipated in the forward-looking statements, even if new information becomes available in the future.

This presentation includes references to adjusted EBITDA, which is a non-GAAP financial measure under SEC rules. Adjusted EBITDA differs from GAAP net income in that it excludes items such as depreciation and amortization, stock-based compensation, transaction-related costs, interest and other (income) expense, income taxes, lease and other restructuring charges, and non-recurring legal settlements not in our ordinary course of business. This presentation also references free cash flow, which adjusts net cash provided by (used in) operating activities for purchases of property and equipment and capitalized software development costs. Management believes that these non-GAAP measures are useful measures of operating performance because they exclude items that we do not consider indicative of our core performance. However, these non-GAAP financial measures should be considered in addition to, not as a substitute for or superior to, the most directly comparable GAAP measure, or other financial measures prepared in accordance with GAAP. Our management uses these non-GAAP financial measures as a measure of operating performance; to prepare our annual operating budget; to allocate resources to enhance the financial performance of our business; to evaluate the effectiveness of our business strategies; to provide consistency and comparability with past financial performance; to facilitate a comparison of our results with those of other companies, many of which use similar non-GAAP financial measures to supplement their GAAP results; and in communication with our board of directors concerning our financial performance. A reconciliation to the closest GAAP measures of these non-GAAP measures is contained in tabular form at the end of this presentation.

Q2