

Annual Report
2025

Bentley®
Advancing Infrastructure

2025 Letter from Nicholas Cumins, CEO



Dear shareholders,

Whether it's to support economic growth, secure access to energy and critical resources, or address the effects of extreme weather events, our world is facing unprecedented demand for better, more resilient infrastructure.

Moreover, the rapid adoption of artificial intelligence is driving a global buildout of data centers, significantly increasing electricity demand and putting even further strain on already constrained infrastructure systems.

But the greatest challenge isn't just the scale of what needs to be delivered—it's the engineering capacity to deliver it. How do we design, build, or re-purpose fast enough to support this unprecedented demand?

The reality is there simply aren't enough engineers in the world to do all the work that needs to be done.

The solution to this capacity challenge is to make every infrastructure professional more productive through software.

We see the impact of this approach in practice. At last year's YII Awards, the finalists demonstrated how Bentley software helped them achieve meaningful productivity gains, in the range of 15% to 25% or more.

These gains, while encouraging, are not yet representative of the industry as a whole. Scaling them across all projects—making every project as good as the best project—would help narrow the gap between unprecedented demand and engineering capacity. But closing it requires a step change in productivity.

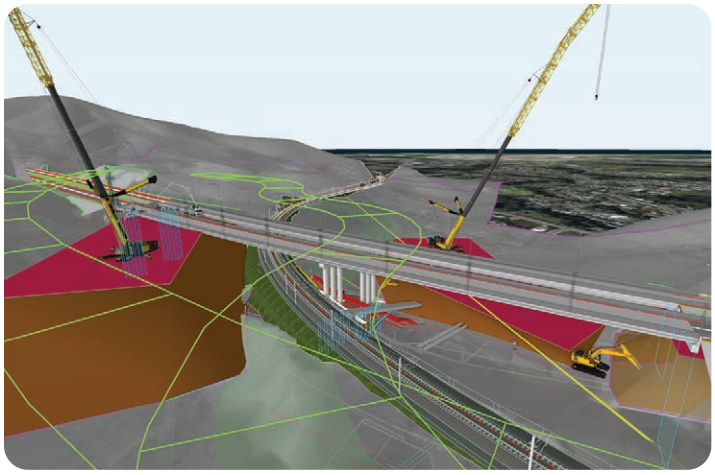
That step change is beginning to take shape—and it is AI.

AI has the potential to not only automate tasks, but also improve decisions and outcomes across design, construction, and operations. For Bentley Systems, AI is a powerful catalyst that activates the foundational strengths we have built for decades.

Our unique position to lead this transformation rests on three reinforcing pillars that form a powerful and defensible competitive advantage.

First is trust. For more than 40 years, in an industry with no tolerance for error, we have been a trusted partner on the world's most advanced projects. These deep, collaborative partnerships are our launchpad, de-risking the adoption of AI in mission-critical workflows.

Second, our engineering applications are the established environment where infrastructure designs are created, analyzed, and validated. Just as organizations rely on our software to empower their professionals today, they will require our software to validate and ground truth the recommendations of tomorrow's AI.



SYNCHRO™+ turns static construction plans into dynamic, visual simulations that bring schedules to life.

(continued)

Third is data. Effective AI is not possible without high-quality, structured data, and Bentley Infrastructure Cloud™ is the definitive system of record in our industry. As AI makes this data exponentially more valuable, it reinforces the value of our platform by enabling our users to unlock competitive advantages from their own proprietary data, and accelerates its adoption.

This unique position allows us not only to lead the AI transformation, but also to capture its value in two important ways.

AI expands our role in the operations and maintenance phase of the infrastructure lifecycle. With Bentley Asset Analytics™, we can connect AI-driven insights with our proprietary engineering simulation engines. This allows us to deliver trusted, engineering-grade intelligence that helps owner-operators make critical decisions about asset performance, moving far beyond simple monitoring.

AI also sets us on a path to fundamentally redefine our economic engine. The long-term opportunity is to move beyond a model tied to human effort, and towards one where our software is leveraged by AI agents at machine scale on behalf of users. We believe this holds the potential for a substantial new revenue stream.

To get there, we are playing a longer game, as these are still early days for AI in mission-critical design. Our focus today is, therefore, on leading the exploration for the highest-value AI workflows while building the market and driving adoption. We believe that successfully pioneering this new way of working is the most certain path to capturing this significant future value.

This approach is supported by a business model designed for resilience and durability. Our hallmark as a public company has been consistently delivering sustained low-double-digit ARR growth while steadily improving profitability and cash generation.

Our disciplined operating approach gives us the financial strength to focus on what comes next: investing to deliver on the promise of AI not just as technology, but as a force multiplier for the infrastructure professionals we serve.

By both delivering AI-powered solutions and enabling our users to build their own, we are creating a platform for innovation across the entire infrastructure lifecycle. We believe this platform approach will be essential to designing, building, and operating the resilient infrastructure our world needs, cementing our position as the industry's digital quartermaster, and ensuring our continued growth.

Sincerely,



Nicholas Cumins
Chief Executive Officer, Bentley Systems

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

(Mark One)

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2025

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: 001-39548

BENTLEY SYSTEMS, INCORPORATED

(Exact name of registrant as specified in its charter)

Delaware	**95-3936623**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
685 Stockton Drive **Exton, Pennsylvania**	**19341**
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: **(610) 458-5000**

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

Title of each class	Trading Symbol	Name of each exchange on which registered
Class B Common Stock, $0.01 Par Value	**BSY**	**The Nasdaq Stock Market LLC**

Securities registered pursuant to Section 12(g) of the Act: **None**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☒ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

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 has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☒

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

The aggregate market value of the voting stock held by non-affiliates of the registrant as of June 30, 2025, the last business day of the registrant's most recently completed second fiscal quarter, was $7.6 billion based on the closing price reported on the Nasdaq Stock Market LLC on that date. As of February 19, 2026, the registrant had 11,537,627 shares of Class A and 291,357,191 shares of Class B common stock outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the proxy statement for registrant's 2026 Annual Meeting of Stockholders (the "2026 Proxy Statement") are incorporated by reference in Part III of this Form 10-K to the extent stated herein. The 2026 Proxy Statement will be filed within 120 days of the registrant's fiscal year ended December 31, 2025.

BENTLEY SYSTEMS, INCORPORATED
FORM 10-K
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EXPLANATORY NOTE

This Annual Report on Form 10-K is for the year ended December 31, 2025. This Annual Report on Form 10-K modifies and supersedes documents filed before it. The United States ("U.S.") Securities and Exchange Commission ("SEC") allows us to "incorporate by reference" information that we file with it, which means that we can disclose important information to you by referring you directly to those documents. Information incorporated by reference is considered to be part of this Annual Report on Form 10-K. In addition, information that we file with the SEC in the future will automatically update and supersede information contained in this Annual Report on Form 10-K.

Unless indicated otherwise, throughout this Annual Report on Form 10-K, we refer to Bentley Systems, Incorporated and its consolidated subsidiaries, as "Bentley Systems," "Bentley," the "Company," "we," "us," and "our."

This Annual Report on Form 10-K contains trademarks, service marks, brands, or product names owned by us, as well as those owned by others.

Numerical information in this report is presented on a rounded basis using actual amounts. Minor differences in totals and percentage calculations may exist due to rounding.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Annual Report on Form 10-K includes forward-looking statements. All statements contained in this Annual Report on Form 10-K other than statements of historical facts, including statements regarding our future results of operations and financial condition, our business strategy, and plans and our objectives for future operations, are forward-looking statements. The words "believe," "may," "will," "could," "would," "seeks," "estimate," "continue," "anticipate," "intend," "expect," and similar expressions, as well as statements regarding our focus for the future, are intended to identify forward-looking statements. We have based these forward-looking statements largely on our current expectations, projections, and assumptions about future events and financial trends that we believe may affect our financial condition, results of operations, business strategy, short-term and long-term business operations and objectives, and financial needs. These forward-looking statements are subject to a number of risks, uncertainties, and assumptions, including those described in the section titled "Risk Factors." Moreover, we operate in a very competitive and rapidly changing environment. New risks emerge from time to time. It is not possible for our management to predict all risks, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements we may make. In light of these risks, uncertainties, and assumptions, the future events and trends discussed in this Annual Report on Form 10-K may not occur and actual results could differ materially and adversely from those anticipated or implied in the forward-looking statements. The forward-looking statements, as well as our Annual Report on Form 10-K as a whole, are subject to risks and uncertainties.

These statements are only current predictions and are subject to known and unknown risks, uncertainties, and other factors that may cause our or our industry's actual results, levels of activity, performance, or achievements to be materially different from those anticipated by the forward-looking statements. We discuss many of these risks in this Annual Report on Form 10-K in greater detail in the section titled "Risk Factors" and elsewhere in this Annual Report on Form 10-K. You should not rely upon forward-looking statements as predictions of future events.

Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, performance, achievements, events, or circumstances reflected in the forward-looking statements will occur. Except as required by law, we undertake no obligation to update any of these forward-looking statements after the date of this Annual Report on Form 10-K to conform these statements to actual results or revised expectations.

PART I

Item 1. Business

Our Business

Bentley Systems is the infrastructure engineering software company.

Our purpose is to advance the world's infrastructure for better quality of life. Our mission is to reshape how infrastructure systems and critical resources are delivered and optimized.

We were founded in 1984 by the Bentley brothers and on September 25, 2020, we completed our initial public offering ("IPO").

Our enduring commitment is to develop and support the most comprehensive portfolio of integrated software offerings across disciplines, sectors, geographies, and the infrastructure lifecycle, enabling digital workflows that improve project delivery and asset performance.

Our users design, build, and operate infrastructure assets for the following sectors:

- *Public Works/Utilities*, which represents approximately 59% of our sector-attributable annualized recurring revenues ("ARR")[1][2], includes roads, rail, bridges, tunnels, airports, and ports; federal, state, and municipal agencies; and networks for electricity, gas, water, wastewater, and communications;
- *Resources*, which represents approximately 27% of our sector-attributable ARR[1][2], includes mining, oil and gas upstream activities, offshore, pipelines, environmental management, and renewable energy;
- *Industrial*, which represents approximately 9% of our sector-attributable ARR[1][2], includes process and discrete manufacturing, oil and gas downstream activities, and power generation; and
- *Commercial/Facilities*, which represents approximately 5% of our sector-attributable ARR[1][2], includes campuses, office buildings, retail facilities, and hospitals.

Our Products and Offerings

We serve enterprises and professionals across the infrastructure lifecycle, from the design and construction of new projects to the operation and maintenance of existing assets. For projects, our software encompasses conception, planning, surveying, design, engineering, and construction, as well as the collaboration required to coordinate and share the work of interdisciplinary and/or distributed project teams. For assets, our software spans the operating life of commissioned infrastructure assets, allowing our accounts to manage engineering changes for safety and compliance and to model performance and reliability to support operations and maintenance decisions.

Bentley Open Applications and *Seequent* applications are primarily cloud-connected desktop modeling and simulation applications that support the breadth of engineering and geoprofessional disciplines.

Bentley Infrastructure Cloud, provided via cloud and hybrid environments, extends enterprise collaboration during project delivery and helps manage engineering information during operations and maintenance.

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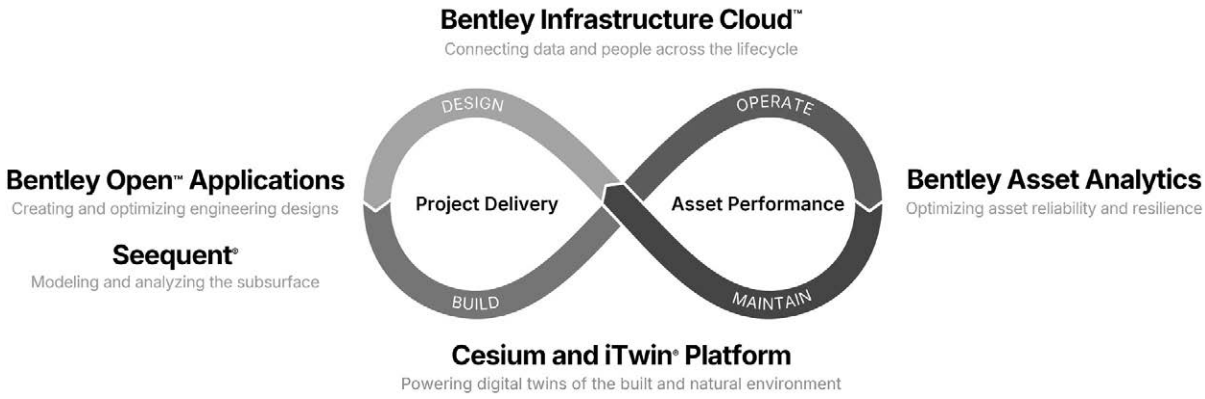
[1] Refer to the section titled "Key Business Metrics" included in Part II, Item 7 of this Annual Report on Form 10-K for additional information, including our definition and our use of ARR.

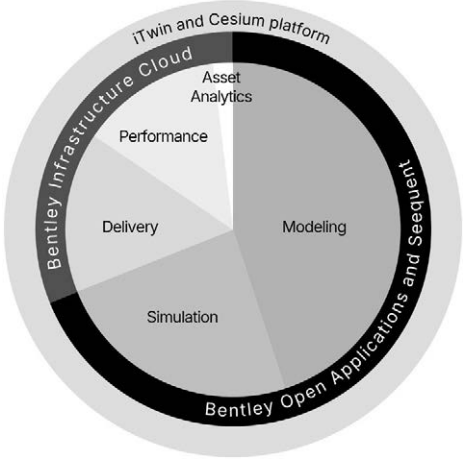
[2] Sector-attributable ARR refers to the proportion of our ARR which can be attributed either based on the sector-specific classification of the account and/or the sector-specific classification of the product giving rise to the ARR. The portions of our ARR which cannot be sector-attributed consist generally of ARR within accounts that are diversified engineering firms which work in multiple sectors, and as to that portion of their ARR which are for products that are not sector-specific, such as *MicroStation*, and structural or geotechnical modeling and simulation applications, and *ProjectWise*, which are used across any and all sectors.

Bentley Asset Analytics automatically detect and analyze issues to trigger key operational workflows, improving overall asset performance.

Powering these products is our *Cesium and iTwin Platform*, a cloud-native technology platform to create, curate, and leverage infrastructure digital twins. Through our platform, our products are becoming increasingly data-centric to take advantage of digital twin and artificial intelligence ("AI") capabilities.



The proportions of our revenues are referenced in the diagram below.



Our comprehensive portfolio of integrated software offerings comprises:

Bentley Open Applications. We offer an open modeling environment comprising domain-specific modeling and simulation applications that analyze the functional performance of designs. Our engineering applications work together to improve infrastructure engineering quality and productivity, resulting in better project designs and deliverables.

Bentley Open Applications support a wide variety of file formats – both Bentley and third-party – and industry standards and design codes, enabling digital workflows across design, simulation, and analysis, and ensuring engineering data is not locked in, but remains open and accessible. We take care to enable compatibility across successive generations of our applications, which enables engineers, throughout their careers, to maintain continuity with their preferred interfaces, formats, and methodologies, while advancing their work at the leading edge of innovation.

As infrastructure sectors move toward more data-centric workflows, we are developing a new generation of digital-twin native, AI-powered, and *Bentley Infrastructure Cloud*-connected applications to further improve individual and team productivity and collaboration. These new applications are designated with a plus symbol ("+") in each product's name.

Our open modeling applications include:

- *MicroStation*, for flexible 3D design and documentation, providing the common modeling environment upon which our applications are built;
- *OpenBridge*, for the 3D design and documentation of bridges;
- *OpenBuildings*, for the 3D design and documentation of buildings and their integrated structural, HVAC, electrical, and plumbing systems;
- *OpenFlows*, for the planning, design, and operation of water, wastewater, and stormwater systems, incorporating hydrological, hydraulic, and flood modeling;
- *OpenPlant*, for the 2D and 3D design and documentation of process plants;
- *OpenRail*, for the planning, 3D design, and documentation of rail and transit systems;
- *OpenRoads*, for the planning, 3D design, and documentation of roads and highways;
- *OpenSite* and *OpenSite+*, for the planning, 3D design, and documentation of building, residential development, and infrastructure sites;
- *OpenTower*, for the 3D design and analysis of communication towers;
- *OpenTunnel*, for the 3D design and analysis of tunnels;
- *OpenUtilities*, including *OpenUtilities Substation+*, for the design and management of electric, gas, water, wastewater, and district energy networks; and

Our open simulation applications include:

- *ADINA*, for nonlinear simulation and analysis;
- *AutoPIPE*, for analysis and simulation of pipe stress in industrial process plants;
- *MOSES*, for integrated offshore analysis and simulation;
- *Power Line Systems ("PLS")*, for analysis and simulation of overhead electric power transmission lines and their structures;
- *RAM*, for analysis and simulation of building structural performance;
- *SACS*, for analysis and simulation of offshore structural performance;
- *SPIDA*, for analysis and simulation of utility poles and overhead assets; and
- *STAAD*, for analysis and simulation of structures of all types.

Seequent. Our *Seequent* applications support modeling and simulation to help geoprofessionals and infrastructure engineers develop a detailed understanding, and take full account of, near and deep subsurface conditions.

These include industry-leading earth modeling, subsurface-data management, and geoprofessional team collaboration software and geotechnical products that supplement visible built-asset representations above ground with more probabilistic modeling of subsurface conditions.

Our geoprofessional applications include:

- *AGS*, for processing, inversion, and visualization of geophysical data;
- *Central*, for geological model management, to visualize, track, integrate, and manage geoscience data from a centralized, auditable environment;
- *Evo*, a geoscience data and compute platform, for integrated workflows and collaboration across *Seequent* and third-party products;
- *GeoStudio*, for integrated geotechnical analysis of slope stability, groundwater flow, and heat and mass transfer in soil and rock;
- *Imago*, for the capture and management of drilling core images;
- *Leapfrog*, for 3D implicit modeling designed to rapidly integrate, communicate, and interpret geological data;
- *MX Deposit*, cloud drill hole software for simplifying and controlling how drill and other field data is collected, managed, and shared throughout the lifecycle of an ore deposit from early exploration through to mine production;
- *Oasis montaj*, for the quality control, correction, visualization, analysis, and interpretation of geophysical, geologic and geochemical data;
- *OpenGround*, for geotechnical information management for collecting, reporting, managing, visualizing, analyzing, and accessing geotechnical data; and
- *PLAXIS*, for geotechnical analysis to solve common and complex geotechnical problems, including advanced analysis for excavations, foundations, tunnels, and other infrastructure projects.

Bentley Infrastructure Cloud. Our enterprise information system spans the end-to-end lifecycle and value chain of the world's infrastructure, helping engineers to produce higher quality deliverables, contractors to execute better with their supply chain, and owners to maintain a complete and accurate picture of their asset throughout its lifecycle.

Bentley Infrastructure Cloud encompasses:

- *Connect*, the foundational layer of *Bentley Infrastructure Cloud*, which provides a connected data environment and unified experience for infrastructure professionals to improve collaboration;
- *ProjectWise*, for advanced design and construction workflows;
- *SYNCHRO and SYNCHRO+*, for 4D construction modeling to visualize and assess sequencing strategies; and
- *AssetWise*, for asset operations and maintenance workflows.

By unifying data between engineering applications and enterprise systems, *Bentley Infrastructure Cloud* helps organizations manage their data in a single environment and enrich it across the lifecycle, for integrated workflows, improved collaboration, and increased productivity. Powered by our platform and infrastructure schemas and thus seamlessly integrating with *Bentley Open Applications*, *Bentley Infrastructure Cloud* enables better project delivery and asset performance through complete and evergreen digital twins.

Bentley Asset Analytics. Our asset analytics products unlock real-time insights and time-saving automation through AI-powered infrastructure digital twins to optimize asset performance and workflows. These offerings are applied to specific asset types and use cases.

Bentley Asset Analytics includes:

- *Bentley OpenPaths*, for multimodal transport network modeling and travel demand forecasting;
- *Blyncsy*, for inspecting and detecting roadway conditions;
- *Bridge Monitoring*, for identifying and classifying bridge defects;
- *Dam Monitoring*, for assessing, monitoring, and analyzing risks to dams;
- *LEGION*, for pedestrian traffic simulation;
- *OpenTower iQ*, for creating digital twins of cell tower infrastructure;
- *Pointivo* technologies, for drone data processing, AI-powered damage detection, and geolocation; and
- *Talon*, for sites surveys, inspections, and asset digitization across wireless telecom, broadband, and electric utilities.

Cesium and iTwin Platform. Our *Cesium and iTwin Platform* for developing infrastructure digital twin applications leveraging our infrastructure schemas, enables users to create and curate cloud-native digital representations of physical infrastructure assets, incorporating underlying engineering information federated with operational and enterprise data, and then to model, simulate, analyze, synchronize, track, and predict performance over time. Using digital twins, our users can more fully extend digital workflows across the entire infrastructure lifecycle, increasing the value of infrastructure engineers' work.

The platform was augmented through the acquisition of Cesium in September 2024. *Cesium* technology is used to develop powerful 3D geospatial applications—helping organizations understand their assets, environments, and operations in a 3D geospatial context. The combination of *Cesium* and *iTwin* capabilities enables developers and users to seamlessly align 3D geospatial data with engineering, operational, and enterprise data to create digital twins with astonishing user experiences that scale from vast infrastructure networks to the millimeter-accurate details of individual assets.

Through our platform, we are adding digital twin capabilities to our existing products and developing a new generation of data-centric and AI-powered offerings. The platform also supports a thriving ecosystem of third-party developers who use our open standards-based and open source tools and open application programming interfaces (APIs) to develop applications for the built and natural environment. With tens of thousands of developers, Cesium is the de-facto developer platform for 3D geospatial applications. The combination of *Cesium* and *iTwin* provides new opportunities for growth and value creation for this developer ecosystem.

Additionally, some capabilities of the platform are offered as discrete *iTwin* products. These include:

- *iTwin Capture*, for capturing, modeling, analyzing, and sharing reality data, enabling users to easily create engineering-ready, high-resolution 3D meshes of infrastructure assets using drone video and survey imagery;

- *iTwin Engage*, for enabling infrastructure teams and their stakeholders to engage with immersive, photorealistic renderings of existing and future infrastructure assets;

- *iTwin Experience*, for visualizing and navigating digital twins, empowering owner-operators and their constituents with insights into critical infrastructure; and

- *iTwin IoT*, for acquiring and analyzing sensor data, enabling users to seamlessly incorporate Internet of Things ("IoT") data created by sensors and condition monitoring devices for real-time safety and risk monitoring in infrastructure construction and operations activities.

Comprehensiveness of Our Offerings

Our offerings are comprehensive across professional disciplines, infrastructure sectors, geographies, and the infrastructure lifecycle, resulting in what we believe to be durable competitive advantages:

Professional Disciplines. Each infrastructure project requires seamless and deep collaboration among professional disciplines, which can include civil, structural, geotechnical, subsurface, and process engineers; architects; geospatial professionals; city and regional planners; contractors; fabricators; and operations and maintenance engineers. Our open modeling and simulation applications facilitate iterative interactions between disciplines and coordination across project participants. Additionally, we believe our collaboration systems lead the market in managing infrastructure engineering firms' preferred work-in-progress workflows.

Lifecycle Stages. Both project delivery enterprises and owner-operators benefit from our software, which enables digital workflows to extend across the infrastructure lifecycle, from design to construction and ultimately asset management. This capability allows our users' digital engineering models to be leveraged as the context for real-time condition monitoring to achieve better and safer operations and maintenance.

Infrastructure Sectors. Most major engineering and project delivery firms pursue an ever-changing mix of projects across the public works/utilities, industrial, resources, and commercial/facilities sectors and for flexibility tend to favor an infrastructure engineering software vendor whose portfolio correspondingly spans their full breadth. This comprehensiveness provides diversification for our own business, as an incidental advantage. For example, when there have been cyclical downturns in the primarily privately-financed industrial, resources, and commercial/facilities sectors, we have historically witnessed offsetting counter-cyclical government investment in public works/utilities.

Geographies. While design codes may vary by country, infrastructure purposes and engineering practices are fundamentally the same throughout the world, which makes it possible for our infrastructure modeling applications to be used globally. Our offerings are available in most major languages, supporting country-specific design codes, standards, and conventions. Our development teams are also globally dispersed, due in part to acquisitions made in various countries, but also to provide any needed last-mile localization of our applications. Our global comprehensiveness enables our project delivery accounts to compete more efficiently across geographic markets, thus also providing global supply-chain sourcing choices for owners.

Digital Twins and AI

Over our company's history, as computing capabilities have advanced, the scope of infrastructure engineering software has correspondingly increased. However, project and asset software markets have developed independently from one another, resulting in disconnected digital workflows. We believe the advancement from siloed project-specific software, including for computer-aided design (CAD) and building information modeling (BIM), and asset-specific software, including for geographic information systems (GIS), to unified and evergreen infrastructure digital twins will have the effect of merging what have been to date separate market spaces as well as enabling new use cases that were not possible or practical with previous technologies.

We believe that the growing adoption of data-centric workflows, via infrastructure digital twins, will serve to overcome the factors that have held back the digital advancement of infrastructure engineering and will facilitate the broader use of engineering data in the operation of infrastructure assets. Moreover, we believe that due to the comprehensiveness of our offerings across the infrastructure lifecycle, infrastructure digital twins and newly enabled digital workflows spanning design, construction, and operations will most particularly benefit our users and enhance our competitiveness.

This includes the increasing use of AI, which represents a paradigm shift for infrastructure sectors, which create massive amounts of data during design, construction, and operations. Infrastructure organizations can leverage AI during project delivery to automate repetitive tasks and more, enabling engineers to focus on higher-value activities. They can also apply AI during operations to analyze data for insights into asset conditions.

We believe that helping infrastructure organizations deploy AI across the lifecycle represents a significant opportunity for Bentley. With *Bentley Infrastructure Cloud*, organizations can unlock access to their data, freeing it from closed formats and aligning it to open schemas, to enable AI across projects. *Bentley Infrastructure Cloud* also helps organizations maintain a digital thread from design through construction and operations, enabling AI-based performance recommendations.

We are also embedding AI capabilities across our comprehensive portfolio of integrated software offerings. For example, Bentley Copilot is a context-aware AI assistant that guides users through workflows, surfaces relevant information, and can make changes to design models; our next-generation applications such as *Bentley OpenSite+* include native AI capabilities, e.g., for drawings production; and *Bentley Asset Analytics* products include AI agents that automatically identify maintenance issues and recommend preventive action.

Our Commercial Offerings

Licensing and Subscriptions

We offer a variety of licensing and subscription options so that users can choose what works best for them, their project, and their organization.

For larger organizations with centralized management of their engineering software portfolio, we offer our Enterprise 365 ("E365") subscription. Our E365 subscription is an all-inclusive global consumption-based plan which provides access to our comprehensive portfolio of integrated software offerings with uniform pricing across all countries. E365 subscriptions require a Cloud Services Subscription ("CSS") (described below) and are charged to accounts primarily based upon daily usage or elective subscriptions, dependent on product. They are also inclusive of "Enterprise Services" (described below). Our *Bentley Infrastructure Cloud* offerings utilized under E365 are charged based on the total number of users within a calendar quarter, or fixed asset bands, respectively. While the majority of our E365 subscriptions revenue is attributed to daily consumption of our applications, E365 subscriptions typically contain floors or ceilings on usage charges.

A perpetual license for Bentley software is a one-time purchase with an annual maintenance subscription, called SELECT, which includes 24/7 technical support, access to learning resources, and the ability to exchange licenses for other software once a year. In addition, SELECT offers license pooling, which enables software access from multiple computers, and term licenses, which enables users to access software beyond their license entitlements for monthly or quarterly periods to cover short-term surges in their workload.

We also offer a 12-month named-user subscription including license, training, and knowledgeable engineering support procured through our e-store, Virtuosity, which is a convenient and cost-effective way for infrastructure professionals in small- and medium-sized businesses ("SMBs") to access Bentley software.

We deliver our *Bentley Infrastructure Cloud* capabilities under our CSS, charged quarterly based on the number of users of various levels of functionality. Pricing includes cloud provisioning, although some accounts elect on-premises and/or hybrid hosting.

CSS streamlines the procurement, administration, and payment process for us and our accounts for cloud offerings, term licenses, and recurring services. Participants in our E365 program use CSS as the funding mechanism for their subscription. At the end of 2025, accounts representing approximately 60% of our total ARR[(1)] had chosen to implement, for licensing of our software, our commercial models eligible under CSS.

Enterprise Services

For our enterprise accounts, services are delivered via proactive and continuous engagement with users and accounts with business outcomes in mind, ensuring that accounts achieve optimal results from our software. This collaborative process culminates in a statement of work that outlines specific, structured engagements called "Blueprints." These services are offered both virtually and in-person, delivered by colleagues, most with domain experience and credentials in infrastructure engineering. Enterprise services, based on allotted credits, are bundled into our E365 subscription.

We also offer specialized services, including services to support *Bentley Infrastructure Cloud* implementations and advisory services to aid organizations in adopting digital technologies and workflows.

Our Primary Growth Initiatives

Incremental to our long-standing programmatic acquisition strategy, we have determinedly invested internal resources to accelerate organic growth, with increasing success, through the following primary growth initiatives:

- ***Accretion in Enterprise Accounts*:** We have established that E365 helps our accounts implement, propagate, and upgrade our offerings more quickly, encouraging greater consumption of our software and stronger account relationships. We intend to continue to expand the reach of our E365 subscription within virtually all of our enterprise accounts;

- ***Accretion in SMBs*:** New business from SMB accounts, including from hundreds of new "logos" each quarter, has become a substantial contributor to our overall ARR growth[(2)], and we are encouraged to continue investment in our Virtuosity business and e-store. Development and deployment of a "low touch" and ultimately "no touch" digital experience will enable this business to further scale and align with the market potential; and

- ***Asset Analytics:*** The third growth initiative involves further expansion into asset operations and maintenance, leveraging digital twin opportunities to be incrementally monetized through cloud subscriptions charged per asset. Our *Bentley Asset Analytics* portfolio leverages digital twin and AI capabilities to generate discrete and actionable insights of existing infrastructure assets.

Our Accounts

We provide our software to nearly 42,000 accounts in 189 countries worldwide. Our revenues are balanced and diversified between engineering and construction contracting firms who work together to deliver the design and construction of capital projects (representing 52%, 51%, and 50% of our 2025, 2024, and 2023 total revenues, respectively), and their clients, the world's public and private infrastructure asset owners and operators (representing 48%, 49%, and 50% of our 2025, 2024, and 2023 total revenues, respectively).

We bring our offerings to market primarily through direct sales channels, including through our account managers and our Virtuosity inside sales colleagues and e-store, which generated approximately 94% of our 2025 total revenues. We also rely on specialist channel partners in geographic regions where we do not currently have a meaningful presence or where, for some of our offerings, direct sales efforts are less economically feasible. Channel partners accounted for approximately 6% of our 2025 total revenues.

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(1) Refer to the section titled "Key Business Metrics" included in Part II, Item 7 of this Annual Report on Form 10-K for additional information, including our definition and our use of ARR.

(2) Refer to the section titled "Key Business Metrics" included in Part II, Item 7 of this Annual Report on Form 10-K for additional information, including our definition and our use of ARR growth rate.

We do not have material account concentration. No account, including any group of accounts under common control or accounts that are affiliates of each other, represented more than 2% of our total revenues in 2025, 2024, or 2023.

Our Acquisitions

Since our founding, we have purposefully pursued a strategy of acquiring and integrating specialized infrastructure engineering software businesses, including 8 acquisitions over the past three years. Most acquired products had already been interfacing with our platform prior to acquisition, and our acquisition purpose is typically to improve their technical and commercial integration.

As a public company, we have been able to make platform acquisitions which appreciably increase our scale and/or the scope of our platform capabilities. Our platform acquisitions have been:

- *Seequent Holdings Limited* (2021), to enable infrastructure digital twin capabilities to incorporate modeling and simulation of full subsurface depths, and advancing infrastructure resilience and sustainability by helping geoprofessionals to understand environmental conditions and to mitigate environmental risks; and

- *PLS* (2022), to bring design, analysis, and management of overhead electric power transmission lines and structures to our grid digital twin offerings. PLS substantially completes the reach of our comprehensive portfolio for the lifecycle integration of grid infrastructure across electrical transmission, substation, and distribution assets, and communications towers.

Our programmatic acquisitions, which most often "fill white space" within our ecosystem, add their value principally by enhancing our platform comprehensiveness, and accordingly we consider this programmatic aspect of our growth as characteristically within our mainstream business performance (unlike platform acquisitions). Our average historical ARR growth rate[(1)] from programmatic acquisitions over the past three years has been less than 1% measured on a constant currency basis.

Our Competition

The market for our software is highly competitive and subject to change. We compete against large, global, publicly-traded companies that have resources greater than our own, and against small, new, or geographically-focused firms that specialize in developing niche software offerings. While we do not believe that any competitor offers a portfolio as comprehensive as ours, we do face strong competition, varying by infrastructure lifecycle phase and sector:

- our key competitors in *Public Works/Utilities* applications include Autodesk, Inc., Trimble Inc., and Hexagon AB;

- our key competitors in *Resources* applications include Hexagon AB and the AVEVA unit of Schneider Electric, as well as Dassault Systèmes, Datamine, Maptek, RMS, and Micromine in mining;

- our key competitors in *Industrial* applications include Hexagon AB and the AVEVA unit of Schneider Electric;

- our key competitors in *Commercial/Facilities* applications include Autodesk, Inc., Nemetschek SE, and Trimble Inc.;

- our key competitors in project delivery systems include Autodesk, Inc. and Oracle Corporation; and

- our key competitors in asset performance systems include the AVEVA unit of Schneider Electric, Esri, and GE Vernova.

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(1) Refer to the section titled "Key Business Metrics" included in Part II, Item 7 of this Annual Report on Form 10-K for additional information, including our definition and our use of ARR growth rate.

The principal competitive factors affecting our market include:

- product features, performance, and effectiveness;
- reliability and security;
- openness and the ability to integrate with other technologies;
- price, commercial model, and total cost of use; and
- brand awareness and reputation.

We believe we compete favorably against our competitors based on the factors above and that we distinguish ourselves through the comprehensiveness of our software offerings portfolio, our commitment to both integration and interoperability across the entire infrastructure lifecycle, our flexible commercial models, and our direct sales channels.

Our Research and Development

We make substantial investments in research and development because we believe the infrastructure engineering software market presents compelling opportunities for the application of new technologies that advance our current offerings. Our research and development roadmap balances technological advances and new offerings with continuous enhancements to existing offerings. Our allocation of research and development resources is guided by management-established priorities, input from product managers, and feedback from various channels including users and user-facing teams.

As part of our resource allocation process, we also conduct a cost-benefit analysis of acquiring available technology in the marketplace versus developing our own software.

Our Intellectual Property

We believe that the success of our business depends more on the quality of our proprietary software, technology, processes, and domain expertise than on copyrights, patents, trademarks, and trade secrets. While we consider our intellectual property rights to be valuable, we do not believe that our competitive position depends primarily on obtaining legal protection for our software and technology. Instead, we believe that our competitive position depends primarily on our ability to maintain a leadership position by developing innovative proprietary software, technology, information, processes, and know-how. Nevertheless, we rely on a combination of copyrights, patents, trademarks, and trade secrets in the U.S. and other jurisdictions to secure our intellectual property, and we use contractual provisions and non-disclosure agreements to protect it. In addition, from time to time we enter into collaboration arrangements and in-bound licensing agreements with third parties, including certain of our competitors, in order to expand the functionality and interoperability of our software. We are not substantially dependent upon any one of these arrangements, and we are not obligated to pay any material royalty or license fees with respect to them.

Our patents cover systems and methods relating to various aspects of software for infrastructure design and modeling, collaboration and work-sharing, and infrastructure asset operations. Among other things, our patents address a broad range of issues in infrastructure domains from analyzing building energy usage and structural analysis, railway system maintenance, water network design and operation, and augmented reality, as well as techniques for creating, storing, displaying, and processing infrastructure models.

To innovate and increase our strategic position, our software developers are incentivized to alert our internal patent committee to innovations that might be patentable or of strategic value. We also assess appropriate occasions for seeking patent and other intellectual property protections for aspects of our technology and offerings that we believe constitute innovations providing significant competitive advantages, both domestically and outside of the U.S.

Despite the foregoing, our intellectual property rights may not be successfully asserted in the future or may be invalidated, circumvented, or challenged by third parties. Moreover, the laws and enforcement of the laws of various foreign countries where our products are licensed do not protect our intellectual property rights to the same extent as U.S. laws. Enforcement of intellectual property rights against alleged infringers could lead to costly litigation and counterclaims, and our inability or perceived inability to protect our proprietary information could harm our business. While we have recovered some revenue resulting from the unauthorized use of our software, we are unable to measure the full extent to which unauthorized use of our software products exists.

Our Production and Suppliers

Our principal supplier of cloud services is Microsoft, with whom we have entered into a multi-year contract for a committed level of expenditures for Azure. We added Google Cloud as a cloud service provider in 2024 to expand our delivery capabilities and optimize costs.

Impact at Bentley

Around the world, infrastructure professionals rely on Bentley software to help them design, build, and operate better and more resilient infrastructure for transportation, water, energy, cities, and more. Our greatest opportunity for impact is through the products and services we provide that empower our users to achieve sustainable development goals by realizing outcomes that are more sustainable and resilient. Our impact strategy is rooted in our passion for advancing infrastructure challenges by enabling the building of a better world.

The four pillars of this strategy include:

- *Handprint*. The ways in which we empower our users to design, build, and operate sustainable infrastructure and collaborate across enterprises to create a better and more resilient future for all;

- *Footprint*. The actions we are taking to minimize environmental impacts across the business by closely managing, monitoring, and improving our operations;

- *Social*. The programs and processes that foster an inclusive culture where our colleagues and communities can thrive and do the best work of their careers, as well as the ways we are helping to grow the pipeline of infrastructure engineers through education, recruitment, and community engagement; and

- *Governance*. Our approach to effective governance is to ensure the highest level of accountability and compliance rigor.

We look forward to sharing updates for our full-year 2025 performance in our next Impact Report, scheduled to be published in the second quarter of 2026. To learn more, visit the impact portion of our website at www.bentley.com/company/impact/. The information posted on this website is not incorporated into this Annual Report on Form 10-K.

Human Capital Management

Our colleagues are a key success factor in driving our continued growth. We create an enriching colleague experience, underscored by our mission, actions, and priorities (MAP) in which colleagues can do the best work of their career while making a positive impact by advancing the world's infrastructure.

As of December 31, 2025, we had approximately 5,800 full-time colleagues globally, including approximately 2,400 in the Americas (the U.S., Canada, and Latin America, including the Caribbean); approximately 1,600 in Europe, the Middle East, and Africa ("EMEA"); and approximately 1,800 in Asia-Pacific ("APAC"). None of our full-time U.S. colleagues are unionized. Outside the U.S., a small overall portion of our colleagues in certain countries are represented by a colleague representative organization, such as a union or colleague association. Our colleagues bring nearly 70 languages to fulfill the needs of our globally dispersed accounts and users. Our colleagues are highly qualified with an average of seven years of total service and advanced academic credentials, including over 160 doctoral degrees and over 1,400 master's-level degrees.

Colleague Experience

We achieve a strong level of performance, engagement, and belonging through focused efforts to build trust and enhance personal and organizational experiences, empowering colleagues to learn and grow every day, providing recognition for great work, and supporting colleague wellbeing. We encourage meaningful and continuous feedback through biannual performance reviews, engagement surveys, and two-way communication to ensure colleagues are equipped to succeed.

Talent Acquisition

We believe our Company's purpose, mission, values, and culture are drivers for attracting and retaining colleagues. Our talent acquisition strategy leverages best practices to attract, engage, and hire top talent quickly and effectively. We enjoy high levels of colleague referrals to supplement our corporate hiring practices, and nurture relationships with agencies and universities around the world to hire talented professionals and graduates, all of which provides a strong talent pipeline.

Professional Development

We invest in continuous professional development through targeted classroom style programs, peer collaboration, and experiential learning opportunities. Our colleagues have opportunities to learn from peers, mentors, leaders, subject matter experts, or by taking advantage of AI agents to role-play and get real-time feedback. Our investment in growth and development for all roles fosters a unified "One Bentley" mindset and builds a robust pipeline of internal successors for key roles across the organization.

Belonging and Inclusion

We are a global company with colleagues of different cultures, backgrounds, and perspectives based in 45 countries worldwide and speaking nearly 70 languages. We strive to build a culture where all colleagues feel a sense of belonging so that they can fully realize their potential and produce their best work.

Our executive management team and senior leaders are integral partners in this mission, acting as executive sponsors for key Belonging and Inclusion initiatives. Our Inclusion, Diversity, and Equity Alliance ("IDEA") program includes colleague-led resource groups, open to all colleagues, that empower their members to join peers from across the business and the globe to foster belonging and inclusion. Through events and programming, IDEA offers support, education, networking, and professional development opportunities to our global colleagues.

Corporate Information

Bentley Systems, Incorporated was incorporated in Delaware in 1987 and is headquartered in Exton, Pennsylvania.

Website Access to Reports

Our internet address is www.bentley.com. The information posted on our website is not incorporated into this Annual Report on Form 10-K. Our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and amendments to reports filed or furnished pursuant to Sections 13(a) and 15(d) of the Securities Exchange Act of 1934, as amended, are available free of charge on the SEC's website at www.sec.gov and on the Investor Relations portion of our website at www.bentley.com (or investors.bentley.com) as soon as reasonably practicable after we electronically file such material with, or furnish it to, the SEC.

Item 1A. Risk Factors

The following is a discussion of the material factors that make an investment in the Company and its securities speculative or risky. The risks described herein are not the only risks we may face. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial may also materially adversely affect our business, financial condition, results of operations, or cash flows.

Risks Related to Our Business and Industry

Demand for our software is subject to volatility in our accounts' underlying businesses, which includes infrastructure projects that typically have long timelines.

Our sales are based significantly on accounts' demand for software in the following infrastructure sectors: (i) public works/utilities; (ii) resources; (iii) industrial; and (iv) commercial/facilities. Although these sectors are typically countercyclical to one another in nature, each periodically experiences economic declines and may be exacerbated by other economic factors. If participants in any of these sectors reduce spending or allocate future funding in a manner that results in fewer infrastructure improvement or expansion projects, then our accounts' underlying business may be impacted and demand for our software may decrease or our rate of contract renewals may decrease. A prolonged decrease in such spending may harm our results of operations. Our accounts may request discounts or extended payment terms on new arrangements or seek to extend payment terms on existing arrangements due to lower levels of infrastructure spending or for other reasons, all of which may reduce revenue. We may not be able to adjust our operating expenses to offset such discounts or other arrangements because a substantial portion of our operating expenses is related to personnel, facilities, and marketing programs. The level of personnel and related expenses may not be able to be adjusted quickly and is based, in significant part, on our expectations for future revenues and demand.

Infrastructure projects typically have long timelines and we may invest in building capacity based on expected demand for our software that takes longer to develop than we expect or fails to develop at all. Additionally, government spending on infrastructure may decrease, which could decrease the demand for our software and have a negative impact on our results of operations. We may not be successful in forecasting future demand levels and could fail to win business at the expected rates. If we underestimate the demand for our software, we may be unable to fulfill the increased demand in a timely fashion or at all. If we overestimate the demand for our software, we may incur additional expenses for which we would not have corresponding revenues, negatively impacting our results of operations.

The majority of our revenues and an increasing percentage of our operations are attributable to operations outside the U.S., and our results of operations therefore may be materially affected by the legal, regulatory, social, political, economic, and other risks of foreign operations.

Approximately 59%, 58%, and 58% of our total revenues were from outside the U.S. for the years ended December 31, 2025, 2024, and 2023, respectively. We anticipate that revenues from accounts outside the U.S. will continue to comprise a majority of our total revenues for the foreseeable future.

Our international revenues, including from emerging economies, are subject to general economic and political conditions in foreign markets and our revenues are impacted by the relative geographical and country mix of our revenues over time. These factors could adversely impact our international revenues and, consequently, our business. Our dependency on international revenues also makes us more exposed to global economic and political trends, which can negatively impact our financial results. Further, our operations outside the U.S. are subject to legal, regulatory, social, political, economic, and other risks inherent in international business operations, including, without limitation, local product preference and product requirements, trade protection measures, sanctions, quotas, embargoes, import and export licensing requirements, duties, tariffs or surcharges and more stringent regulations relating to privacy and data security and access to, or use of, commercial and personal information.

The occurrence of any one of these risks could negatively affect our international business and, consequently, our business, financial condition, and results of operations. Additionally, operating in international markets requires significant management attention and financial resources. We cannot be certain that the investment and additional resources required to operate in other countries will produce desired levels of revenue or profitability.

Decreased investment by APAC, including China, may have a negative effect on our business.

Approximately 18% of our total revenues for the years ended December 31, 2025, 2024, and 2023 relate to infrastructure projects in APAC, including China. We cannot assure you that spending in these countries on infrastructure projects will continue at historical levels or increase in the future, or that demand for our software in APAC in general will not be negatively affected by reductions in spending or other limitations.

We are exposed to fluctuations in currency exchange rates that could negatively impact our financial results and cash flows.

We sell our software in 189 countries, primarily through a direct sales force located throughout the world. Approximately 59%, 58%, and 58% of our total revenues were from outside the U.S. for the years ended December 31, 2025, 2024, and 2023, respectively. As we continue to expand our presence in international regions, the portion of our revenues, expenses, cash, accounts receivable, and payment obligations denominated in foreign currencies continues to increase. Further, we anticipate that revenues from accounts outside of the U.S. will continue to comprise the majority of our total revenues for the foreseeable future.

Because of our international activities, we have revenues, expenses, cash, accounts receivable and payment obligations denominated in foreign currencies. For the years ended December 31, 2025, 2024, and 2023, 33%, 34%, and 35%, respectively, of our total revenues were denominated in a currency other than the U.S. dollar. As a result, we are subject to currency exchange risk. Our revenues and results of operations are adversely affected when the U.S. dollar strengthens relative to other currencies and are positively affected when the U.S. dollar weakens. As a result, changes in currency exchange rates will affect our financial condition, results of operations, and cash flows. In the event that there are economic declines in countries in which we conduct transactions, the resulting changes in currency exchange rates may affect our financial condition, results of operations, and cash flows. We are most impacted by movements in and among the euro, British pound, Canadian dollar, Australian dollar, Chinese yuan renminbi, and New Zealand dollar. For example, the Chinese yuan renminbi has fluctuated against the U.S. dollar, at times significantly and unpredictably, due to changes in foreign exchange for a wide variety of reasons, including actions instituted by China. Because of changes in trade between the U.S. and China, and renminbi internationalization, China may in the future announce further changes to the exchange rate system, and we cannot assure you that the renminbi will not appreciate or depreciate significantly in value against the U.S. dollar in the future.

In addition, countries in which we operate may be classified as highly inflationary economies, requiring special accounting and financial reporting treatment for such operations, or such countries' currencies may be devalued, or both, which may harm our business, financial condition, and results of operations.

We cannot predict the impact of foreign currency fluctuations and we may not be successful in minimizing the risks of these fluctuations. In addition, the fluctuation and volatility of currencies, even when it increases our revenues or decreases our expenses, impacts our ability to accurately predict our future results and earnings.

We may not be able to increase the number of new subscription-based accounts or cause existing accounts to renew their subscriptions, which could have a negative impact on our future revenues and results of operations.

We may not be able to increase demand for our subscription-based services in line with our growth strategy. Our accounts are not obligated to renew their subscriptions for our offerings, and they may elect not to renew. We cannot assure renewal rates or the mix of subscriptions renewals. Account renewal rates may decline or fluctuate due to a number of factors, including offering pricing, competitive offerings, account satisfaction, and reductions in account spending levels or account activity due to economic downturns or financial markets uncertainty. If our

accounts do not renew their subscriptions or if they renew on less favorable terms, our revenues may decline, which could harm our business, financial condition, and results of operations.

Consolidation among our accounts and other enterprises in the markets in which we operate may result in a loss of business.

It is likely that some of our existing accounts will consolidate, be acquired, or experience a change in management, which could lead to a decrease in the size of our account base. We expect consolidation among our accounts as they attempt to strengthen or maintain their market positions. If two or more of our accounts consolidate, they may also wish to consolidate the software and services that we provide to them. If an existing account is acquired by another company that uses the software of one of our competitors, we may lose business in that account to our competitor. In addition, if an account experiences a change in management, the new management team may be accustomed to the software of one of our competitors, and we could lose that account. Any such consolidation, acquisition, or management change could lead to pricing pressure, erosion of our margins, loss of accounts, and loss of market share, all of which could harm our business, financial condition, and results of operations.

We have in the past and expect to continue in the future to seek to grow our business through acquisitions of or investments in new or complementary businesses, software, or technologies, and the failure to manage acquisitions or investments, or the failure to integrate them with our existing platform and business, could harm us.

Since our founding, we have strategically acquired and integrated numerous software assets and businesses. We may, however, be unable to identify suitable acquisition candidates in the future or, if suitable candidates are identified, we may be unable to complete the business combination on commercially acceptable terms. The process of exploring and pursuing acquisition opportunities may result in devotion of significant management and financial resources.

Even if we are able to consummate acquisitions that we believe will be successful, these transactions present many risks including, among others, failing to achieve anticipated synergies and revenue increases, difficulty incorporating and integrating the acquired technologies or software solutions with our offerings and existing applications, difficulties managing an acquired company's technologies or lines of business or entering new markets where we have limited prior experience or where competitors may have stronger market positions, the loss of key colleagues, accounts, and channel partners of ours or of the acquired company, and the requirement to test and assimilate the internal control processes of the acquired business in accordance with the requirements of Section 404 of the Sarbanes-Oxley Act of 2002.

Quality problems, defects, errors, failures, or vulnerabilities in our software or services could harm our reputation and adversely affect our business, financial condition, results of operations, and prospects.

Our offerings are, in some cases, highly complex and incorporate advanced software technologies that we attempt to make interoperable with the products of other software providers. Despite testing prior to release, our software may contain undetected defects or errors. Further, the combined use of our software with those of other software providers may cause errors or failures, or it may expose undetected defects, errors, or failures in our software. These defects, errors, or failures could affect software performance and damage the businesses of our accounts, as well as delay the development or release of new software or new versions of software. Further, we cannot guarantee that all of our accounts are using the latest versions of our software with enhanced security features and may be more vulnerable to cyber-attacks. Allegations of unsatisfactory performance in any of these situations could damage our reputation in the market and our relationships with our accounts, cause us to lose revenue or market share, increase our service costs, cause us to incur substantial costs in analyzing, correcting, or redesigning the software, cause us to lose accounts, subject us to liability for damages, and divert our resources from other tasks, any one of which could adversely affect our business, financial condition, results of operations, and prospects. We may also be required to provide full replacements or refunds for such defective software. We cannot assure you that such remediation would not harm our business, financial condition, results of operations, and prospects.

Our business, financial condition, results of operations, and prospects may be harmed if we are unable to cross-sell our software offerings.

A significant component of our growth strategy is to increase the cross-selling of our software offerings to current and future accounts, however, we may not be successful in doing so if our accounts find our additional offerings to be unnecessary or unattractive. We have invested, and intend to continue to invest, significant resources in developing and acquiring additional software offerings, which resources may not be recovered if we are unable to successfully cross-sell these offerings to accounts using our existing software. Any failure to sell additional software offerings to current and future accounts could harm our business, financial condition, results of operations, and prospects.

There are significant costs and restrictions associated with the repatriation of cash from our non-U.S. operations.

Our cash and cash equivalents balances are concentrated in a few locations around the world, with approximately 68% and 96% of those balances held outside of the U.S. as of December 31, 2025 and 2024, respectively. Cash repatriation restrictions may limit our ability to repatriate cash held by our foreign subsidiaries. Additionally, the repatriation of cash held by our foreign subsidiaries may result in adverse tax consequences. Any repatriation of cash may be restricted or may result in our incurring substantial costs. As a result, we may be required to seek sources of cash to fund our operations, including through the issuance of equity securities, which may be dilutive to existing stockholders, or by incurring additional indebtedness. There can be no assurance that we will be able to secure sources of financing on terms favorable to us, or at all.

From time to time we realign or introduce new business initiatives, including reorganizing our sales and marketing, research and development, and administrative functions; if we fail to successfully execute and manage these initiatives, our results of operations could be negatively impacted.

We rely heavily on our direct sales force. From time to time, we reorganize and make adjustments to our sales leadership and/or our sales force in response to such factors as management changes, performance issues, market opportunities, and other considerations. These changes may result in a temporary lack of sales production and may adversely impact revenues in future quarters. Market acceptance of any new business or sales initiative is dependent on our ability to match our accounts' needs at the right time and price. There can be no assurance that we will not restructure our sales force in future periods or that the transition issues associated with such a restructuring will not occur. Similarly, reorganization of our research and development and administrative functions can disrupt our operations and negatively impact our results of operations if the execution is not managed properly. If any of our assumptions about expenses, revenues, or revenue recognition principles from these initiatives proves incorrect, or our attempts to improve efficiency are not successful, our actual results may vary materially from those anticipated, and our financial results could be negatively impacted.

A portion of our revenues are from sales by our channel partners and we could be subject to loss or liability based on their actions.

Sales through our global network of independent regional channel partners accounted for 6%, 7%, and 8% of our total revenues for the years ended December 31, 2025, 2024, and 2023, respectively. These channel partners sell our software in geographic regions where we do not have a meaningful presence, and in niche markets where they have specialized industry and technical knowledge. Where we rely on channel partners, we may have reduced contact with ultimate users that purchase through such channel partners, thereby making it more difficult to establish brand awareness, ensure proper installation, service ongoing requirements, estimate demand, and respond to the evolving needs of an account. Any of our channel partners may choose to terminate its relationship with us at any time. As a result, our ability to service the ultimate users who were interfacing with that channel partner may take time to develop as we divert resources to service those users directly or find a suitable alternative channel partner to continue the relationship. Any disruption in service may damage our reputation and business. In addition, our channel partners may be unable to meet their payment obligations to us, which would have a negative impact on our financial results. Our channel partners may also not have loyalty to our brand and therefore may not be particularly motivated to sell our software or services.

The use of channel partners could also subject us to lawsuits, potential liability, and reputational harm if, for example, any channel partners misrepresent the functionality of our software or services to accounts, fail to comply with their contractual obligations, or violate laws or our corporate policies. Such actions may impact our ability to distribute our software into certain regions and markets, and may have an adverse effect on our results of operations and cash flows.

We incorporate artificial intelligence and machine learning (collectively "AI" herein this item) into our software offerings, and challenges with properly managing its use could result in reputational harm, or liability, and adversely affect our operations.

We believe AI represents a paradigm shift for infrastructure sectors. We are building and embedding AI capabilities across our comprehensive portfolio of integrated software offerings to support and accelerate the use of AI by our users and accounts. We expect data-centric and AI-powered offerings to help drive future growth in our business but there can be no assurance that we will realize the anticipated growth or benefits. As with many innovations, there may be slow adoption, regulatory challenges, or we may fail to appropriately implement and market our data-centric and AI-powered offerings.

AI is becoming an increasingly regulated space with a number of jurisdictions having proposed or enacted laws concerning AI. Against this regulatory backdrop, our offerings based on AI may expose us to additional lawsuits and regulatory investigations and subject us to legal liability as well as brand and reputational harm. Further, research and development associated with our AI offerings may be impacted by the increasingly complex regulatory landscape by increasing the burdens and costs associated with research and development.

Risks Related to Information Technology ("IT") Systems and Intellectual Property

Interruptions in the availability of server systems or communications with Internet, third-party hosting facilities or cloud-based services, or failure to maintain the security, confidentiality, accessibility, or integrity of data stored on such systems, could harm our business or impair the delivery of our managed services.

A significant portion of our software development personnel, source code, and computer equipment is located at operating facilities outside the U.S. We also depend on data maintained on servers running third-party enterprise-wide administrative, account relationship management, and other business operations systems. We further rely upon a variety of Internet service providers, third-party hosting facilities, and cloud computing platform providers, such as Microsoft Azure, as well as local service providers to support project teams and users in most regions and countries throughout the world, particularly with respect to our cloud service offerings. Failure to maintain the security, confidentiality, accessibility, or integrity of data stored on such systems could damage our reputation in the market and our relationships with our accounts, cause us to lose revenue or market share, increase our service costs, cause us to incur substantial costs, cause us to lose accounts, subject us to liability for damages, and divert our resources from other tasks, any one of which could adversely affect our business, financial condition, results of operations, and prospects. Any damage to, or failure of, such systems, or communications to and between such systems, could result in interruptions in our operations, managed services, and software development activities. Such interruptions may reduce our revenue, delay billing, cause us to issue credits or pay penalties, cause accounts to terminate their subscriptions, or adversely affect our attrition rates and our ability to attract new accounts. Our business would also be harmed if our accounts and potential accounts believe our products or services are unreliable.

If our security measures or those of our third-party cloud data hosts, cloud computing platform providers, or third-party service partners, are breached, and unauthorized access is obtained to an account's data, our data or our IT systems, our services may be perceived as not being secure, accounts may curtail or stop using our services, and we may incur significant legal and financial exposure and liabilities.

As we digitize and use cloud and web-based technologies to leverage account data to deliver a more complete account experience, we are exposed to increased security risks and the potential for unauthorized access to, or improper use of, our and our accounts' information. Certain of our services involve the storage and transmission of accounts' proprietary information, and security breaches could expose us to a risk of loss of this information,

litigation, and possible liability. Although we devote resources to maintaining our security and integrity, we may not prevent security incidents.

The risk of a security breach or disruption, particularly through cyber-attack or cyber intrusion, including by computer hackers, foreign governments, and cyber terrorists, has increased as the number, intensity, and sophistication of attempted attacks and intrusions from around the world have increased. These threats include but are not limited to identity theft, unauthorized access, domain name system attacks, wireless network attacks, viruses and worms, advanced persistent threat, application centric attacks, peer-to-peer attacks, phishing, backdoor trojans, and distributed denial of service attacks. Any of the foregoing could attack our accounts' data (including their employees' personal data), our data (including colleagues' personal data), our IT systems or those of our accounts and/or critical vendors. It is virtually impossible for us to entirely eliminate this risk. Like all software, our software is vulnerable to cyber-attacks. The impact of cyber-attacks could disrupt the proper functioning of our software or services, cause errors in the output of our accounts' work, allow unauthorized access to sensitive, proprietary, or confidential information of ours or our accounts, and other destructive outcomes.

Additionally, third parties may attempt to fraudulently induce colleagues or accounts into disclosing sensitive information such as user names, passwords, or other information in order to gain access to our accounts' data, our data, or our IT systems. Malicious third parties may also conduct attacks designed to temporarily deny accounts access to our services. Any security breach could result in a loss of confidence in the security of our products and services, damage our reputation, negatively impact our future sales, disrupt our business, and lead to regulatory inquiry and legal liability.

Failure to protect our intellectual property rights could impair our ability to protect our proprietary technology and our brand.

Our future success and competitive position depend in large part on our ability to protect our intellectual property and proprietary technologies. We rely on a combination of copyright, patent, trademark, and trade secret laws, as well as confidentiality procedures and contractual restrictions, to secure and protect our intellectual property rights, all of which provide only limited protection and may not currently or in the future provide us with a competitive advantage. Patents or trademarks may not issue from any of our pending or future patent or trademark applications. Patents or trademarks that do issue from such applications may not give us the protection that we seek, and such patents or trademarks may be challenged, invalidated, or circumvented. Any patents or trademarks that may issue in the future from our pending or future patent and trademark applications may not provide sufficiently broad protection and may not be enforceable in actions against alleged infringers.

The steps we take may not be adequate to protect our technologies and intellectual property, our patent and trademark applications may not lead to issued patents or registered trademarks, others may develop or patent similar or superior technologies or offerings, and our patents, trademarks, and other intellectual property may be challenged, invalidated, designed around, or circumvented by others. Furthermore, effective copyright, patent, trademark, and trade secret protection may not be available in every country in which our offerings are available or where we do business.

Increasingly regulatory focus on privacy, data protection, cross-border data flows, and information security issues, and new and expanding laws may apply to our business and non-compliance with such rules may limit the use and adoption of our services, adversely affect our business, or expose us to increased liability.

As a global software and service provider, we collect and process personal data and other data from our users and prospective users. We use this information to provide software offerings to our accounts, to validate user identity, to fulfill contractual duties and administer billing and support, to expand and improve our business, and to communicate and recommend products and services through our marketing and advertising efforts. We may also share accounts' personal data with certain third parties as described in the privacy statement provided to each account. We may also share accounts' personal data with certain third parties as described in the privacy statement provided to each account. Further, we collect and otherwise process personal data of our global employees and contractors.

Governments, regulators, privacy advocates, plaintiffs' attorneys, and our users and accounts are increasingly focused on how companies collect, process, use, store, share, and transmit personal data. Regulation relating to the provision of our software is evolving, as federal, state, and foreign governments continue to adopt new, or modify existing, laws and regulations addressing privacy, data protection, data sovereignty, information security and the collection, processing, storage, sharing, transmission, and use of data generally. This evolving regulatory landscape may be subject to differing interpretations, jurisdiction specific inconsistencies, or may conflict with other rules. We expect the regulatory landscape to remain uncertain for the foreseeable future. Further, our expectation is that there will continue to be new laws, regulations, and industry standards applicable to our collection, processing, storage, sharing, transmission, and use of data generally.

Globally, laws such as the General Data Protection Regulation (the "GDPR") in the European Union (the "E.U.") and the Personal Information Protection Law (the "PIPL") in China have been enacted, and numerous other countries have proposed or have enacted laws concerning privacy, data protection, data sovereignty, and information security; these laws impose obligations directly on us as both a data controller and a data processor, as well as on many of our users. In addition, new and emerging state laws in the U.S. governing privacy, data protection, and information security, such as the California Consumer Privacy Act ("CCPA"), the California Privacy Rights Act ("CPRA"), and numerous laws in other states, many of which provide for obligations similar to the CCPA and CPRA, have been enacted. These laws and regulations, as well as industry self-regulatory codes, create new compliance obligations and substantially expand the scope of potential liability and provide greater penalties for non-compliance. For example, the GDPR provides for penalties of up to €20 million or 4% of a company's annual global revenue, whichever is greater, the PIPL provides for penalties of up to 50 million renminbi or 5% of a company's annual revenue and disgorgement of all illegal gains, whichever is greater, and the CCPA provides for penalties of up to $7,988 per violation.

Although, we monitor the regulatory environment and have invested in addressing these developments, operating in an increasingly complex regulatory landscape may impact our innovation and business drivers in developing new and emerging technologies (e.g., AI). Globally, these and other requirements are causing increased scrutiny amongst users, particularly in the public sector and highly regulated industries, which could restrict the use and adoption of our software (in particular cloud services). Further, these developments may require us to take on more onerous obligations in our contracts, restrict our ability to store, transfer, and process data or, in some cases, impact our ability or our users' ability to offer our services in certain locations, to deploy our offerings, or to derive insights from user data globally.

Around the world, there is continued uncertainty in relation to the legal mechanisms supporting cross-border data flows which are subject to evolving guidance, active litigation, and enforcement proceedings in a number of jurisdictions. A number of countries including China, Australia, New Zealand, Brazil, and Japan have established specific requirements for cross-border data transfers. Further, a number of countries and states have adopted or are considering adopting data localization policies which would further restrict cross-border data transfers and may require data to be localized in the country of origin (potentially at a state level) which could substantially impact our operations.

Our failure to comply with applicable laws and regulations, or to protect data, could result in enforcement action against us, including fines and public censure, claims for damages by users, accounts, and other affected individuals, damage to our reputation and loss of goodwill (both in relation to existing accounts and prospective accounts), any of which could harm our business, financial condition, and results of operations.

Around the world, there are numerous lawsuits in process against various technology companies that process personal data. If those lawsuits are successful, it could increase the likelihood that we may be exposed to liability for our own policies and practices concerning the processing of personal data and could hurt our business.

Our accounts expect us to meet voluntary certification or other standards established by third parties or imposed by the accounts themselves. If we are unable to maintain these certifications or meet these standards, it could adversely affect our ability to provide our software to certain accounts and could harm our business. Further, if we were to experience a breach of systems compromising our accounts' sensitive data, our brand and reputation could

be adversely affected, use of our software and services could decrease, and we could be exposed to a risk of loss, litigation, and regulatory proceedings.

The costs of compliance with and other burdens imposed by laws, regulations, and standards may limit the use and adoption of our services and reduce overall demand for them, or lead to significant fines, penalties, or liabilities for any noncompliance.

Furthermore, concerns regarding privacy, data protection, cross-border data flows, and information security may cause our accounts' customers to resist providing the data necessary to allow our accounts to use our services effectively. Even the perception that the privacy of data is not satisfactorily protected or does not meet regulatory requirements could inhibit sales of our software or services, and could limit adoption of our cloud-based offerings.

We license third-party technologies for the development of certain software offerings, and, in some instances, we incorporate third-party technologies, including open source software, into our software. If we fail to maintain these licenses or are unable to secure alternative licenses on reasonable terms, our business could be adversely affected.

We license third-party technologies to develop certain software offerings, and, in some cases, we incorporate third-party technologies into our own software, including technologies owned by our competitors. If we were to seek to expand the scope of this activity in the future, we could be required to obtain additional licenses and enter into long-term arrangements with third parties on whose technology we could become substantially dependent.

If we are unable to use or license these third-party technologies on reasonable terms, including commercially justifiable royalty rates, or if these technologies fail to operate properly or be appropriately supported, maintained, or enhanced, we may not be able to secure alternatives in a timely manner and our ability to develop and commercialize our own software offerings could be adversely impacted. In addition, licensed technology may be subject to claims that it infringes others' intellectual property rights and we may lose access to or have restrictions placed on our use of the licensed technology. We also incorporate open source software into our products. While we have attempted not to use open source code in a manner which could adversely impact our proprietary code, the terms of many open source licenses have not been interpreted by U.S. courts, and there is a risk that such licenses could be construed in a manner that could impose unanticipated conditions or restrictions on our ability to market or sell our products or to develop new products.

Assertions by third parties of infringement or other violations by us of their intellectual property rights could result in significant costs and harm our business, financial condition, and results of operations.

Vigorous protection and pursuit of intellectual property rights has resulted in protracted and expensive litigation for many companies in our industry. Although claims of this kind have not materially affected our business to date, there can be no assurance such claims will not arise in the future. Any claims or proceedings against us, regardless of whether meritorious, could be time consuming, result in costly litigation, require significant amounts of management time, result in the diversion of significant operational resources, or require us to enter into royalty or licensing agreements, any of which could harm our business, financial condition, and results of operations.

Risks Related to Regulation and Litigation

Recent and potential tariffs imposed by the U.S. government or a global trade war could increase the cost of our products and services and the cost of conducting our business, which could harm our business, financial condition, and results of operations.

Recent and potential tariffs imposed by the U.S. government or a global trade war could increase the cost of our products and services and the cost of conducting our business, which could harm our business, financial condition, and results of operations. The U.S. government has threatened substantial changes to trade agreements and has raised the possibility of imposing significant increases on tariffs on goods imported into the U.S., particularly from China. The imposition of additional tariffs by the U.S. could result in the adoption of tariffs by other countries, leading to a global trade war. In addition, certain of these risks may be heightened as a result of changing political

climates. For example, the U.S. and China have been levying tariffs on their respective imports. Such tariffs could have a significant impact on our business and the business of our accounts. While we may attempt to renegotiate prices with suppliers or diversify our supply chain in response to tariffs, such efforts may not yield immediate results or may be ineffective. We might also consider increasing prices to the end consumer; however, this could reduce the competitiveness of our products and services, and adversely affect revenue. If we fail to manage these dynamics successfully, our gross margins and profitability could be adversely affected.

We are subject to legal proceedings and regulatory inquiries, and we may be named in additional legal proceedings or become involved in regulatory inquiries in the future, any of which may be costly, distracting to our core business and could result in an unfavorable outcome, or harm on our business, financial condition, results of operations, cash flows, or the trading price for our securities.

We are subject to various investigations, claims, and legal proceedings that arise in the ordinary course of business, including commercial disputes, labor and employment matters, tax audits, alleged infringement of intellectual property rights, and other matters. As the global economy has changed, our industry has seen an increase in litigation activity and regulatory inquiries. Like many other high technology companies, on a regular and ongoing basis, we receive inquiries from U.S. and foreign regulatory agencies regarding our business and our business practices, and the business practices of others in our industry. In the event that we are involved in significant disputes or are the subject of a formal action by a regulatory agency, we could be exposed to costly and time consuming legal proceedings that could result in any number of outcomes. Any claims or regulatory actions initiated by or against us, whether successful or not, could result in expensive costs of defense, costly damage awards, injunctive relief, increased costs of business, fines or orders to change certain business practices, significant dedication of management time, diversion of significant operational resources, or otherwise harm our business. In any of these cases, our financial results could be negatively impacted.

Failure to comply with the U.S. Foreign Corrupt Practices Act ("FCPA") and similar anti-bribery and anti-corruption laws associated with our activities outside the U.S. could subject us to penalties and other adverse consequences.

The majority of our revenues are from jurisdictions outside of the U.S. We are subject to the FCPA, which generally prohibits U.S. companies and their intermediaries from making payments to foreign officials for the purpose of directing, obtaining, or keeping business, and requires companies to maintain reasonable books and records and a system of internal accounting controls. The FCPA applies to companies and individuals alike, including company directors, officers, employees, and agents. Under the FCPA, U.S. companies may be held liable for corrupt actions taken by employees, strategic or local partners, or other representatives. In addition, the government may seek to rely on a theory of successor liability and hold us responsible for FCPA violations committed by companies or associated with assets that we acquire.

We are subject to governmental sanctions compliance, and export and import controls that could impair our ability to compete in international markets or subject us to liability if we violate the controls.

Our offerings may be subject to U.S. export controls and economic sanctions laws and regulations that restrict the delivery of our software and services to certain locations, governments, and persons. While we have processes in place to prevent our offerings from being exported in violation of these laws, including obtaining authorizations as appropriate and screening against U.S. government lists of restricted and prohibited persons, we cannot guarantee that these processes will prevent all violations of export control and sanctions laws. We may also decide to acquire companies whose past activities could give rise to potential liability under export control and sanctions laws. Such acquisitions may require substantial time and resources to integrate the acquired company into our compliance processes, to correct potential compliance gaps, and to remediate past potential violations by the acquired company, including through our own internal actions, voluntary self-disclosures, or other measures.

Further, if our channel partners fail to obtain appropriate import, export, or re-export licenses or permits, we may also be adversely affected, for example, through reputational harm, as well as other negative consequences including government investigations and penalties. Complying with export control and sanctions regulations for a particular sale may be time-consuming and may result in the delay or loss of sales opportunities.

Violations of U.S. sanctions or export control laws can result in fines, penalties, denial of export and trading privileges, and seizure of goods and assets. Other consequences include negative publicity and harm to business reputation, increased government scrutiny (including intrusive audits, and increased difficulty obtaining government licenses and approvals), and/or remedial compliance measures as a condition of settling government charges.

We may face exposure to product or professional liability claims that could cause us to be liable for damages.

The use of our software, including AI-enabled offerings, could lead to the filing of product liability claims against us were someone to allege that our software provided inaccurate or incomplete information at any stage of the infrastructure lifecycle or otherwise failed to perform according to specifications. In the event that accounts or third parties sustain property damage, injury, death, or other loss in connection with their use of our software or infrastructure for which our software and services were used to engineer, we, along with others, may be sued, and whether or not we are ultimately determined to be liable, we may incur significant legal expenses, management's attention could be diverted from operations, and market acceptance of our software could decrease. Our risk of exposure to litigation in these situations could rise as our software and services are used for increasingly complex and high-profile infrastructure projects. Litigation could also impair our ability to obtain professional liability or product liability insurance or increase the cost of such insurance. These claims may be brought by individuals seeking relief on their own behalf or purporting to represent a class. In addition, product liability claims may be asserted against us in the future based on events we are not aware of at the present time.

The limitations of our liability included in our contracts with accounts may not be enforceable or may not otherwise protect us from liability for damages. Additionally, we may be subject to claims that are not explicitly covered by contract, such as a claim directly by a third party. There is no assurance that our insurance coverage will be adequate to cover incurred liabilities or that we will be able to obtain acceptable product and professional liability coverage in the future.

Risks Related to Our Indebtedness

Our credit agreement, as amended, contains restrictive covenants that may limit our operating flexibility, and certain changes in ownership of equity interests in us by the Bentley Family (Barry J. Bentley, Gregory S. Bentley, Keith A. Bentley, Raymond B. Bentley, and Richard P. Bentley, collectively (the "Bentleys"), certain other family members and trusts and other entities controlled by or primarily for the benefit of the Bentleys and their families) constitutes an event of default.

Our second amended and restated credit agreement, entered into on October 18, 2024 with a syndicate of banks (the "Credit Facility"), contains certain restrictive covenants that limit our ability to, among other things, incur indebtedness other than amounts under the Credit Facility and specified baskets, incur additional liens, merge or consolidate with other companies or consummate certain changes of control, enter into new lines of business, pay dividends to our stockholders, repurchase our common stock and outstanding indebtedness, make investments in and acquire other businesses, and transfer or dispose of assets. In certain circumstances, the agreement governing the Credit Facility may also limit our ability to transfer cash among our subsidiaries and between us and our subsidiaries, including our foreign subsidiaries. It also contains certain financial covenants, including a covenant requiring us not to permit the net senior secured leverage ratio to exceed 3.00 to 1.00 and a covenant requiring the fixed charge coverage ratio for any period of four consecutive fiscal quarters to not be less than 3.00 to 1.00, and financial reporting requirements. Borrowings under the Credit Facility are secured by a first priority security interest in substantially all of our U.S. assets and 65% of the stock of our and certain of our subsidiaries' foreign subsidiaries.

Further, if the Bentley Family ceases to collectively own equity interests in us representing at least 20% of the aggregate voting power of the Company, then such change in ownership will be an event of default under the agreement governing the Credit Facility and, among other things, the commitments under the Credit Facility may be terminated immediately and the outstanding loans and accrued interest may become due and payable immediately.

In addition, there is no guarantee that we will be able to generate sufficient cash flows or revenues to meet these financial covenants or pay the principal and interest on any debt. Furthermore, there is no guarantee that future working capital, borrowings, or equity financing will be available to repay or refinance any debt. Any inability to make scheduled payments or meet the financial covenants in the agreement governing the Credit Facility would adversely affect our business.

We may incur substantial additional debt, which could exacerbate the risks described above.

We may incur additional debt in the future. Although the agreement governing the Credit Facility contains restrictions on our ability to incur indebtedness, those restrictions are subject to a number of exceptions which permit us and our subsidiaries to incur substantial debt. Adding new debt to current debt levels could intensify the related risks that we and our subsidiaries now face. Refer to the section titled "Liquidity and Capital Resources" included in Part II, Item 7 of this Annual Report on Form 10-K.

Servicing our debt requires a significant amount of cash, and we may not have sufficient cash flows from our business to pay our substantial debt.

Our ability to make scheduled payments of the principal of, to pay interest on, or to refinance our indebtedness depends on our future performance, which is subject to economic, financial, competitive, and other factors beyond our control. Our business may not continue to generate cash flows from operations in the future sufficient to service our debt and make necessary capital expenditures. If we are unable to generate such cash flows, we may be required to adopt one or more alternatives, such as selling assets, restructuring debt, or obtaining additional equity capital on terms that may be onerous or highly dilutive. Our ability to refinance our indebtedness will depend on the capital markets and our financial condition at such time. We may not be able to engage in any of these activities or engage in these activities on desirable terms, which could result in a default on our debt obligations. In addition, any future indebtedness we may incur may contain financial and other restrictive covenants that limit our ability to operate our business, raise capital, or make payments under our other indebtedness. If we fail to comply with these covenants or to make payments under our indebtedness when due, then we would be in default under that indebtedness, which could, in turn, result in that and our other indebtedness becoming immediately payable in full.

Risks Related to Our Class B Common Stock

We issued convertible notes that have rights senior to our Class B common stock.

In June 2021, we issued $575 million aggregate principal amount of convertible senior notes due 2027 (the "2027 Notes"), which will mature on July 1, 2027, unless earlier redeemed or repurchased by us or converted by the holder pursuant to their terms. The 2027 Notes rank senior in right of payment to our Class B common stock and any of our indebtedness that is expressly subordinated in right of payment to the 2027 Notes; equal in right of payment to any of our liabilities that are not so subordinated; effectively junior in right of payment to any of our secured indebtedness, to the extent of the value of the assets securing such indebtedness; and structurally junior to all indebtedness and other liabilities (including trade payables) of our subsidiaries. In the event of our bankruptcy, liquidation, reorganization, or other winding up, our assets that secure debt ranking senior or equal in right of payment to the 2027 Notes will be available to pay obligations on the 2027 Notes only after the secured debt has been repaid in full from these assets, and our assets will be available to pay common stockholders only after all debt obligations have been repaid. There may not be sufficient assets remaining to pay amounts due on any or all of the 2027 Notes then outstanding or any or all shares of our Class B common stock then outstanding.

The accounting method for convertible debt securities that may be settled in cash, such as the 2027 Notes, could have a material effect on our reported financial condition and results of operations.

The accounting method for reflecting the 2027 Notes on our consolidated balance sheets and reflecting the underlying shares of our Class B common stock in our reported diluted earnings per share may adversely affect our reported earnings and financial condition.

Under the if-converted method, diluted earnings per share will be calculated assuming that all the 2027 Notes are converted solely into shares of Class B common stock at the beginning of the reporting period, unless the result would be anti-dilutive. The application of the if-converted method will reduce our reported diluted earnings per share.

Furthermore, if any of the conditions to the convertibility of the 2027 Notes is satisfied, then we may be required under applicable accounting standards to reclassify the liability carrying value of the 2027 Notes as a current, rather than long-term, liability. This reclassification could be required even if no noteholders convert their notes and could materially reduce our reported working capital.

The conditional conversion feature of the 2027 Notes may adversely affect our financial condition and results of operations.

In the event the conditional conversion feature of the 2027 Notes is triggered, holders of the 2027 Notes will be entitled to convert the 2027 Notes at any time during specified periods at their option. If one or more holders elect to convert their 2027 Notes, unless we elect to satisfy our conversion obligation by delivering solely shares of our Class B common stock (other than paying cash in lieu of delivering any fractional share), we would be required to settle a portion or all of our conversion obligation through the payment of cash, which could adversely affect our liquidity. In addition, even if holders do not elect to convert their 2027 Notes, we could be required under applicable accounting rules to reclassify all or a portion of the outstanding principal of the 2027 Notes as a current, rather than long-term, liability, which would result in a material reduction of our net working capital.

Conversion of the 2027 Notes will dilute the ownership interest of existing stockholders, including holders who had previously converted their 2027 Notes, or may otherwise depress the price of our Class B common stock.

The conversion of some or all of the 2027 Notes will dilute the ownership interests of existing stockholders to the extent we deliver shares upon conversion of any of the 2027 Notes. Any sales in the public market of the Class B common stock issuable upon such conversion could adversely affect prevailing market prices of our Class B common stock. In addition, the existence of the 2027 Notes may encourage short selling by market participants because the conversion of the 2027 Notes could be used to satisfy short positions, or anticipated conversion of the 2027 Notes into shares of our Class B common stock could depress the price of our Class B common stock. As of December 31, 2025, without giving effect to any potential adjustments to the conversion rate set forth in the indenture or any limits on conversion, and assuming our Class B common stock is trading at or above $83.23 per share for the 2027 Notes, 6,908,567 shares of our Class B common stock would be issuable upon a full conversion of the 2027 Notes.

The capped call transactions entered into when we issued the 2027 Notes may affect the value of our common stock.

In connection with the issuance of the 2027 Notes, we entered into capped call transactions with the respective option counterparties. The capped call transactions are expected generally to reduce the potential dilution upon conversion of the 2027 Notes, and/or offset any cash payments we are required to make in excess of the principal amount of converted 2027 Notes with such reduction and/or offset subject to a cap. In connection with establishing their initial hedges of the capped call transactions, the option counterparties or their respective affiliates entered into various derivative transactions with respect to our Class B common stock concurrently with or shortly after the pricing of the 2027 Notes. The option counterparties or their respective affiliates may modify their hedge positions by entering into or unwinding derivatives with respect to our Class B common stock and/or purchasing or selling our Class B common stock or other securities of ours in secondary market transactions prior to the maturity of the 2027 Notes (and are likely to do so during any observation period related to a conversion of the 2027 Notes). This activity could cause or avoid an increase or a decrease in the market price of our Class B common stock.

The dual class structure of our common stock has the effect of concentrating voting control with the Bentley Control Group (the Bentleys and certain of their family members, trusts or other permitted transferees, as well as all other holders of our Class A common stock in respect of such shares of Class A common stock, who collectively are acting as a group).

Our Class A common stock has 29 votes per share, and our Class B common stock, which is the class of common stock that is issuable upon conversion of the 2027 Notes, and is the only class that is publicly traded and listed, has one vote per share. The beneficial owners of our Class A common stock together hold approximately 53.5% of the voting power of our outstanding common stock as of December 31, 2025. Moreover, as a result of the 29 to one voting ratio between our Class A and Class B common stock, the Bentley Control Group controls and will continue to control a majority of the combined voting power of our common stock and therefore is able to control all matters submitted to our stockholders for approval, subject to the occurrence of certain events that would reduce the voting power of our Class A common stock or cause the conversion thereof. This concentrated control will limit or preclude stockholders' ability to influence corporate matters for the foreseeable future and may have the effect of delaying, deferring or preventing a change in control, impeding a merger, consolidation, takeover, or other business combination involving us, or discouraging a potential acquirer from making a tender offer or otherwise attempting to obtain control of our business, even if such a transaction would benefit other stockholders. The Bentley Control Group may also have interests that differ from those of other stockholders and may vote in a way with which other stockholders disagree and which may be adverse to such other stockholders' interests.

In addition, we are a "controlled company" for the purposes of Nasdaq Listing Rules, which provides us with exemptions from certain of the corporate governance standards imposed by the rules of The Nasdaq Global Select Market. These provisions further allow the Bentley Control Group to exercise significant control over our corporate decisions and limit the ability of the public stockholders to influence our decision making.

The choice of forum provision in our amended and restated certificate of incorporation could limit our stockholders' ability to obtain a favorable judicial forum for disputes with us or our directors, officers or colleagues.

Our amended and restated certificate of incorporation provides that, to the fullest extent permitted by law, the Court of Chancery of the State of Delaware is the sole and exclusive forum for any derivative action or proceeding brought on our behalf, any action asserting a claim of a breach of fiduciary duty owed by any of our directors or officers, any action asserting a claim against us arising pursuant to Delaware General Corporation Law, our amended and restated certificate of incorporation or amended and restated bylaws, or any action seeking to interpret, apply, enforce, or determine the validity of our amended and restated certificate of incorporation or amended and restated bylaws, and any action asserting a claim against us that is governed by the internal affairs doctrine. In addition, the choice of forum provision provides that, to the extent permitted by applicable law, claims brought under the Securities Act or the Exchange Act must be brought exclusively in the federal district court for the District of Delaware. Despite the choice of forum provision, investors cannot waive compliance with federal securities laws and rules and regulations thereunder. The choice of forum provision may limit a stockholder's ability to bring a claim in a judicial forum that it finds favorable for disputes with us or our directors, officers, or other colleagues, which may discourage such lawsuits against us and our directors, officers, and other colleagues. Alternatively, if a court were to find the choice of forum provision contained in our amended and restated certificate of incorporation to be inapplicable or unenforceable in an action, we may incur additional costs associated with resolving such action in other jurisdictions, which could adversely affect our business, financial condition, and results of operations.

General Risk Factors

Global economic and political conditions may negatively impact our business, financial condition, results of operations, and cash flows.

Our operations and performance depend significantly on foreign and domestic economic and political conditions. Uncertainty regarding economic and political conditions may negatively impact us as accounts defer spending or postpone infrastructure projects in response to tighter credit, higher unemployment, higher interest rates, higher inflation, increases on tariffs, financial market volatility, government austerity programs, negative financial news, declining valuations of investments, and other factors. In addition, certain of our accounts' budgets may be constrained and they may be unable to procure our offerings at the same level as in prior periods. Our accounts' ability to pay for our software and services may also be impaired, which may lead to an increase in our allowance for doubtful accounts and write-offs of accounts receivable. Since we are exposed to the majority of major world markets, uncertainty in any significant market may negatively impact our performance and results, particularly with respect to our largest geographic accounts. Our accounts include government entities, including the U.S. government, and if spending cuts impede the ability of governments to purchase our products and services, our revenues could decline. In addition, a number of our accounts rely, directly and indirectly, on government spending. We are unable to predict economic conditions or the likelihood of additional economic uncertainty arising in any of our key markets. Changes in economic conditions could result in us not meeting our revenue growth objectives and could harm our business, financial condition, results of operations, and cash flows.

Geopolitical trends toward nationalism and protectionism and the weakening or dissolution of international trade pacts in response to changing trade policies may increase the cost of, or otherwise interfere with, conducting our business including supply chain disruptions, and reduced competitiveness due to the imposition of trade barriers. These trends have increased levels of political and economic unpredictability globally, and may increase the volatility of global financial markets; the impact of such developments on the global economy remains uncertain. Political instability or adverse political developments, including, without limitation, as a result of or in connection with trade relations between the U.S., E.U., and China, as well as terrorist attacks, cyber events, armed conflicts (or the threat or escalation thereof), bank failures, civil unrest, espionage, natural disasters, epidemics, and pandemics in any of the countries in which we do business could harm our business, financial condition, results of operations, and cash flows.

Changes in existing financial accounting standards or practices, or taxation rules or practices may adversely affect our results of operations.

Changes in existing accounting or taxation rules or practices, new accounting pronouncements or taxation rules, or varying interpretations of current accounting pronouncements or taxation practices could have a significant adverse effect on our results of operations or the way we conduct our business. Further, such changes could potentially affect our reporting of transactions completed before such changes are effective. Additionally, our effective tax rate is subject to volatility related to the tax effects associated with the accounting for stock-based compensation including as a result of price changes in our Class B common stock.

If our goodwill or amortizable intangible assets become impaired, then we could be required to record a significant charge to earnings.

U.S. generally accepted accounting principles ("GAAP") requires us to test for goodwill impairment at least annually. In addition, we assess our goodwill and amortizable intangible assets for impairment if events occur or circumstances change that would more likely than not reduce its fair value below its carrying value, including declines in stock price, market capitalization, or cash flows, and slower growth rates in our industry. Depending on the results of our assessment, we could be required to record a significant impairment charge in our consolidated financial statements during the period in which any impairment of our goodwill or amortizable intangible assets was determined, negatively impacting our results of operations.

Item 1B. Unresolved Staff Comments

None.

Item 1C. Cybersecurity

We maintain a comprehensive process for: (i) identifying the assets, threats, and vulnerabilities that affect our information systems and networks; (ii) analyzing the likelihood and impact of potential cyberattacks on our assets, operations, and objectives; (iii) evaluating the existing cybersecurity controls and measures that we have in place to prevent, detect, and respond to cyberattacks; and (iv) implementing and monitoring the appropriate cybersecurity solutions and practices that reduce our cyber risk exposure and enhance our cyber resilience.

In doing so, our Information Security Team, which is comprised of dedicated privacy and security professionals and run by our Chief Information Security Officer ("CISO"), stays abreast of security industry and threat trends, and regularly seeks to improve our cybersecurity risk management program. Our executive leadership team, with input and guidance from our CISO, is responsible for our overall enterprise risk management system and processes, and regularly considers cybersecurity risks in the context of other material risks to the Company. Our CISO, who has over 15 years' experience in cybersecurity and 30 years' experience in software engineering, design, and development, has been with the Company for more than ten years and has helped grow the Company's Information Security Team into its current mature form.

As part of our overall cybersecurity strategy, as and when we detect cybersecurity threats, our Information Security Team documents the relevant incident details, assesses the impact and severity of it, identifies the root cause and corrective actions, and communicates the incident to our CISO and any other relevant parties as needed. We also seek to address cybersecurity risks associated with our third-party vendors by making our Information Security Team a key part of relevant vendor onboarding, whereby we conduct comprehensive risk assessments of such vendors' cybersecurity policies and practices. When necessary, we utilize third party auditors and consultants to assess third-party cybersecurity risks, and we consult with outside counsel as appropriate, including on materiality analysis and disclosure matters. Our senior management makes the final materiality determinations and disclosure and other compliance decisions.

Our full Board of Directors has oversight responsibility for risks and incidents relating to cybersecurity risk. The Board of Directors reviews and discusses with management our policies and practices regarding risk assessment and management, including planning regarding business continuity and cybersecurity. In addition, the Board of Directors receives regular reports from management on cybersecurity matters, including areas such as strategic plans and programs, threat intelligence, major cybersecurity risk areas, regulations, and cybersecurity incidents.

Our management team, including our Chief Information Officer ("CIO"), Chief Technology Officer ("CTO"), and Chief Legal Officer ("CLO"), are responsible for assessing and managing material risks from cybersecurity threats, including supervision of our internal security incident response team. Each of these leaders have extensive experience assessing and managing cybersecurity programs and risk. Our CIO joined Bentley in 2025 and is responsible for the Company's internal technology infrastructure, systems, data, and security. Our CIO has over 25 years of experience as a technologist across a wide variety of industries. She brings significant experience leading enterprise technology organizations and developing cybersecurity and data-protection practices to support large-scale operational environments. Our CTO joined Bentley in 2021 and is the principal architect of the Company's technology directions. Our CTO has over 20 years of technology leadership experience in startups, scaleups, and large organizations. His strategic role includes ensuring that our software development and engineering are secure, resilient, and aligned with risk management needs. Our CLO has been with Bentley since 1998 and is responsible for the day-to-day operations of the global Law and Corporate Advancement team. Our CLO brings deep expertise in legal and regulatory frameworks, including cybersecurity and data protection, ensuring the organization's compliance with evolving regulations. He leads a global privacy team focused on best practices in safeguarding sensitive information and proactively manages risks related to cyber threats and privacy concerns.

Our management team brings extensive expertise in identifying and addressing cybersecurity risks across enterprise operations, encompassing information technology, information security, privacy and data protection, product security, physical security, and legal and regulatory considerations. Additionally, our leadership team has substantial experience in overseeing risk management programs and possesses a deep understanding of the challenges faced by enterprise organizations. Their significant operational background enables them to offer valuable guidance in developing, executing, and evaluating our strategic operating plan.

Our business strategy, results of operations, and financial condition have not been materially affected by risks from cybersecurity threats, but we cannot provide assurance that they will not be materially affected in the future by such risks or any future material incidents. For more information on our cybersecurity related risks, refer to Item 1A. Risk Factors of this Annual Report on Form 10-K.

Item 2. Properties

We own our corporate headquarters, which is located in Exton, Pennsylvania. Our headquarters accommodates our principal software engineering, sales, marketing professional services, and administrative activities. In addition to our headquarters, we own one other location in India, which is used for product development and technical support. We lease facilities in 96 locations in the U.S. and internationally through our foreign subsidiaries.

We believe our properties are in good operating condition and are suitable and adequate for our business operations.

Item 3. Legal Proceedings

We are subject from time to time to various legal proceedings and claims which arise in the ordinary course of our business. Although the outcome of these and other claims cannot be predicted with certainty, we do not believe that the ultimate resolution of pending matters will have a material adverse effect on our financial condition, results of operations, or cash flows. We currently believe that we do not have any material litigation pending against us.

Item 4. Mine Safety Disclosures

Not applicable.

PART II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Market Information for Common Stock

Our Class B common stock is traded on the Nasdaq Stock Market LLC under the symbol BSY. There is no established public trading market for our Class A common stock. See Note 13 to our consolidated financial statements included in Part II, Item 8 of this Annual Report on Form 10-K for more information about the terms of our common stock.

Stockholders

As of January 30, 2026, there were 15 holders of record of our Class A common stock and 1,434 holders of record of our Class B common stock. Because many of our shares of Class B common stock are held by brokers or other institutions on behalf of stockholders, we are unable to estimate the total number of Class B stockholders represented by the record holders.

Dividend Policy

The declaration and payment of dividends is within the discretion of our Board of Directors. We paid quarterly dividends of $0.07 per share of common stock during the year ended December 31, 2025, $0.06 per share of common stock during the year ended December 31, 2024, and $0.05 per share of common stock during the year ended December 31, 2023. While we intend to continue paying quarterly dividends, any future determination will be subject to the discretion of our Board of Directors and will be dependent on a number of factors, including our results of operations, capital requirements, restrictions under Delaware law, and overall financial condition, as well as any other factors our Board of Directors considers relevant. In addition, the terms of the agreement governing the Credit Facility limit the amount of dividends we can pay.

Securities Authorized for Issuance Under Equity Compensation Plans

Refer to Part III, Item 12 of this Annual Report on Form 10-K.

Recent Sales of Unregistered Equity Securities

From October 1, 2025 to December 31, 2025, we issued 22,341 shares of our Class B common stock in connection with distributions from our amended and restated Bentley Systems, Incorporated Nonqualified Deferred Compensation Plan (the "DCP").

None of the foregoing transactions involved any underwriters, underwriting discounts or commissions, or any public offering. Unless otherwise stated, the sales of the above securities were deemed to be exempt from registration under the Securities Act in reliance on Rule 701 promulgated under Section 3(b) of the Securities Act as transactions by an issuer pursuant to benefit plans and contracts relating to compensation as provided under Rule 701. All recipients had adequate access, through their relationships with us, to information about us. The issuance of these securities were made without any general solicitation or advertising.

Issuer Purchases of Equity Securities

The following table reflects our Class B common stock we repurchased during the three months ended December 31, 2025:

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Program [1]	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Program [2]
October 1, 2025 to October 31, 2025	—	$ —	—	$ 98,358,335
November 1, 2025 to November 30, 2025	981,911	$ 43.28	981,911	$ 499,058,147
December 1, 2025 to December 31, 2025	447,859	$ 39.07	447,859	$ 481,558,236
Total	1,429,770	$ 41.96	1,429,770	

(1) Represents shares purchased in open-market transactions under the repurchase program approved by our Board of Directors.

(2) These amounts correspond to the program publicly announced and approved by our Board of Directors in March 2024 and November 2025 that authorized the repurchase of up to $200 million and $500 million, respectively, of our Class B common stock and/or outstanding convertible senior notes. The updated $500 million authorization expires on December 31, 2028 and supersedes our prior $200 million authorization, which was set to expire on June 30, 2026.

Item 6. [Reserved]

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion should be read in conjunction with our audited consolidated financial statements and notes thereto included in Part II, Item 8 of this Annual Report on Form 10-K. In addition to historical information, this discussion contains forward-looking statements that involve risks, uncertainties, and assumptions that could cause actual results to differ materially from management's expectations. Factors that could cause such differences are set forth in Part I, Item 1A. Risk Factors of this Annual Report on Form 10-K. Refer to Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations in our 2024 Annual Report on Form 10-K for management's discussion and analysis of financial condition and results of operations for the year ended December 31, 2024 compared to the year ended December 31, 2023.

All amounts presented in this Management's Discussion and Analysis of Financial Condition and Results of Operations, except share and per share amounts, are presented in thousands. Additionally, many of the amounts and percentages have been rounded for convenience of presentation. Minor differences in totals and percentage calculations may exist due to rounding.

Overview:

Bentley Systems is the infrastructure engineering software company. Our purpose is to advance the world's infrastructure for better quality of life. Our mission is to reshape how infrastructure systems and critical resources are delivered and optimized. We manage our business globally within one reportable segment, the development and marketing of computer software and related services, which is consistent with how our chief operating decision maker ("CODM") reviews and manages our business.

Executive Summary:

- Total revenues were $1,501,779 for the year ended December 31, 2025, up 11.0% or 10.1% on a constant currency basis[(1)] compared to the prior year;
- Subscriptions revenues were $1,376,696 for the year ended December 31, 2025, up 12.5% or 11.7% on a constant currency basis[(1)] compared to the prior year;
- ARR[(2)] was $1,462,145 as of December 31, 2025, compared to $1,283,256 as of December 31, 2024; Constant currency[(1)] ARR growth rate[(2)] was 11.5%;
- Last twelve-month recurring revenues dollar-based net retention rate[(2)] was 109% as of December 31, 2025, compared to 110% as of December 31, 2024;
- Operating income was $362,621 for the year ended December 31, 2025, compared to $302,150 for the prior year;
- Adjusted operating income less stock-based compensation expense ("AOI less SBC") (previously titled Adjusted operating income inclusive of stock-based compensation expense ("Adjusted OI w/SBC"))[(1)] was $429,917 for the year ended December 31, 2025, compared to $372,222 for the prior year; and
- Cash flows from operating activities were $538,464 for the year ended December 31, 2025, compared to $435,292 for the prior year.

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(1) Constant currency and AOI less SBC are non-GAAP financial measures. Refer to the "Non-GAAP Financial Measures" section for additional information, including our definitions and our uses of constant currency and AOI less SBC.

(2) Refer to the "Key Business Metrics" section for additional information, including our definitions and our uses of ARR, ARR growth rate, and recurring revenues dollar-based net retention rate.

Results of Operations:

Our results of operations have been, and in the future will be, affected by changes in foreign currency exchange rates. For the years ended December 31, 2025, 2024, and 2023, approximately 33%, 34%, and 35%, respectively, of our total revenues and 45%, 42%, and 45%, respectively, of our total operating expenses were denominated in a currency other than the U.S. dollar including most significantly: euros, British pounds, Canadian dollars, Australian dollars, Chinese yuan renminbi, and New Zealand dollars. Other than the natural hedge attributable to matching revenues and expenses in the same currencies, we do not currently hedge foreign currency exposure. Additionally, because we have operations in, and derive revenue from, geographies around the world, we will continue to monitor the impact of tariffs and other trade policies on our business and the businesses of our accounts, as well as on our financial condition, results of operations, and/or cash flows.

We identify the effects of foreign currency on our operations and present constant currency growth rates and fluctuations because we believe exchange rates are an important factor in understanding period-over-period comparisons and enhance the understanding of our results and evaluation of our performance. Refer to the "Non-GAAP Financial Measures" section for additional information, including our definition and our use of constant currency.

Revenues

We generate revenues from subscriptions, perpetual licenses, and services. Our total revenues are diversified by account type, size, and geographic region. The majority of our revenue growth, excluding the impact from acquisitions, is driven by additional subscriptions revenues from existing accounts using the same products. To a lesser extent, our revenue growth is attributable to subscriptions revenues from new accounts and subscriptions revenues from existing accounts using new products. We believe that we have a loyal account base, with over 70% of our total revenues for the years ended December 31, 2025, 2024, and 2023 generated from organizations that have been our accounts for over ten years.

In addition to our results of operations discussed below, the following is supplemental data of our revenues:

	Year Ended December 31,		
(as a percentage of total revenues)	**2025**	**2024**	**2023**
Revenues from:			
Direct sales channels	94%	93%	92%
Indirect channel partners	6%	7%	8%
Revenues from:			
Subscriptions	92%	90%	88%
Recurring services	1%	1%	1%
Total recurring revenues	93%	91%	89%
Perpetual licenses and other services	7%	9%	11%
Largest account represents no more than	2%	2%	2%

The volume, mix, and duration of contract types starting or renewing in any given period may have a material impact on revenue in the period, and as a result can impact the comparability of reported revenue period-over-period. Our subscriptions, perpetual licenses, and services offerings are recognized pursuant to applicable GAAP guidance. See Note 3 to our consolidated financial statements included in Part II, Item 8 of this Annual Report on Form 10-K for additional information on our revenues. We believe that subscription revenues will continue to comprise a majority of our total revenues.

Consolidated Revenues

	Year Ended December 31,			% Change 2024 to 2025		% Change 2023 to 2024	
	2025	2024	2023	%	Constant Currency %[1]	%	Constant Currency %[1]
Subscriptions	$1,376,696	$1,223,362	$1,080,307	12.5%	11.7%	13.2%	13.4%
Perpetual licenses	46,180	45,961	46,038	0.5%	0.1%	(0.2%)	0.5%
Subscriptions and licenses	1,422,876	1,269,323	1,126,345	12.1%	11.2%	12.7%	12.9%
Services	78,903	83,772	102,068	(5.8%)	(6.6%)	(17.9%)	(18.2%)
Total revenues	$1,501,779	$1,353,095	$1,228,413	11.0%	10.1%	10.1%	10.3%

(1) Constant currency is a non-GAAP financial measure. Refer to the "Non-GAAP Financial Measures" section for additional information, including our definition and our use of constant currency, and for a reconciliation of constant currency growth rates.

The increase in total revenues for the year ended December 31, 2025 was primarily driven by an increase in subscriptions revenues, partially offset by a decrease in services revenues.

Subscriptions. For the year ended December 31, 2025, the increase in subscriptions revenues was driven by improvements in our business performance of $153,334 ($142,592 on a constant currency basis). Our business performance includes the impact from programmatic acquisitions, which generally are immaterial, individually and in the aggregate.

For the year ended December 31, 2025, the improvements in business performance were primarily driven by expansion from accounts with revenues in the prior period ("existing accounts"), and growth of 2.5% attributable to new accounts, most notably small- and medium-sized accounts. Improvements in business performance for the year ended December 31, 2025 were led by *Bentley Open Applications*, followed by *Seequent* applications, and *Bentley Infrastructure Cloud*.

Perpetual licenses. For the year ended December 31, 2025, perpetual licenses revenues were flat compared to the prior year.

Services. For the year ended December 31, 2025, the decrease in services revenues was driven by a decline in our business performance of $4,869 ($5,548 on a constant currency basis), primarily due to the winding down of a large services project in the beginning of 2025.

Revenues by Geographic Region

Revenue from external customers is attributed to individual countries based upon the location of the customer.

	Year Ended December 31,			% Change 2024 to 2025		% Change 2023 to 2024	
	2025	2024	2023	%	Constant Currency %[1]	%	Constant Currency %[1]
Americas	$ 790,495	$ 717,002	$ 650,926	10.3%	10.4%	10.2%	10.5%
EMEA	436,828	388,384	353,550	12.5%	9.2%	9.9%	9.1%
APAC	274,456	247,709	223,937	10.8%	10.7%	10.6%	11.8%
Total revenues	$1,501,779	$1,353,095	$1,228,413	11.0%	10.1%	10.1%	10.3%

(1) Constant currency is a non-GAAP financial measure. Refer to the "Non-GAAP Financial Measures" section for additional information, including our definition and our use of constant currency, and for a reconciliation of constant currency growth rates.

Americas. For the year ended December 31, 2025, the increase in revenues from the Americas was primarily driven by improvements in our business performance of $73,493 ($74,816 on a constant currency basis).

The improvements in business performance for the year ended December 31, 2025 were primarily due to expansion of our subscriptions revenues from existing accounts in the U.S., as well as increases in our subscriptions revenues from new accounts.

EMEA. For the year ended December 31, 2025, the increase in revenues from EMEA was primarily driven by improvements in our business performance of $48,444 ($35,754 on a constant currency basis).

The improvements in business performance for the year ended December 31, 2025 were primarily due to expansion of our subscriptions revenues from existing accounts in the United Kingdom ("U.K.") and the Middle East, as well as increases in our subscriptions revenues from new accounts, partially offset by a decline in services revenues.

APAC. For the year ended December 31, 2025, the increase in revenues from APAC was primarily driven by improvements in our business performance of $26,747 ($26,524 on a constant currency basis).

The improvements in business performance for the year ended December 31, 2025 were primarily due to expansion of our subscriptions revenues from existing accounts in Australia and India, as well as increases in our subscriptions revenues from new accounts.

Additionally, for the year ended December 31, 2025, our revenues in China were essentially flat. Our perpetual licenses revenues in China increased primarily due to expansion from new accounts, partially offset by a decline from existing accounts. Our subscriptions revenues in China decreased primarily due to a decline from existing accounts, partially offset by an increase from new accounts.

The future results in China remain uncertain as a result of continued geopolitical challenges, the obstacles there to cloud-deployed software, and the financial timing impact of the preference there for license sales, rather than subscriptions.

Cost of Revenues and Operating Expenses

Headcount-Related Costs

For the years ended December 31, 2025, 2024, and 2023, approximately 80% of our aggregate cost of revenues, research and development, selling and marketing, and general and administrative expenses were represented by what we refer to herein as "headcount-related" costs. These costs primarily include salaries, benefits, bonuses, stock-based compensation expense, employment taxes, travel, training, and realignment and optimization of our colleagues, and third-party personnel expenses and related overhead. Our headcount-related costs are variable in nature. We actively manage these costs to align to our trending run rate of revenue performance, with the objective of enhancing visibility and predictability of resulting operating profit margins.

During the fourth quarter of 2023, we approved a strategic realignment program to better serve our accounts and to better align resources with the strategy of the business, including reinvestment in go-to-market functions, as well as in AI in product development (the "2023 Program"). The realignment program resulted in realignment costs of $847 and $12,579 for the years ended December 31, 2024 and 2023, respectively, which represent termination benefits for colleagues whose roles were impacted (less than five percent of total headcount). See Note 21 to our consolidated financial statements included in Part II, Item 8 of this Annual Report on Form 10-K for additional information. The 2023 Program activities, including payments of termination benefits, were completed as of December 31, 2024.

Cost of Revenues

	Year Ended December 31,			% Change 2024 to 2025		% Change 2023 to 2024	
	2025	2024	2023	%	Constant Currency %[1]	%	Constant Currency %[1]
Cost of subscriptions and licenses	$ 201,405	$ 173,340	$ 169,406	16.2%	15.9%	2.3%	2.4%
Cost of services	76,125	84,427	96,677	(9.8%)	(10.8%)	(12.7%)	(12.8%)
Total cost of revenues	$ 277,530	$ 257,767	$ 266,083	7.7%	7.1%	(3.1%)	(3.1%)

(1) Constant currency is a non-GAAP financial measure. Refer to the "Non-GAAP Financial Measures" section for additional information, including our definition and our use of constant currency, and for a reconciliation of constant currency growth rates.

Cost of subscriptions and licenses. Cost of subscriptions and licenses expenses primarily include headcount-related costs, as well as cloud-related costs incurred for servicing our accounts using cloud provisioned offerings and our license administration platform. Cost of subscriptions and licenses expenses also include channel partner compensation for providing sales coverage to users, depreciation of property and equipment, amortization of capitalized software costs associated with servicing software subscriptions and our Accelerated Commercial Development Program ("ACDP"), and amortization of intangible assets associated with acquired software and technology.

For the year ended December 31, 2025, on a constant currency basis, cost of subscriptions and licenses expenses increased primarily due to an increase in headcount-related costs of $15,149, mainly due to an increase in annual and other compensation costs, and an increase in cloud-related costs of $10,007.

Cost of services. Cost of services expenses primarily include headcount-related costs, as well as depreciation of property and equipment, and amortization of capitalized software costs used for providing training, implementation, configuration, and customization services to accounts.

For the year ended December 31, 2025, on a constant currency basis, cost of services expenses decreased primarily due to a decrease in headcount-related costs of $6,718, mainly due to a reduction in third-party personnel costs, and to a lesser extent, lower annual and other compensation costs.

Operating Expenses

	Year Ended December 31,			% Change 2024 to 2025		% Change 2023 to 2024	
	2025	2024	2023	%	Constant Currency %[1]	%	Constant Currency %[1]
Research and development	$ 307,576	$ 281,247	$ 274,619	9.4%	9.1%	2.4%	2.7%
Selling and marketing	289,543	255,177	224,336	13.5%	12.8%	13.7%	14.1%
General and administrative	217,332	210,374	180,738	3.3%	2.9%	16.4%	16.5%
Deferred compensation plan	14,409	12,382	13,580	16.4%	16.4%	(8.8%)	(8.8%)
Amortization of purchased intangibles	32,768	33,998	38,515	(3.6%)	(3.8%)	(11.7%)	(11.8%)
Total operating expenses	$ 861,628	$ 793,178	$ 731,788	8.6%	8.2%	8.4%	8.6%

(1) Constant currency is a non-GAAP financial measure. Refer to the "Non-GAAP Financial Measures" section for additional information, including our definition and our use of constant currency, and for a reconciliation of constant currency growth rates.

Research and development. Research and development expenses primarily consist of headcount-related costs, including costs to develop software products or the software component of products to be sold, leased, or marketed to external accounts, before technological feasibility is reached, which is generally shortly before the release of such products. Our research and development roadmap balances technology advances and new offerings with continuous enhancements to existing offerings. Our allocation of research and development resources is based on a cost-benefit analysis of acquiring available technology in the marketplace versus developing our own software. We anticipate that we will continue to make substantial investments in research and development because we believe the infrastructure engineering software market presents compelling opportunities for the application of new technologies that advance our current offerings.

For the year ended December 31, 2025, on a constant currency basis, research and development expenses increased primarily due to an increase in headcount-related costs of $25,665, mainly due to increases in headcount, and annual and other compensation costs, and to a lesser extent, higher colleague separation costs. Headcount-related costs for the year ended December 31, 2024 were lower due to run-rate savings as a result of the 2023 Program.

Selling and marketing. Selling and marketing expenses primarily include headcount-related costs, as well as the expense of online marketing, product marketing and other brand-building activities, such as advertising, trade shows, and expositions, and various sales and promotional programs. We anticipate that we will continue to make strategic investments in our global business systems and methods to enhance major account sales activities and to support our worldwide sales and marketing strategies, and the business in general.

For the year ended December 31, 2025, on a constant currency basis, selling and marketing expenses increased primarily due to an increase in headcount-related costs of $24,174, mainly due to increases in headcount, and annual and other compensation costs, and an increase in promotional costs of $6,216. Headcount-related costs for the year ended December 31, 2024 were lower due to run-rate savings as a result of the 2023 Program.

General and administrative. General and administrative expenses primarily include headcount-related costs for our finance, human resources, and legal functions, as well as professional fees for legal and accounting services. General and administrative expenses also include acquisition costs, which consist of costs related to legal, accounting, valuation, insurance, and other consulting and transaction fees. Acquisition costs may drive fluctuations in general and administrative expenses depending on the timing of business combinations.

Starting in 2026, we expect general and administrative expenses to include amortization of internal-use software implementation costs, which represents amortization of deferred costs primarily related to the implementation of our new enterprise-wide administrative and business management platforms which are planned to complete going live in 2026.

For the year ended December 31, 2025, on a constant currency basis, general and administrative expenses increased primarily due to an increase in headcount-related costs of $4,412, mainly due to increases in headcount, and annual and other compensation costs, partially offset by lower incentive compensation expense related to the reduction in Gregory S. Bentley's fractional interest under the amended and restated Bentley Systems, Incorporated Bonus Pool Plan (the "Bonus Plan") as part of Mr. Bentley's transition to the role of Executive Chair effective July 1, 2024. Additionally, during the year ended December 31, 2024, we recognized approximately $2,200 of other corporate initiatives expenses, which did not recur in the current year.

Deferred compensation plan. Deferred compensation plan reflects the expense (income) recorded related to changes in deferred compensation plan liabilities, which are marked to market at the end of each reporting period.

For the year ended December 31, 2025, deferred compensation plan expense was attributable to the marked to market impact on deferred compensation plan liability balances period over period.

Amortization of purchased intangibles. Amortization of purchased intangibles includes the amortization of acquired non-product related intangible assets, primarily customer relationships, trademarks, and non-compete agreements recorded in connection with completed acquisitions.

For the year ended December 31, 2025, on a constant currency basis, amortization of purchased intangibles decreased primarily due to previously acquired intangible assets that continue to become fully amortized and lower acquisition activity as compared to prior years.

Interest Expense, Net

	Year Ended December 31,			% Change	
	2025	2024	2023	2024 to 2025	2023 to 2024
Interest expense	$ (15,322)	$ (24,774)	$ (41,331)	(38.2%)	(40.1%)
Interest income	2,887	2,730	1,538	5.8%	77.5%
Interest expense, net	$ (12,435)	$ (22,044)	$ (39,793)	(43.6%)	(44.6%)

Interest expense, net primarily represents interest expense on our credit facility borrowings and outstanding convertible senior notes, amortization of deferred debt issuance costs, and interest income from our investments in money market funds. The majority of our debt is protected from rising interest rates, through either very low fixed coupon interest on our convertible notes or our $200,000 interest rate swap, which expires in 2030.

For the year ended December 31, 2025, interest expense, net decreased primarily due to lower weighted average debt outstanding under the credit facilities as compared to the prior year.

Other Income (Expense), Net

	Year Ended December 31,		
	2025	2024	2023
(Loss) gain from:			
Change in fair value of interest rate swap	$ (10,238)	$ 10	$ (5,038)
Foreign exchange [1]	2,578	939	2,497
Receipts related to interest rate swap	7,390	9,309	8,803
Other income (expense), net [2]	817	2,691	(13,484)
Total other income (expense), net	$ 547	$ 12,949	$ (7,222)

(1) Foreign exchange gain is primarily attributable to foreign currency translation derived mainly from U.S. dollar denominated cash and cash equivalents, account receivables, customer deposits, and intercompany balances held by foreign subsidiaries.

(2) Other income (expense), net for the year ended December 31, 2023 includes non-marketable equity investment impairment and other charges of $(16,988), partially offset by gains on non-marketable equity investments of $2,360.

Provision (Benefit) for Income Taxes

	Year Ended December 31,		
	2025	2024	2023
Income before income taxes	$ 350,733	$ 293,055	$ 183,527
Provision (benefit) for income taxes	$ 72,977	$ 58,726	$(143,241)
Effective tax rate	20.8%	20.0%	(78.0%)

Provision (benefit) for income taxes includes the aggregate consolidated income tax expense for U.S. domestic and foreign income taxes.

For the year ended December 31, 2025, the effective tax rate was higher as compared to the year ended December 31, 2024 primarily due to the decrease in tax benefits related to stock-based compensation, net of the impact from officer compensation limitation provisions, recognized in the current year.

On July 4, 2025, President Trump signed into law the One Big Beautiful Bill Act ("OBBBA"). The OBBBA includes the permanent extension of certain expiring provisions of the U.S. Tax Cuts and Jobs Act (the "JOBS Act"), modifications to the international tax framework, and the restoration of favorable tax treatment for certain business provisions. The legislation has multiple effective dates. The OBBBA had a favorable impact on our cash paid for income taxes in 2025, with continued cash tax favorability expected in 2026, primarily attributable to the change in restoring immediate U.S. tax deductions for domestic research and development expenses. The OBBBA did not have a material impact on the effective tax rate for the year ended December 31, 2025.

Key Business Metrics:

In addition to our results of operations discussed above, we believe the following presentation of key business metrics provides additional useful information to investors regarding our results of operations. To the extent material, we disclose below the additional purposes, if any, for which our management uses these key business metrics. Our key business metrics may vary significantly from period to period for reasons unrelated to our operating performance and may differ from similarly titled measures presented by other companies.

	December 31,		
	2025	**2024**	**2023**
ARR	$ 1,462,145	$ 1,283,256	$ 1,174,774
Last twelve-months recurring revenues	$ 1,391,350	$ 1,238,004	$ 1,096,677
Twelve-months ended constant currency [(1)]:			
ARR growth rate	11.5%	12%	12.5%
Account retention rate	99%	99%	98%
Recurring revenues dollar-based net retention rate	109%	110%	109%

(1) Constant currency is a non-GAAP financial measure. Refer to the "Non-GAAP Financial Measures" section for additional information, including our definition and our use of constant currency.

Recurring Revenues

Recurring revenues are the basis for our other revenue-related key business metrics. We believe this measure is useful in evaluating our ability to consistently retain and grow our revenues within our existing accounts.

Recurring revenues are subscriptions revenues that recur monthly, quarterly, or annually with specific or automatic renewal clauses and professional services revenues in which the underlying contract is based on a fixed fee and contains automatic annual renewal provisions.

ARR

ARR is a key business metric that we believe is useful in evaluating the scale and growth of our business as well as to assist in the evaluation of underlying trends in our business. Furthermore, we believe ARR, considered in connection with our last twelve-month recurring revenues dollar-based net retention rate, is a leading indicator of revenue growth.

ARR is defined as the sum of the annualized value of our portfolio of contracts that produce recurring revenues as of the last day of the reporting period, and the annualized value of the last three months of recognized revenues for our contractually recurring consumption-based software subscriptions with consumption measurement durations of less than one year, calculated using the spot foreign currency exchange rates. We believe that the last three months of recognized revenues, on an annualized basis, for our recurring software subscriptions with consumption measurement period durations of less than one year is a reasonable estimate of the annual revenues, given our consistently high retention rate and stability of usage under such subscriptions.

ARR resulting from the annualization of recurring contracts with consumption measurement durations of less than one year, as a percentage of total ARR, was 51%, 50%, and 47% as of December 31, 2025, 2024, and 2023, respectively, with our E365 subscription offering representing 46%, 45%, and 41% of total ARR as of December 31, 2025, 2024, and 2023, respectively.

Constant currency ARR growth rate is the growth rate of ARR measured on a constant currency basis. In reporting period-over-period ARR growth rates in constant currency, we calculate constant currency growth rates by translating current and prior period ARR on a transactional basis to our reporting currency using current year budget exchange rates. We believe that ARR growth is an important metric indicating the scale and growth of our business.

Last Twelve-Months Recurring Revenues

Last twelve-month recurring revenues is a key business metric that we believe is useful in evaluating our ability to consistently retain and grow our recurring revenues. We believe that we will continue to experience favorable growth in recurring revenues primarily due to our strong account retention and recurring revenues dollar-based net retention rates, as well as the addition of new accounts with recurring revenues.

Last twelve-months recurring revenues is calculated as recurring revenues recognized over the preceding twelve-month period.

The last twelve-months recurring revenues for the periods ended December 31, 2025, 2024, and 2023 compared to the last twelve-months of the comparative twelve-month period increased by $153,346, $141,327, and $118,653, respectively. This increase was primarily due to growth in ARR, which is primarily the result of growing our recurring revenues within our existing accounts as expressed in our recurring revenues dollar-based net retention rate, as well as additional recurring revenues resulting from new accounts and acquisitions. For the twelve months ended December 31, 2025, 2024, and 2023, 93%, 91%, and 89%, respectively, of our revenues were recurring revenues.

Account Retention Rate

Account retention rate is a key business metric that we believe is useful in evaluating the long-term value of our account relationships and our ability to retain our account base. We believe that our consistent and high account retention rates illustrate our ability to retain and cultivate long-term relationships with our accounts.

Account retention rate for any given twelve-month period is calculated using the average foreign currency exchange rates for the prior period, as follows: the prior period recurring revenues from all accounts with recurring revenues in the current and prior period, divided by total recurring revenues from all accounts during the prior period.

Recurring Revenues Dollar-Based Net Retention Rate

Recurring revenues dollar-based net retention rate is a key business metric that we believe is useful in evaluating our ability to consistently retain and grow our recurring revenues.

Recurring revenues dollar-based net retention rate is calculated, using the average exchange rates for the prior period, as follows: the recurring revenues for the current period, including any growth or reductions from existing accounts, but excluding recurring revenues from any new accounts added during the current period, divided by the total recurring revenues from all accounts during the prior period. A period is defined as any trailing twelve months. Related to our platform acquisitions, recurring revenues into new accounts will be captured as existing accounts starting with the second anniversary of the acquisition when such data conforms to the calculation methodology. This may cause variability in the comparison.

Given that recurring revenues represented 93%, 91%, and 89% of our total revenues for the twelve months ended December 31, 2025, 2024, and 2023, respectively, this metric helps explain our revenue performance as primarily growth from existing accounts.

Non-GAAP Financial Measures:

In addition to our results determined in accordance with GAAP discussed above, we believe the following presentation of financial measures not in accordance with GAAP provides useful information to investors regarding our results of operations. To the extent material, we disclose below the additional purposes, if any, for which our management uses these non-GAAP financial measures and provide reconciliations between these non-GAAP financial measures and their most directly comparable GAAP financial measures. Non-GAAP financial information should be considered in addition to, not as a substitute for, or in isolation from, the financial information prepared in accordance with GAAP, including operating income, or other measures of performance. Our non-GAAP financial measures may vary significantly from period to period for reasons unrelated to our operating performance and may differ from similarly titled measures presented by other companies.

Adjusted Operating Income Less Stock-Based Compensation Expense ("AOI less SBC")

AOI less SBC is a non-GAAP financial measure and is used to measure the operational strength and performance of our business, as well as to assist in the evaluation of underlying trends in our business.

AOI less SBC is defined as operating income adjusted for the following: amortization of purchased intangibles, expense (income) relating to deferred compensation plan liabilities, acquisition expenses (inclusive of cash-settled retention incentives provided to key employees of acquired companies), and realignment expenses (income), for the respective periods.

AOI less SBC is our primary performance measure, which excludes certain expenses and charges, including the non-cash amortization expense resulting from the acquisition of intangible assets, as we believe these may not be indicative of our core business operating results. We intentionally include stock-based compensation expense in this measure as we believe it better captures the economic costs of our business.

Management uses this non-GAAP financial measure to understand and compare operating results across accounting periods, for internal budgeting and forecasting purposes, to evaluate financial performance, and in our comparison of our financial results to those of other companies. It is also a significant performance measure in certain of our executive incentive compensation programs.

Adjusted Operating Income ("AOI")

Adjusted operating income is a non-GAAP financial measure that we believe is useful to investors in making comparisons to other companies, although this measure may not be directly comparable to similar measures used by other companies.

Adjusted operating income is defined as operating income adjusted for the following: amortization of purchased intangibles, expense (income) relating to deferred compensation plan liabilities, acquisition expenses (inclusive of cash-settled retention incentives provided to key employees of acquired companies), realignment expenses (income), and stock-based compensation expense, for the respective periods.

Reconciliation of operating income to AOI less SBC and to Adjusted operating income:

	Year Ended December 31,		
	2025	2024	2023
Operating income	$ 362,621	$ 302,150	$ 230,542
Amortization of purchased intangibles [1]	45,658	46,679	51,219
Deferred compensation plan [2]	14,409	12,382	13,580
Acquisition expenses [3]	7,229	10,222	17,866
Realignment expenses [4]	—	789	11,470
AOI less SBC	429,917	372,222	324,677
Stock-based compensation expense [5]	71,949	73,505	71,470
Adjusted operating income	$ 501,866	$ 445,727	$ 396,147

Further explanation of certain of our adjustments in arriving at AOI less SBC and Adjusted operating income are as follows:

(1) *Amortization of purchased intangibles*. Amortization of purchased intangibles varies in amount and frequency and is significantly impacted by the timing and size of our acquisitions. Management finds it useful to exclude these non-cash charges from our operating expenses to assist in budgeting, planning, and forecasting future periods. The use of intangible assets contributed to our revenues earned during the periods presented and will also contribute to our revenues in future periods. Amortization of purchased intangible assets will recur in future periods.

(2) *Deferred compensation plan*. We exclude *Deferred compensation plan* expense (income) when we evaluate our continuing operational performance because it is not reflective of our ongoing business and results of operations. We believe it is useful for investors to understand the effects of this item on our total operating expenses. Deferred compensation plan liabilities are marked to market at the end of each reporting period, with changes in the liabilities recorded as an expense (income) to *Deferred compensation plan* in the consolidated statements of operations.

(3) *Acquisition expenses*. We incur expenses for professional services rendered in connection with business combinations, which are included in our GAAP presentation of general and administrative expense. Also included in our acquisition expenses are cash-settled retention incentives provided to key employees of the acquired companies. We exclude these acquisition expenses when we evaluate our continuing operational performance as we would not have otherwise incurred these expenses in the periods presented as part of our continuing operations.

(4) *Realignment expenses*. We exclude these charges and subsequent adjustments to our estimates when we evaluate our continuing operational performance because they are not reflective of our ongoing business and results of operations. We believe it is useful for investors to understand the effects of these items on our total operating expenses. During the fourth quarter of 2023, we approved the 2023 Program. For the years ended December 31, 2024 and 2023, we recognized realignment costs related to the aforementioned program of $847 and $12,579, respectively, which represent termination benefits for colleagues whose roles were impacted (see Note 21 to our consolidated financial statements included in Part II, Item 8 of this Annual Report on Form 10-K). For the year ended December 31, 2023, realignment expenses were partially offset by income associated with the continued wind down of our Russian entities following our decision to exit the Russian market beginning in the second quarter of 2022.

(5) *Stock-based compensation expense*. We exclude non-cash stock-based compensation expenses from certain of our non-GAAP measures because we believe this is useful to investors in making comparisons to other companies.

Constant Currency

Constant currency and constant currency growth rates are non-GAAP financial measures that present our results of operations excluding the estimated effects of foreign currency exchange rate fluctuations. A significant amount of our operations is conducted in foreign currencies. As a result, the comparability of the financial results reported in U.S. dollars is affected by changes in foreign currency exchange rates. We use constant currency and constant currency growth rates to evaluate the underlying performance of the business, and we believe it is helpful for investors to present operating results on a comparable basis period over period to evaluate its underlying performance.

In reporting period-over-period results, except for ARR as discussed above in "Key Business Metrics" section, we calculate the effects of foreign currency fluctuations and constant currency information by translating current and prior period results on a transactional basis to our reporting currency using prior period average foreign currency exchange rates in which the transactions occurred.

Reconciliation of consolidated revenues to consolidated revenues in constant currency:

Constant Currency Change 2024 to 2025:

	Year Ended December 31, 2025			Year Ended December 31, 2024		
	Actual	Impact of Foreign Exchange at 2024 Rates	Constant Currency	Actual	Impact of Foreign Exchange at 2024 Rates	Constant Currency
Subscriptions	$1,376,696	$ (11,533)	$1,365,163	$1,223,362	$ (791)	$1,222,571
Perpetual licenses	46,180	(174)	46,006	45,961	(5)	45,956
Subscriptions and licenses	1,422,876	(11,707)	1,411,169	1,269,323	(796)	1,268,527
Services	78,903	(680)	78,223	83,772	(1)	83,771
Total revenues	$1,501,779	$ (12,387)	$1,489,392	$1,353,095	$ (797)	$1,352,298

Constant Currency Change 2023 to 2024:

	Year Ended December 31, 2024			Year Ended December 31, 2023		
	Actual	Impact of Foreign Exchange at 2023 Rates	Constant Currency	Actual	Impact of Foreign Exchange at 2023 Rates	Constant Currency
Subscriptions	$1,223,362	$ 814	$1,224,176	$1,080,307	$ (977)	$1,079,330
Perpetual licenses	45,961	323	46,284	46,038	(4)	46,034
Subscriptions and licenses	1,269,323	1,137	1,270,460	1,126,345	(981)	1,125,364
Services	83,772	(291)	83,481	102,068	(61)	102,007
Total revenues	$1,353,095	$ 846	$1,353,941	$1,228,413	$ (1,042)	$1,227,371

Reconciliation of revenues by geographic region to revenues by geographic region in constant currency:

Constant Currency Change 2024 to 2025:

	Year Ended December 31, 2025			Year Ended December 31, 2024		
	Actual	Impact of Foreign Exchange at 2024 Rates	Constant Currency	Actual	Impact of Foreign Exchange at 2024 Rates	Constant Currency
Americas	$ 790,495	$ 1,141	$ 791,636	$ 717,002	$ (182)	$ 716,820
EMEA	436,828	(13,073)	423,755	388,384	(383)	388,001
APAC	274,456	(455)	274,001	247,709	(232)	247,477
Total revenues	$1,501,779	$ (12,387)	$1,489,392	$1,353,095	$ (797)	$1,352,298

Constant Currency Change 2023 to 2024:

	Year Ended December 31, 2024			Year Ended December 31, 2023		
	Actual	Impact of Foreign Exchange at 2023 Rates	Constant Currency	Actual	Impact of Foreign Exchange at 2023 Rates	Constant Currency
Americas	$ 717,002	$ 1,751	$ 718,753	$ 650,926	$ (238)	$ 650,688
EMEA	388,384	(2,754)	385,630	353,550	(118)	353,432
APAC	247,709	1,849	249,558	223,937	(686)	223,251
Total revenues	$1,353,095	$ 846	$1,353,941	$1,228,413	$ (1,042)	$1,227,371

Reconciliation of cost of revenues to cost of revenues in constant currency:

Constant Currency Change 2024 to 2025:

	Year Ended December 31, 2025			Year Ended December 31, 2024		
	Actual	Impact of Foreign Exchange at 2024 Rates	Constant Currency	Actual	Impact of Foreign Exchange at 2024 Rates	Constant Currency
Cost of subscriptions and licenses	$ 201,405	$ (658)	$ 200,747	$ 173,340	$ (83)	$ 173,257
Cost of services	76,125	(729)	75,396	84,427	121	84,548
Total cost of revenues	$ 277,530	$ (1,387)	$ 276,143	$ 257,767	$ 38	$ 257,805

Constant Currency Change 2023 to 2024:

	Year Ended December 31, 2024			Year Ended December 31, 2023		
	Actual	Impact of Foreign Exchange at 2023 Rates	Constant Currency	Actual	Impact of Foreign Exchange at 2023 Rates	Constant Currency
Cost of subscriptions and licenses	$ 173,340	$ 140	$ 173,480	$ 169,406	$ 22	$ 169,428
Cost of services	84,427	(101)	84,326	96,677	6	96,683
Total cost of revenues	$ 257,767	$ 39	$ 257,806	$ 266,083	$ 28	$ 266,111

Reconciliation of operating expenses to operating expenses in constant currency:

Constant Currency Change 2024 to 2025:

	Year Ended December 31, 2025			Year Ended December 31, 2024		
	Actual	Impact of Foreign Exchange at 2024 Rates	Constant Currency	Actual	Impact of Foreign Exchange at 2024 Rates	Constant Currency
Research and development	$ 307,576	$ (626)	$ 306,950	$ 281,247	$ 25	$ 281,272
Selling and marketing	289,543	(1,662)	287,881	255,177	(39)	255,138
General and administrative	217,332	(949)	216,383	210,374	(43)	210,331
Deferred compensation plan	14,409	—	14,409	12,382	—	12,382
Amortization of purchased intangibles	32,768	(58)	32,710	33,998	—	33,998
Total operating expenses	$ 861,628	$ (3,295)	$ 858,333	$ 793,178	$ (57)	$ 793,121

Constant Currency Change 2023 to 2024:

	Year Ended December 31, 2024			Year Ended December 31, 2023		
	Actual	Impact of Foreign Exchange at 2023 Rates	Constant Currency	Actual	Impact of Foreign Exchange at 2023 Rates	Constant Currency
Research and development	$ 281,247	$ 817	$ 282,064	$ 274,619	$ 17	$ 274,636
Selling and marketing	255,177	505	255,682	224,336	(212)	224,124
General and administrative	210,374	(106)	210,268	180,738	(308)	180,430
Deferred compensation plan	12,382	—	12,382	13,580	—	13,580
Amortization of purchased intangibles	33,998	(39)	33,959	38,515	(2)	38,513
Total operating expenses	$ 793,178	$ 1,177	$ 794,355	$ 731,788	$ (505)	$ 731,283

Liquidity and Capital Resources:

Cash and Cash Equivalents

	December 31,	
	2025	2024
Cash and cash equivalents held domestically	$ 39,093	$ 2,845
Cash and cash equivalents held by foreign subsidiaries	84,185	61,164
Total cash and cash equivalents	$ 123,278	$ 64,009

Our primary source of operating cash is from the sale of our subscriptions, perpetual licenses, and services. Our primary use of cash is payment of our operating costs, which consist mainly of headcount-related costs. In addition to operating expenses, we also use cash to service our debt obligations, to pay quarterly dividends, to repurchase our Class B common stock and convertible debt, and for capital expenditures in support of our operations. We also use cash to fund our acquisitions of software assets and businesses, and other investment activities.

During the years ended December 31, 2025 and 2024, we made cash repatriations to the U.S. of approximately $180,000 and $138,000, respectively, from earnings generated by our foreign subsidiaries. In 2025 and 2024, the repatriations were primarily used to pay down our credit facility borrowings and to supplement our domestic working capital needs.

We believe that cash generated from operations, together with existing cash and cash equivalent balances, and external borrowings including available liquidity under the Credit Facility, will be sufficient to meet our domestic and international working capital and capital expenditure requirements. We regularly review our capital structure and consider a variety of potential financing alternatives and planning strategies to ensure that we have the proper liquidity available in the locations in which it is needed and to fund our operations and growth investments with cash that has not been permanently reinvested outside the U.S. Our future capital requirements may be materially different than those currently planned in our budgeting and forecasting activities and depend on many factors, including our strategy of regularly acquiring and integrating specialized infrastructure engineering software businesses, our rate of revenue growth, the timing and extent of spending on research and development, the expansion of our sales and marketing activities, the timing of new product introductions, market acceptance of our products, competitive factors, our discretionary payments of dividends or repurchases of our Class B common stock and convertible debt, funding of our purchase commitments, currency fluctuations, and overall economic conditions, globally. To the extent that current and anticipated future sources of liquidity are insufficient to fund our future business activities and requirements, we may be required to seek additional equity or debt financing. The sale of additional equity would result in additional dilution to our stockholders, while the incurrence of additional debt financing, including convertible debt, would result in additional debt service obligations. Such debt instruments also could introduce new or modified covenants that might restrict our operations and/or our ability to pay dividends,

consummate acquisitions, or otherwise pursue our business strategies. We cannot provide assurance that we could obtain additional financing on favorable terms or at all.

Cash Flows Activity

	Year Ended December 31,		
	2025	2024	2023
Net cash provided by (used in):			
Operating activities	$ 538,464	$ 435,292	$ 416,696
Investing activities	$ (112,309)	$ (143,267)	$ (60,504)
Financing activities	$ (376,298)	$ (289,850)	$ (359,074)

Operating Activities

For the year ended December 31, 2025, compared to the prior year, net cash provided by operating activities was higher by $103,172 due to an increase in net income of $43,361, an increase in net cash flows from the change in operating assets and liabilities of $36,777, and a net increase in non-cash adjustments of $23,034. The increase in net cash flows from the change in operating assets and liabilities year over year was primarily due to higher deferred revenues, timing of collections on our receivables, higher accounts payable, lower capitalized internal-use software implementation costs, as well as the overall timing of payments for software maintenance contracts. Offsetting these increases were lower period over period Cloud Services Subscription deposits and lower accruals and other current liabilities.

Investing Activities

Net cash used in investing activities was lower by $30,958 for the year ended December 31, 2025, compared to the prior year, primarily due to lower acquisition related payments of $37,155. We used available cash and borrowings under our credit facilities to fund our acquisitions.

Financing Activities

Net cash used in financing activities was higher by $86,448 for the year ended December 31, 2025, compared to the prior year, primarily due to higher payments for shares acquired of $80,381, including shares repurchased under the BSY Stock Repurchase Program (the "Repurchase Program") and higher dividend payments of $12,848, primarily due to an increase in our quarterly dividend per share to $0.07 in 2025 from $0.06 in 2024, partially offset by lower net paydowns of the credit facilities of $11,398. Additionally, we paid $9,797 in cash to repurchase $10,000 aggregate principal amount of our outstanding 2026 Notes during the first quarter of 2025.

Long-Term Debt

	December 31,	
	2025	2024
Current portion of long-term debt	$ —	$ —
Long-term debt	1,248,912	1,388,088
Total debt	$ 1,248,912	$ 1,388,088

On October 18, 2024, we entered into the Credit Facility, which provides us with a $1,300,000 revolving credit facility, including a $125,000 swingline loan and $125,000 in letters of credit. The Credit Facility also provides us with a $500,000 "accordion" feature to increase the facility in the form of both revolving indebtedness and/or incremental term loans. On October 18, 2024, we used borrowings under the Credit Facility to repay all indebtedness outstanding under the 2017 Credit Facility, including the outstanding senior secured term loan.

As of December 31, 2025, we had $1,299,850 available under the Credit Facility, and we were in compliance with all covenants under the Credit Facility, the 2026 Notes, and the 2027 Notes. Any failure to comply with such covenants under the Credit Facility would prevent us from being able to borrow additional funds under the Credit Facility, and, as with any failure to comply with such covenants under the 2026 Notes and the 2027 Notes, could constitute a default that may cause all amounts outstanding to become due and immediately payable in full.

As of December 31, 2025, the 2026 Notes were classified as long-term in the consolidated balance sheets as we had the ability and intent to refinance them on a long-term basis through available capacity under the Credit Facility.

The 2026 Notes matured on January 15, 2026. Upon maturity, we repaid $678,254, which consisted of the remaining outstanding principal balance and accrued interest on the 2026 Notes using borrowings under the Credit Facility and available cash on hand.

Our credit facilities, 2026 Notes, and 2027 Notes are described in Note 10 to our consolidated financial statements included in Part II, Item 8 of this Annual Report on Form 10-K.

Stock Repurchases

BSY Stock Repurchase Program

Our Board of Directors had authorized us to repurchase up to $200,000 of our Class B common stock and/or outstanding convertible senior notes through June 30, 2024 under the Repurchase Program. This authorization under the Repurchase Program expired on June 30, 2024. In March 2024, our Board of Directors approved an extension to the Repurchase Program authorizing us to repurchase up to $200,000 of our Class B common stock and/or outstanding convertible senior notes from June 30, 2024 through June 30, 2026. In November 2025, our Board of Directors approved an extension to the Repurchase Program authorizing us to repurchase up to $500,000 of our Class B common stock and/or outstanding convertible senior notes from November 21, 2025 through December 31, 2028. This updated authorization supersedes our prior authorization, which was set to expire on June 30, 2026. We may use available working capital, cash provided by operating activities, and/or external borrowings including available liquidity under our Credit Facility to make repurchases.

During the year ended December 31, 2025, we repurchased 2,887,224 shares for $125,057, and $10,000 aggregate principal amount of our outstanding 2026 Notes for $9,797 under the Repurchase Program. During the year ended December 31, 2024, we repurchased 1,292,733 shares for $64,359 under the Repurchase Program.

The timing, as well as the number and value of shares and/or outstanding convertible senior notes repurchased under the Repurchase Program, will be determined at our discretion and will depend on a variety of factors, including our assessment of the intrinsic value of our shares, the market price of our Class B common stock and outstanding convertible senior notes, general market and economic conditions, available liquidity, compliance with our debt and other agreements, and applicable legal requirements.

Withholding Taxes on Certain Equity Awards

We have the right to require that certain equity awardees receive gross or net quantities of shares of our Class B common stock, including distributions from the DCP and share issuances under the Bonus Plan. In the case of a gross issuance or distribution, an awardee is required to reimburse promptly to us the cash required for his or her tax withholding amounts. Conversely, under a net issuance or distribution, shares are withheld in consideration of remitting withholding taxes on behalf of an equity awardee, thereby requiring us to remit cash for the tax withholdings. We exercised our right to require that impacted equity awardees receive gross quantities of our Class B common stock during the first quarter of 2025, but we allowed impacted awardees the option to receive net quantities of shares of our Class B common stock during the second, third, and fourth quarters of 2025. During the year ended December 31, 2024, we exercised our right to require that impacted equity awardees receive gross quantities of our Class B common stock. We will continue to evaluate whether share awards will be required to be received by awardees on a gross basis, or if net settlement may be elected by awardees.

Dividend Payments

The declaration and payment of dividends is within the discretion of our Board of Directors. We paid quarterly dividends of $0.07 per share of common stock during the year ended December 31, 2025 and $0.06 per share of common stock during the year ended December 31, 2024. While we intend to continue paying quarterly dividends, any future determination will be subject to the discretion of our Board of Directors and will be dependent on a number of factors, including our results of operations, capital requirements, restrictions under Delaware law, and overall financial condition, as well as any other factors our Board of Directors considers relevant. In addition, the terms of the agreement governing the Credit Facility limit the amount of dividends we can pay.

Contractual Obligations and Other Commitments:

The following table summarizes our most significant contractual obligations as of December 31, 2025:

	Total	Due within 12 months	Due after 12 months
Debt Obligations [(1)]	$ 1,252,830	$ 677,830	$ 575,000
Purchase Obligations	$ 53,700	$ 17,600	$ 36,100
DCP Obligations	$ 111,125	$ 4,294	$ 106,831

(1) Amounts represent the face value of debt and exclude interest payments.

Our largest contractual obligations relate to our outstanding debt, which include convertible notes due in 2026 and 2027. We repaid the 2026 Notes upon maturity on January 15, 2026. Our Credit Facility matures on October 18, 2029, subject to a "revolving maturity date" on the date that is 91 days prior to the maturity date of our outstanding convertible debt, unless on such date we meet certain liquidity requirements. We typically fund and expect to continue to fund debt maturities and interest payments with cash flows generated from operations, existing cash and cash equivalents, or proceeds from additional financing. If an early conversion notice is received, we have the option to pay cash, deliver shares of our Class B common stock, or a combination thereof. See Note 10 to our consolidated financial statements included in Part II, Item 8 of this Annual Report on Form 10-K for additional information on our debt obligations.

We have non-cancelable future cash purchase commitments for services related to cloud provisioning of our software and for internal-use software costs. Our purchase obligations are in addition to amounts included in our consolidated balance sheets. We have funded and expect to continue to be able to fund our purchase obligations with cash flows generated from operations, existing cash and cash equivalents or revolving loan borrowings under the Credit Facility. See Note 18 to our consolidated financial statements included in Part II, Item 8 of this Annual Report on Form 10-K for additional information on our purchase obligations.

Our DCP obligations represent DCP participants' holdings in phantom investment funds, which are classified as liabilities as they will be settled in cash upon eventual distribution. We have funded and expect to continue to be able to fund our DCP obligations with cash flows generated from operations, existing cash and cash equivalents, or revolving loan borrowings under the Credit Facility. See Note 12 to our consolidated financial statements included in Part II, Item 8 of this Annual Report on Form 10-K for additional information on our DCP obligations.

Our other future contractual obligations are related to leases. See Note 8 to our consolidated financial statements included in Part II, Item 8 of this Annual Report on Form 10-K for additional information on our lease obligations.

Critical Accounting Estimates:

The preparation of our consolidated financial statements in conformity with GAAP requires us to make estimates that affect the reported amounts of assets, liabilities, revenues, and expenses, and the related disclosure of contingent assets and contingent liabilities. We base our judgments on our historical experience and on various other assumptions that we believe are reasonable under the circumstances, the results of which form the basis for making estimates about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

Revenue Recognition

Our contracts with customers may include promises to transfer licenses (perpetual or term-based), maintenance, and services to a user. Judgment is required to determine if the promises are separate performance obligations, and if so, the allocation of the transaction price to each performance obligation. When an arrangement includes multiple performance obligations which are concurrently delivered and have the same pattern of transfer to the customer, we account for those performance obligations as a single performance obligation. For contracts with more than one performance obligation, the transaction price is allocated among the performance obligations in an amount that depicts the relative standalone selling price ("SSP") of each obligation. Judgment is required to determine the SSP for each distinct performance obligation. In instances where SSP is not directly observable, such as when we do not sell the product or service separately, we determine the SSP using information that may include market conditions and other observable inputs. We use a range of amounts to estimate SSP when we sell each of the products and services separately and need to determine whether there is a discount that should be allocated based on the relative SSP of the various products and services.

Our SELECT agreement provides users with perpetual licenses a right to exchange software for other eligible perpetual licenses on an annual basis upon renewal. We refer to this option as portfolio balancing and concluded that the portfolio balancing feature represents a material right resulting in the deferral of the associated revenue. Judgment is required to estimate the percentage of users who may elect to portfolio balance and considers inputs such as historical user elections. This feature is available once per term and must be exercised prior to the respective renewal term. We recognize the associated revenue upon election or when the portfolio balancing right expires. This right is included in the initial and subsequent renewal terms and we reestablish the revenue deferral for the material right upon the beginning of the renewal term. Portfolio balancing exchange rights are included in *Deferred revenues* in the consolidated balance sheets.

Goodwill and Other Intangible Assets

Intangible assets primarily arise from acquisitions and principally consist of goodwill, acquired software and technology, customer relationships, and trademarks. Finite-lived intangible assets are amortized on a straight-line basis over their estimated useful lives.

Goodwill

Goodwill consists of the excess of cost over the fair value of net assets acquired in business combinations. Goodwill is not amortized but instead is tested annually for impairment on October 1, or more frequently if events occur or circumstances change that would more likely than not reduce its fair value below its carrying amount. We allocate goodwill to reporting units on a relative fair value basis.

In testing for goodwill impairment, we may first qualitatively assess whether it is more likely than not (a likelihood of more than 50 percent) that a goodwill impairment exists. If it is determined that a quantitative assessment is required and the carrying amount exceeds its fair value, we will recognize goodwill impairment in the amount in which the carrying amount of the reporting unit exceeds its fair value, but not to exceed the carrying amount of goodwill within the reporting unit. The process of evaluating the potential impairment of goodwill is subjective and requires significant judgment at many points in the process. The value of our goodwill could also be impacted by future adverse changes including declines in our stock price, market capitalization, or cash flows, and slower growth rates in our industry. There was no impairment of goodwill as a result of our annual impairment assessments conducted for the years ended December 31, 2025, 2024, or 2023.

Other Intangible Assets

We evaluate intangible assets subject to amortization for impairment whenever events or changes in circumstances indicate that the carrying value of these assets may not be recoverable or that useful lives of those assets are no longer appropriate. If circumstances require an asset to be tested for possible impairment, we first compare the undiscounted cash flows expected to be generated by that asset to its carrying value. If the carrying value of the asset is not recoverable on an undiscounted cash flow basis, an impairment is recognized to the extent that the carrying value exceeds its fair value. The process of evaluating the potential impairment of intangible assets is subjective and requires significant judgment at many points in the process. There was no impairment of intangible assets subject to amortization for the years ended December 31, 2025, 2024, or 2023.

Income Taxes

We account for income taxes under the asset and liability method, which requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the consolidated financial statements. Under this method, deferred tax assets and liabilities are determined based on net operating loss ("NOL") carryforwards, credit carryforwards, and temporary differences between the financial statement and tax basis of assets and liabilities using enacted tax rates in effect for the year in which the items are expected to reverse. The effect of a change in tax rates on deferred tax assets and liabilities is recognized in income in the period of the enactment date.

We perform a quarterly assessment of the recoverability of the net deferred tax assets. We consider all available evidence, both positive and negative, in determining whether all or a portion of a deferred tax asset is more likely than not to be realized. In the event we determine that all or a portion of the deferred tax assets is not more likely than not to be realized, an adjustment to the valuation allowance would be recorded that would increase the provision for income taxes. To the extent that the realization of a deferred tax asset is based upon forecasted future earnings, our judgment regarding future profitability may change due to future market conditions and other factors. Assumptions about future taxable income require significant judgment and, while these assumptions rely heavily on estimates, such estimates are consistent with the plans we are using to manage the underlying business. Any change in future profitability may require material adjustments to these net deferred tax assets, resulting in a reduction in net income in the period when such determination is made. Additionally, future changes in tax laws and rates, including administrative or regulatory guidance, could affect recorded deferred tax assets and liabilities. Any adjustments to these estimates will generally be recorded as an income tax expense or benefit in the period the adjustment is determined.

We are subject to income taxes in the U.S. and in numerous foreign jurisdictions. The calculation of our tax liabilities often involves dealing with uncertainties in the application of complex tax laws and regulations in a multitude of jurisdictions across our global operations. There are many transactions and calculations about which the ultimate tax outcome is uncertain. A benefit from an uncertain tax position may be recognized when it is more likely than not that the position will be sustained based upon the technical merits of the position. This may include expected resolutions upon examination, any related appeals, or through a litigation processes. As a result, our calculations involve estimates by management. Due to the complexity of some of these uncertainties, the ultimate resolution may result in a payment, potentially including interest and penalties, that is materially different from our current estimates of the unrecognized tax benefit liabilities. These differences, along with any related interest and penalties, will generally be reflected as increases or decreases to income tax expense in the period in which new information becomes available. We review the tax reserves as circumstances warrant and adjust the reserves as events occur that affect our potential liability for additional taxes. We follow the applicable guidance on derecognition, classification, interest and penalties, accounting in interim periods, disclosure, and transition with respect to uncertain tax positions. We recognize interest and penalties related to income taxes within the (*Provision) benefit for income taxes* line in the consolidated statements of operations. Accrued interest and penalties are included within the related tax liability line in the consolidated balance sheets.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

Market risk represents the risk of loss that may impact our financial condition due to adverse changes in financial market prices and rates. Our market risk exposure is primarily a result of fluctuations in foreign currency rates, although we also have exposure due to potential changes in interest rates. We do not hold financial instruments for trading purposes.

Foreign Currency Exchange Risk

Our revenues, earnings, cash flows, receivables, and payables are subject to fluctuations due to changes in foreign currency exchange rates. We regularly evaluate our foreign currency positions in the context of the natural hedging of revenues and expenses and corresponding exposure. We have concluded that our naturally hedged positions support our strategy and no incremental hedging strategies have been deployed. The primary currencies for which we have exchange rate exposure are the U.S. dollar versus euros, British pounds, Canadian dollars, Australian dollars, Chinese yuan renminbi, and New Zealand dollars. For the year ended December 31, 2025, approximately 59% of our total revenues are derived from outside of the U.S. and approximately 33% of our revenues are denominated in a currency other than the U.S. dollar. In 2025, 67%, 11%, 6%, 3%, and 13% of our total revenues were denominated in U.S. dollars, euros, British pounds, Canadian dollars, and other currencies, respectively, and 55%, 13%, 8%, 7%, and 17% of our aggregate cost of revenues and operating expenses were denominated in U.S. dollars, euros, British pounds, Canadian dollars, and other currencies, respectively. Financial results therefore are affected by changes in foreign currency rates. We estimate that a 10% strengthening of the U.S. dollar versus our other currencies would have increased our 2025 annual operating income by approximately $2.4 million.

Interest Rate Risk

The interest rates on our Credit Facility fluctuate based on various market conditions that affect the Secured Overnight Financing Rate ("SOFR"), the prime rate, or the overnight bank funding effective rate. The cost of borrowing thereunder may be impacted as a result of our interest rate risk exposure. Effective on April 2, 2020, we entered into an interest rate swap with a notional amount of $200.0 million and a ten-year term to reduce the interest rate risk associated with a portion of our floating rate debt. Under the terms of the interest rate swap, we pay a fixed interest rate of 72.9 basis points ("bps"), and will receive a floating interest rate equal to daily SOFR plus an Alternative Reference Rates Committee ("ARRC") spread adjustment of 11.448 bps. We do not enter into investments or derivative instruments for trading or speculative purposes. The fair value of our 2026 Notes and 2027 Notes is subject to interest rate risk, market risk, and other factors due to the conversion feature. The capped call options that were entered into concurrently with the issuance of our 2026 Notes and 2027 Notes were completed to reduce the potential dilution from the conversion of the 2026 Notes and 2027 Notes. The fair value of the 2026 Notes and 2027 Notes will generally increase as interest rates fall and decrease as interest rates rise. In addition, the fair value of the 2026 Notes and 2027 Notes will generally increase as our Class B common stock price increases and will generally decrease as the common stock price declines. The interest and market value changes affect the fair value of the 2026 Notes and 2027 Notes, but do not impact our financial condition, results of operations, or cash flows due to the fixed nature of the debt obligation. Due to the short-term nature of our investments, we have not been exposed to, nor do we anticipate being exposed to, material risks due to changes in interest rates. We had cash and cash equivalents of $123.3 million and $64.0 million as of December 31, 2025 and 2024, respectively, which consisted of bank deposits and money market funds maintained at various financial institutions. The cash and cash equivalents are held primarily for working capital purposes. Such interest-earning instruments carry a degree of interest rate risk. To date, fluctuations in interest income have not been significant. The primary objective of our investment activities is to preserve principal while maximizing income without significantly increasing risk. A hypothetical 10% change in interest rates during any of the periods presented would not have had a material impact on our consolidated financial statements.

Item 8. Financial Statements and Supplementary Data

The information required by this item is included at the end of this report beginning on page F-1.

Item 9. Changes in and Disagreements With Accountants on Accounting and Financial Disclosure

None.

Item 9A. Controls and Procedures

Evaluation of Effectiveness of Disclosure Controls and Procedures

Our management maintains 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") that are designed to provide reasonable assurance that information required to be disclosed in our reports filed or submitted under the Exchange Act is processed, recorded, summarized, and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer (our principal executive officer and principal financial officer, respectively), as appropriate, to allow for timely decisions regarding required disclosure.

We evaluated, under the supervision and with the participation of management, including our principal executive and principal financial officers, the effectiveness of the design and operation of our disclosure controls and procedures as of the end of the period covered by this report. Based on this evaluation, our principal executive officer and principal financial officer concluded that, as of December 31, 2025, our disclosure controls and procedures were effective at the reasonable assurance level.

Our management, including our Chief Executive Officer and Chief Financial Officer, does not expect that our disclosure controls and procedures or our internal control over financial reporting will necessarily prevent all errors and all fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within Bentley Systems, Incorporated have been detected.

Management's Annual Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting (as defined in Rule 13a-15(f) under the Securities Exchange Act of 1934, as amended). Our management assessed the effectiveness of our internal control over financial reporting as of December 31, 2025. In making this assessment, our management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") in *Internal Control – Integrated Framework (2013)*.

Our management has concluded that, as of December 31, 2025, our internal control over financial reporting was effective 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.

Our independent registered public accounting firm, KPMG LLP, has issued an audit report on the effectiveness of our internal control over financial reporting, which is included in Part II, Item 8 of this Annual Report on Form 10-K.

Changes in Internal Control over Financial Reporting

There was no change in our internal control over financial reporting identified in management's evaluation pursuant to Rules 13a or 15d of the Exchange Act that occurred during the quarter ended December 31, 2025 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

Item 9B. Other Information

Rule 10b5-1 Trading Plans

On December 17, 2025, Werner Andre, the Company's Chief Financial Officer, adopted a trading plan established pursuant to Rule 10b5-1 of the Exchange Act, which is intended to satisfy the affirmative defense conditions of Rule 10b5-1(c), to sell an aggregate of 29,757 shares of our Class B common stock. Mr. Andre's plan expires on November 10, 2026.

During the three months ended December 31, 2025, there were no other Company directors or executive officers who adopted or terminated any contract, instruction or written plan for the purchase or sale of Company securities that was intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) or any "non-Rule 10b5-1 trading arrangement."

Dividends Declared Subsequent to December 31, 2025

On February 23, 2026, our Board of Directors declared a $0.07 per share dividend for the first quarter of 2026. The cash dividend will be payable on March 19, 2026 to all stockholders of record of Class A and Class B common stock as of the close of business on March 10, 2026. The Company publicly announced the dividend declaration on February 26, 2026.

Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections

Not applicable.

PART III

Item 10. Directors, Executive Officers and Corporate Governance

The information required by this item is incorporated by reference to our 2026 Proxy Statement, which will be filed with the SEC not later than 120 days subsequent to December 31, 2025.

Information About Our Executive Officers

The following sets forth certain information as of February 26, 2026, regarding our executive officers.

Name	Age	Position
Gregory S. Bentley	70	Executive Chair and President
Nicholas H. Cumins	49	Chief Executive Officer
Werner Andre	56	Chief Financial Officer
Brock Ballard	49	Chief Revenue Officer
James Lee	46	Chief Operating Officer
Julien Moutte	47	Chief Technology Officer
David R. Shaman	60	Chief Legal Officer and Secretary

Gregory S. Bentley has served as our President since June 1996 and as our Executive Chair since July 2024. He served as our Chief Executive Officer from August 2000 to July 2024. Prior to joining us in 1991, Mr. Bentley founded and served as chief executive officer of Devon Systems International, Inc., a provider of financial trading software, which was sold to SunGard Data Systems, Inc. in 1987. Mr. Bentley served as a director of SunGard and a member of its audit committee from 1991 through 2005. He holds a B.S. in Economics and an M.B.A. in Finance and Decision Sciences from the Wharton School, University of Pennsylvania.

Nicholas H. Cumins has served as our Chief Executive Officer since July 1, 2024 and is responsible for our overall strategy and growth. Mr. Cumins previously served as our Chief Operating Officer since January 1, 2022. Mr. Cumins joined us in September 2020 as our Chief Product Officer. Prior to joining us, Mr. Cumins served as general manager of SAP Marketing Cloud, a comprehensive marketing automation platform, from 2018 to 2020. Mr. Cumins also served as chief product officer of Scytl, a platform for online voting, in Barcelona from 2016 to 2018, and senior vice president of product with OpenX, a pioneer in programmatic advertising, in Los Angeles from 2013 to 2016. He holds Maîtrise de Droit (Law) and Maîtrise de Sciences de Gestion (Business) degrees from University Paris II Panthéon-Assas, Paris, France.

Werner Andre has served as our Chief Financial Officer since January 1, 2022 and is responsible for all aspects of finance including worldwide accounting, financial planning and analysis, tax, and treasury. Mr. Andre joined us in 2015 as Global Corporate Controller and served as our Chief Accounting Officer from 2020 through March 2024. Prior to joining us, Mr. Andre served as the assistant corporate controller – international accounting and reporting for Rockwood Holdings, Inc. from 2010 to 2015, and held several roles with PricewaterhouseCoopers LLP from 1995 to 2010. He holds B.S. and M.B.A. degrees in Accounting and Financial Reporting from the University for Economics and Business Administration in Vienna.

Brock Ballard has served as our Chief Revenue Officer since January 1, 2023 and is responsible for leading all of our accounts globally. Mr. Ballard joined us in 2020 as Vice President and Regional Executive, Americas. Prior to joining us, Mr. Ballard served in sales leadership positions with Dassault Systèmes, Autodesk, Inc., and Océ. He holds a Bachelor of Arts in Communication and Information Sciences from the University of Alabama.

James Lee has served as our Chief Operating Officer since joining us in January 2025. Mr. Lee is responsible for strengthening cross-functional planning and execution, driving operational excellence, and overseeing corporate development. Prior to joining us, Mr. Lee joined Google in 2020 and served as the general manager of the startups and AI business at Google Cloud, an infrastructure and platform services business, since 2023. Prior to joining Google, Mr. Lee worked at SAP, an enterprise software solutions company, from 2008 to 2020, most recently serving as Chief Operating Officer for SAP Ariba and Fieldglass. He holds a Master of Business Administration from Harvard Business School, a Bachelor of Commerce from the University of British Columbia, and a Diploma in Piano Performance from the Royal Conservatory of Music.

Julien Moutte has served as our Chief Technology Officer since 2023 and is the principal architect of our technology directions. Mr. Moutte has over 20 years of technology leadership experience in startups, scaleups, and large organizations. Prior to joining us as Vice President of Technology in 2021, Mr. Moutte served as head of technology for SAP Marketing Cloud and a member of the office of the chief technology officer with SAP Customer Experience. He also served as chief technology officer of Scytl, a platform for online voting, and the Fluendo, the Free Software multimedia experts, which he co-founded in 2004 in Barcelona, Spain. He holds a degree in Computer Science from Université Claude Bernard in Lyon, France.

David R. Shaman, our Chief Legal Officer, has led our legal team since 2015 and is responsible for legal, regulatory compliance, government relations, and license compliance activities. Mr. Shaman previously served as Deputy General Counsel from 2006 to 2015. Prior to joining us in 1998, Mr. Shaman was an associate at the law firm Covington & Burling LLP. Mr. Shaman's international experience includes eight years leading our legal operations outside the United States, as well as tenures at the European Commission, Directorate-General for Informatics in Brussels and Harlequin Limited, a software company in Cambridge, United Kingdom. He holds a Bachelor's degree in Mathematics from the University of Pennsylvania, a J.D. from Harvard Law School, and a Diploma in Mathematical Statistics from Cambridge University.

Item 11. Executive Compensation

The information required by this item is incorporated by reference to our 2026 Proxy Statement, which will be filed with the SEC not later than 120 days subsequent to December 31, 2025.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

The information required by this item is incorporated by reference to our 2026 Proxy Statement, which will be filed with the SEC not later than 120 days subsequent to December 31, 2025.

Item 13. Certain Relationships and Related Transactions, and Director Independence

The information required by this item is incorporated by reference to our 2026 Proxy Statement, which will be filed with the SEC not later than 120 days subsequent to December 31, 2025.

Item 14. Principal Accountant Fees and Services

The information required by this item is incorporated by reference to our 2026 Proxy Statement, which will be filed with the SEC not later than 120 days subsequent to December 31, 2025.

PART IV

Item 15. Exhibit and Financial Statement Schedules

(a) The following documents are filed as part of this report:

1. Financial Statements:

	Page
Report of Independent Registered Public Accounting Firm (KPMG LLP, Philadelphia, Pennsylvania, PCAOB ID: 185)	F-1
Consolidated Balance Sheets	F-3
Consolidated Statements of Operations	F-4
Consolidated Statements of Comprehensive Income	F-5
Consolidated Statements of Equity	F-6
Consolidated Statements of Cash Flows	F-7
Notes to Consolidated Financial Statements	F-9

2. Financial Statement Schedules:

Financial statement schedules have been omitted since they are either not required, not applicable, or the information is included in the consolidated financial statements or notes thereto.

3. Exhibits:

Exhibit Number	Exhibit Description	Incorporated by Reference				Filed Herewith
		Form	File No.	Exhibit	Filing Date	
3.1	Amended and Restated Certificate of Incorporation of Bentley Systems, Incorporated	8-K	001-39548	3.1	September 25, 2020	
3.2	Amended and Restated Bylaws of Bentley Systems, Incorporated	8-K	001-39548	3.2	September 25, 2020	
4.1	Form of Bentley Systems, Incorporated Class B common stock certificate	S-1/A	333-248246	4.1	September 18, 2020	
4.2	Indenture, dated as of June 28, 2021, between Bentley Systems, Incorporated and Wilmington Trust, National Association, as trustee	8-K	001-39548	4.1	June 29, 2021	
4.3	Form of 0.375% Convertible Senior Note due 2027	8-K	001-39548	A in 4.1	June 29, 2021	
4.4	Description of Bentley Systems, Incorporated Securities	10-K	001-39548	4.4	March 2, 2021	
10.1	Form of Capped Call Confirmation relating to the 0.375% Convertible Senior Note due 2027	8-K	001-39548	10.1	June 29, 2021	
10.2	Second Amended and Restated Credit Agreement, dated as of October 18, 2024, by and among Bentley Systems, Incorporated, the lenders party thereto, and PNC Bank, National Association, as administrative agent	8-K	001-39548	10.1	October 22, 2024	
10.3†	Bentley Systems, Incorporated 2020 Omnibus Incentive Plan	8-K	001-39548	10.1	September 25, 2020	
10.4†	Amendment No. 1 to the Bentley Systems, Incorporated 2020 Omnibus Incentive Plan	10-K	001-39548	10.10	March 1, 2022	
10.5†	Form of Restricted Stock Unit Award Agreement under the Bentley Systems, Incorporated 2020 Omnibus Incentive Plan (as amended)	10-K	001-39548	10.12	February 28, 2023	

Exhibit Number	Exhibit Description	Incorporated by Reference				Filed Herewith
		Form	File No.	Exhibit	Filing Date	
10.6†	Bentley Systems, Incorporated Global Employee Stock Purchase Plan	8-K	001-39548	10.2	September 25, 2020	
10.7†	Bentley Systems, Incorporated Nonqualified Deferred Compensation Plan, as amended and restated effective as of September 22, 2020	8-K	001-39548	10.3	September 25, 2020	
10.8†	Amendment No. 1 to the Amended and Restated Bentley Systems, Incorporated Nonqualified Deferred Compensation Plan	10-Q	001-39548	10.1	November 9, 2021	
10.9†	Bentley Systems, Incorporated Nonqualified Deferred Compensation Plan for Non-Employee Directors, as amended and restated effective as of January 1, 2015	S-1/A	333-248246	10.7	September 8, 2020	
10.10†	Bentley Systems, Incorporated Bonus Pool Plan, as amended and restated effective as of September 22, 2020	8-K	001-39548	10.4	September 25, 2020	
10.11†	Amendment No. 1 to the Amended and Restated Bentley Systems, Incorporated Bonus Pool Plan	10-Q	001-39548	10.1	November 8, 2022	
10.12†	Amendment No. 2 to the Amended and Restated Bentley Systems, Incorporated Bonus Pool Plan	8-K/A	001-39548	10.3	June 28, 2024	
10.13†	Bentley Systems, Incorporated Severance Policy for Key Executives	8-K/A	001-39548	10.1	June 28, 2024	
10.14†	Letter Agreement by and among Nicholas H. Cumins, Bentley Systems, Incorporated, and Bentley Systems France S.a.r.l.	8-K/A	001-39548	10.2	June 28, 2024	
10.15†	Employment Agreement by and between James Lee and Bentley Systems, Incorporated					X
10.16	Common Stock Purchase Agreement, by and among Bentley Systems, Incorporated, Siemens AG, and the persons listed as "Key Holders" therein, dated September 23, 2016, as amended on October 28, 2016, and April 23, 2018	S-1	333-248246	10.2	August 21, 2020	
19	Bentley Systems, Incorporated Insider Trading Policy	10-K	001-39548	19	February 26, 2025	
21	List of Subsidiaries					X
23	Consent of Independent Registered Public Accounting Firm					X
31.1	Certification of CEO pursuant to Rule 13a-14(a) and Rule 15d-14(a) of the Securities Exchange Act of 1934, as amended					X
31.2	Certification of CFO pursuant to Rule 13a-14(a) and Rule 15d-14(a) of the Securities Exchange Act of 1934, as amended					X
32*	Certification of CEO and CFO Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002					X
97	Bentley Systems, Incorporated Incentive Compensation Clawback Policy, as Adopted on August 17, 2023 Pursuant to Nasdaq Rule 5608	10-K	001-39548	97	February 27, 2024	
101.INS	Inline XBRL Instance Document—the instance document does not appear in the Interactive Data File as its XBRL tags are embedded within the Inline XBRL document					X
101.SCH	Inline XBRL Taxonomy Extension Schema					X

Exhibit Number	Exhibit Description	Incorporated by Reference				Filed Herewith
		Form	File No.	Exhibit	Filing Date	
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase					X
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase					X
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase					X
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase					X
104	Cover page formatted as Inline XBRL and contained in Exhibit 101					X

† Management contract or compensatory plan or arrangement.

* Filed or furnished herewith. The certification attached as Exhibit 32 that accompanies this Annual Report on Form 10-K is not deemed filed with the SEC and is not to be incorporated by reference into any filing of Bentley Systems, Incorporated under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, whether made before or after the date of this Annual Report on Form 10-K, irrespective of any general incorporation language contained in such filing.

(b) Exhibits:

We hereby file the exhibits listed in the attached Exhibit Index.

(c) Financial Statement Schedules:

None.

Item 16. Form 10–K Summary

None.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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.

Bentley Systems, Incorporated

Date: February 26, 2026

By: /s/ NICHOLAS H. CUMINS
Nicholas H. Cumins
Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities indicated as of February 26, 2026.

Signature	Title
/s/ NICHOLAS H. CUMINS Nicholas H. Cumins	Chief Executive Officer and Director (Principal Executive Officer)
/s/ WERNER ANDRE Werner Andre	Chief Financial Officer (Principal Financial Officer)
/s/ THOMAS F. TRIMBACK Thomas F. Trimback	Chief Accounting Officer and Controller (Principal Accounting Officer)
/s/ GREGORY S. BENTLEY Gregory S. Bentley	Executive Chair and President
/s/ BARRY J. BENTLEY Barry J. Bentley	Director
/s/ KEITH A. BENTLEY Keith A. Bentley	Director
/s/ RAYMOND B. BENTLEY Raymond B. Bentley	Director
/s/ KIRK B. GRISWOLD Kirk B. Griswold	Director
/s/ JANET B. HAUGEN Janet B. Haugen	Director
/s/ BRIAN F. HUGHES Brian F. Hughes	Director

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Report of Independent Registered Public Accounting Firm

To the Stockholders and Board of Directors
Bentley Systems, Incorporated:

Opinions on the Consolidated Financial Statements and Internal Control Over Financial Reporting

We have audited the accompanying consolidated balance sheets of Bentley Systems, Incorporated and subsidiaries (the Company) as of December 31, 2025 and 2024, the related consolidated statements of operations, comprehensive income, equity, and cash flows for each of the years in the three-year period ended December 31, 2025, and the related notes (collectively, the consolidated financial statements). We also have audited the Company's internal control over financial reporting as of December 31, 2025, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2025 and 2024, and the results of its operations and its cash flows for each of the years in the three-year period ended December 31, 2025, in conformity with U.S. generally accepted accounting principles. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2025 based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

Basis for Opinions

The Company's management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Annual Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's consolidated financial statements and an opinion on the Company's internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed 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. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable

assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the consolidated financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of a critical audit matter does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

IT systems used in subscriptions and licenses revenues

As discussed in Note 3 to the consolidated financial statements and disclosed in the consolidated statements of operations, the Company recorded $1,501,779 thousand of total revenues for the year ended December 31, 2025, of which $1,422,876 thousand related to subscriptions and licenses. There are high volumes of subscription and license transactions processed across multiple information technology (IT) systems.

We identified the evaluation of the sufficiency of audit evidence over subscriptions and licenses revenues as a critical audit matter. This matter required especially subjective auditor judgment because of the number of IT applications involved in the subscriptions and licenses revenue recognition process. This matter also included determining the nature and extent of audit evidence obtained over subscriptions and licenses revenues and required specialized skills and knowledge for the performance of certain procedures.

The following are the primary procedures we performed to address this critical audit matter. We applied auditor judgment to determine the nature and extent of procedures to be performed over subscriptions and licenses revenues, including the determination of the IT applications subject to testing. We evaluated the design and tested the operating effectiveness of certain internal controls over the Company's subscriptions and licenses revenue process, including associated IT controls. We assessed the recorded subscriptions and licenses revenues by selecting a sample of transactions and comparing the amounts recognized for consistency with underlying documentation, including contracts with customers. We also involved IT professionals with specialized skills and knowledge, who assisted in testing key reports, application controls and general IT controls over certain IT applications that are used by the Company in its subscriptions and licenses revenue recognition process. We evaluated the sufficiency of audit evidence obtained by assessing the results of procedures performed, including the appropriateness of the nature and extent of such evidence.

/s/ KPMG LLP

We have served as the Company's auditor since 2002.

Philadelphia, Pennsylvania
February 26, 2026

BENTLEY SYSTEMS, INCORPORATED
Consolidated Balance Sheets
(in thousands, except share and per share data)

	December 31, 2025	December 31, 2024
Assets		
Current assets:		
Cash and cash equivalents	$ 123,278	$ 64,009
Accounts receivable	350,299	322,862
Allowance for doubtful accounts	(7,609)	(8,395)
Prepaid income taxes	19,805	13,066
Prepaid and other current assets	53,260	50,531
Total current assets	539,033	442,073
Property and equipment, net	36,031	33,798
Operating lease right-of-use assets	31,141	32,303
Intangible assets, net	193,018	213,959
Goodwill	2,482,154	2,367,179
Investments	27,920	25,764
Deferred income taxes	170,368	198,286
Other assets	75,502	86,445
Total assets	$ 3,555,167	$ 3,399,807
Liabilities and Equity		
Current liabilities:		
Accounts payable	$ 26,952	$ 16,479
Accruals and other current liabilities	173,255	169,522
Cloud Services Subscription deposits	463,312	366,895
Deferred revenues	278,244	245,729
Operating lease liabilities	13,669	11,656
Income taxes payable	4,778	4,053
Current portion of long-term debt	—	—
Total current liabilities	960,210	814,334
Long-term debt	1,248,912	1,388,088
Deferred compensation plan liabilities	106,831	96,684
Long-term operating lease liabilities	22,150	26,894
Deferred revenues	18,410	16,641
Deferred income taxes	4,368	8,612
Income taxes payable	—	3,615
Other liabilities	4,794	3,819
Total liabilities	2,365,675	2,358,687
Commitments and contingencies (Note 18)		
Equity:		
Preferred stock, $0.01 par value, authorized 100,000,000 shares; none issued or outstanding as of December 31, 2025 and 2024	—	—
Class A common stock, $0.01 par value, authorized 100,000,000 shares; issued and outstanding 11,537,627 shares as of December 31, 2025 and 2024	115	115
Class B common stock, $0.01 par value, authorized 1,800,000,000 shares; issued and outstanding 290,817,470 and 290,439,703 shares as of December 31, 2025 and 2024, respectively	2,909	2,905
Additional paid-in capital	1,301,205	1,217,986
Accumulated other comprehensive loss	(74,558)	(104,078)
Accumulated deficit	(40,258)	(75,941)
Total Bentley Systems stockholders' equity	1,189,413	1,040,987
Noncontrolling interest	79	133
Total equity	1,189,492	1,041,120
Total liabilities and equity	$ 3,555,167	$ 3,399,807

See accompanying notes to consolidated financial statements.

BENTLEY SYSTEMS, INCORPORATED
Consolidated Statements of Operations
(in thousands, except share and per share data)

	Year Ended December 31,		
	2025	**2024**	**2023**
Revenues:			
Subscriptions	$ 1,376,696	$ 1,223,362	$ 1,080,307
Perpetual licenses	46,180	45,961	46,038
Subscriptions and licenses	1,422,876	1,269,323	1,126,345
Services	78,903	83,772	102,068
Total revenues	1,501,779	1,353,095	1,228,413
Cost of revenues:			
Cost of subscriptions and licenses	201,405	173,340	169,406
Cost of services	76,125	84,427	96,677
Total cost of revenues	277,530	257,767	266,083
Gross profit	1,224,249	1,095,328	962,330
Operating expenses:			
Research and development	307,576	281,247	274,619
Selling and marketing	289,543	255,177	224,336
General and administrative	217,332	210,374	180,738
Deferred compensation plan	14,409	12,382	13,580
Amortization of purchased intangibles	32,768	33,998	38,515
Total operating expenses	861,628	793,178	731,788
Income from operations	362,621	302,150	230,542
Interest expense, net	(12,435)	(22,044)	(39,793)
Other income (expense), net	547	12,949	(7,222)
Income before income taxes	350,733	293,055	183,527
(Provision) benefit for income taxes	(72,977)	(58,726)	143,241
Equity in net income of investees, net of tax	38	104	19
Net income	277,794	234,433	326,787
Less: Net income (loss) attributable to noncontrolling interest	(67)	(354)	—
Net income attributable to Bentley Systems	$ 277,861	$ 234,787	$ 326,787
Net income per share attributable to Bentley Systems stockholders:			
Basic	$ 0.88	$ 0.75	$ 1.05
Diluted	$ 0.85	$ 0.72	$ 1.00
Weighted average shares:			
Basic	314,690,707	314,886,615	312,358,823
Diluted	333,089,213	333,774,167	332,503,633

See accompanying notes to consolidated financial statements.

BENTLEY SYSTEMS, INCORPORATED
Consolidated Statements of Comprehensive Income
(in thousands)

	Year Ended December 31,		
	2025	**2024**	**2023**
Net income	$ 277,794	$ 234,433	$ 326,787
Other comprehensive income (loss), net of taxes:			
Foreign currency translation adjustments	29,360	(19,308)	4,774
Actuarial gain (loss) on retirement plan, net of tax effect of $(106), $(45), and $(89), respectively	173	175	(21)
Total other comprehensive income (loss), net of taxes	29,533	(19,133)	4,753
Comprehensive income	307,327	215,300	331,540
Less: Net income (loss) attributable to noncontrolling interest	(67)	(354)	—
Less: Other comprehensive income (loss) attributable to noncontrolling interest	13	(42)	—
Comprehensive income attributable to Bentley Systems	$ 307,381	$ 215,696	$ 331,540

See accompanying notes to consolidated financial statements.

BENTLEY SYSTEMS, INCORPORATED
Consolidated Statements of Equity
(in thousands, except share data)

	Class A and Class B Common Stock		Additional Paid-In Capital	Accumulated Other Comprehensive Loss	Accumulated Deficit	Total Bentley Systems Stockholders' Equity	Non-Controlling Interest	Total Equity
	Shares	Par Value						
Balance, December 31, 2022	289,014,487	$ 2,890	$1,030,466	$ (89,740)	$ (370,866)	$ 572,750	$ 704	$ 573,454
Net income	—	—	—	—	326,787	326,787	—	326,787
Other comprehensive income	—	—	—	4,753	—	4,753	—	4,753
Dividends declared	—	—	—	—	(58,756)	(58,756)	—	(58,756)
Shares issued in connection with DCP, net	3,410,006	34	(34)	—	(38,456)	(38,456)	—	(38,456)
DCP elective participant deferrals	—	—	1,765	—	—	1,765	—	1,765
Shares issued in connection with Bonus Plan, net	247,867	3	16,788	—	(5,756)	11,035	—	11,035
Shares issued in connection with employee stock purchase plan, net	315,840	3	9,985	—	(845)	9,143	—	9,143
Stock option exercises, net	2,621,959	26	11,689	—	(6,581)	5,134	—	5,134
Shares issued for stock grants, net	12,639	—	600	—	—	600	—	600
Stock-based compensation expense	—	—	55,982	—	—	55,982	—	55,982
Shares related to restricted stock, net	643,039	7	(7)	—	(7,299)	(7,299)	—	(7,299)
Other	—	—	—	—	(160)	(160)	—	(160)
Balance, December 31, 2023	296,265,837	2,963	1,127,234	(84,987)	(161,932)	883,278	704	883,982
Net income (loss)	—	—	—	—	234,787	234,787	(354)	234,433
Other comprehensive loss	—	—	—	(19,091)	—	(19,091)	(42)	(19,133)
Dividends declared	—	—	—	—	(72,115)	(72,115)	—	(72,115)
Shares issued in connection with DCP	4,707,845	47	(47)	—	—	—	—	—
DCP elective participant deferrals	—	—	188	—	—	188	—	188
Shares issued in connection with Bonus Plan	282,340	3	14,473	—	—	14,476	—	14,476
Shares issued in connection with employee stock purchase plan, net	253,578	2	11,226	—	(348)	10,880	—	10,880
Stock option exercises, net	844,283	8	3,999	—	(2,195)	1,812	—	1,812
Shares issued for stock grants, net	11,391	—	600	—	—	600	—	600
Stock-based compensation expense	—	—	60,322	—	—	60,322	—	60,322
Shares related to restricted stock, net	904,789	9	(9)	—	(9,966)	(9,966)	—	(9,966)
Repurchases of Class B common stock under approved program	(1,292,733)	(12)	—	—	(64,347)	(64,359)	—	(64,359)
Other	—	—	—	—	175	175	(175)	—
Balance, December 31, 2024	301,977,330	3,020	1,217,986	(104,078)	(75,941)	1,040,987	133	1,041,120
Net income (loss)	—	—	—	—	277,861	277,861	(67)	277,794
Other comprehensive income	—	—	—	29,520	—	29,520	13	29,533
Dividends declared	—	—	—	—	(84,963)	(84,963)	—	(84,963)
Shares issued in connection with DCP, net	1,657,737	17	(17)	—	(14,396)	(14,396)	—	(14,396)
Shares issued in connection with Bonus Plan, net	83,791	1	6,485	—	(2,371)	4,115	—	4,115
Shares issued in connection with employee stock purchase plan, net	280,767	3	11,531	—	(539)	10,995	—	10,995
Shares issued for stock grants, net	12,591	—	600	—	—	600	—	600
Stock-based compensation expense	—	—	64,632	—	—	64,632	—	64,632
Shares related to restricted stock, net	1,230,105	12	(12)	—	(14,881)	(14,881)	—	(14,881)
Repurchases of Class B common stock under approved program	(2,887,224)	(29)	—	—	(125,028)	(125,057)	—	(125,057)
Balance, December 31, 2025	302,355,097	$ 3,024	$1,301,205	$ (74,558)	$ (40,258)	$1,189,413	$ 79	$1,189,492

See accompanying notes to consolidated financial statements.

BENTLEY SYSTEMS, INCORPORATED
Consolidated Statements of Cash Flows
(in thousands)

	Year Ended December 31,		
	2025	2024	2023
Cash flows from operating activities:			
Net income	$ 277,794	$ 234,433	$ 326,787
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation, amortization, and impairment	65,880	64,608	71,861
Deferred income taxes	24,333	12,571	(198,878)
Stock-based compensation expense	72,576	74,417	72,972
Deferred compensation plan	14,409	12,382	13,580
Amortization of deferred debt issuance costs	7,575	7,338	7,291
Change in fair value of derivative	10,238	(10)	5,038
Foreign currency remeasurement loss (gain)	664	(785)	(452)
Other	5,674	7,794	21,047
Changes in assets and liabilities, net of effect from acquisitions:			
Accounts receivable	(18,584)	(32,064)	(5,180)
Prepaid and other assets	10,543	(6,006)	4,112
Accounts payable, accruals, and other liabilities	(18,440)	(16,642)	(9,167)
Cloud Services Subscription deposits	77,190	91,595	77,900
Deferred revenues	19,006	(1,789)	19,933
Income taxes payable, net of prepaid income taxes	(10,394)	(12,550)	9,852
Net cash provided by operating activities	538,464	435,292	416,696
Cash flows from investing activities:			
Purchases of property and equipment and investment in capitalized software	(18,255)	(14,046)	(25,002)
Acquisitions, net of cash acquired	(93,252)	(130,407)	(26,023)
Purchases of investments	(981)	(1,435)	(11,602)
Proceeds from investments	—	—	2,123
Other	179	2,621	—
Net cash used in investing activities	(112,309)	(143,267)	(60,504)
Cash flows from financing activities:			
Proceeds from credit facilities	289,567	517,643	588,154
Payments of credit facilities	(424,882)	(474,356)	(841,723)
Repayments of term loan	—	(190,000)	(5,000)
Repurchase of convertible senior notes	(9,797)	—	—
Payments of debt issuance costs	—	(6,184)	—
Payments of contingent and non-contingent consideration	(310)	(3,022)	(4,324)
Payments of dividends	(84,963)	(72,115)	(58,756)
Proceeds from stock purchases under employee stock purchase plan	11,534	11,228	9,988
Proceeds from exercise of stock options	—	4,007	11,715
Payments for shares acquired including shares withheld for taxes	(32,187)	(12,504)	(58,937)
Repurchases of Class B common stock under approved program	(125,057)	(64,359)	—
Other	(203)	(188)	(191)
Net cash used in financing activities	(376,298)	(289,850)	(359,074)
Effect of exchange rate changes on cash and cash equivalents	9,412	(6,578)	(390)
Increase (decrease) in cash and cash equivalents	59,269	(4,403)	(3,272)
Cash and cash equivalents, beginning of year	64,009	68,412	71,684
Cash and cash equivalents, end of year	$ 123,278	$ 64,009	$ 68,412

BENTLEY SYSTEMS, INCORPORATED
Consolidated Statements of Cash Flows
(in thousands)

	Year Ended December 31,		
	2025	**2024**	**2023**
Supplemental information:			
Cash paid for income taxes [1]	$ 61,488	$ 59,745	$ 43,619
Income tax refunds	$ 2,393	$ 2,219	$ 1,188
Cash paid for interest	$ 7,846	$ 17,202	$ 37,389
Non-cash investing and financing activities:			
Non-marketable equity investment	$ —	$ —	$ 3,500
Deferred, non-contingent consideration, net	$ —	$ —	$ 525
Share-settled Bonus Plan awards	$ 6,486	$ 14,476	$ 16,791
DCP elective participant deferrals	$ —	$ 188	$ 1,765

(1) Cash paid for income taxes includes third-party withholding taxes.

See accompanying notes to consolidated financial statements.

Note 1: Description of Business and Summary of Significant Accounting Policies

Business and Operations

Bentley Systems is the infrastructure engineering software company. The Company's purpose is to advance the world's infrastructure for better quality of life. The Company's mission is to reshape how infrastructure systems and critical resources are delivered and optimized.

The Company serves enterprises and professionals across the infrastructure lifecycle, from the design and construction of new projects to the operation and maintenance of existing assets. The Company's *Bentley Open Applications* and *Seequent* applications are primarily cloud-connected desktop modeling and simulation applications that support the breadth of engineering and geoprofessional disciplines. *Bentley Infrastructure Cloud*, provided via cloud and hybrid environments, extends enterprise collaboration during project delivery, and helps manage engineering information during operations and maintenance. *Bentley Asset Analytics* products automatically detect and analyze issues to trigger key operational workflows, improving overall asset performance. Powering these products is the *Cesium and iTwin Platform*, a cloud-native technology platform to create, curate, and leverage infrastructure digital twins. Through the Company's platform, products are becoming increasingly data-centric to take advantage of digital twin and AI capabilities.

Basis of Presentation and Consolidation

The accompanying consolidated financial statements include the accounts of the Company and its consolidated subsidiaries. All intercompany accounts and transactions have been eliminated in consolidation.

The consolidated financial statements and accompanying notes have been prepared in U.S. dollars. Gains and losses resulting from foreign currency transactions denominated in currencies other than the functional currency are included in *Other income (expense), net* in the consolidated statements of operations. The assets and liabilities of foreign subsidiaries are translated from their respective functional currencies into U.S. dollars at the rates in effect at the balance sheet date, and revenue and expense amounts are translated at average rates during the period. Foreign currency translation adjustments are recorded as a component of *Other comprehensive income (loss), net of taxes* in the consolidated statements of comprehensive income.

Reclassifications

Certain reclassifications of prior period amounts have been made to conform to the current period presentation.

Accounting Policies

The Company's consolidated financial statements are prepared in accordance with GAAP, which require management to select accounting policies and make estimates that affect the reported amount of assets, liabilities, revenues, and expenses, and the related disclosure of contingent assets and contingent liabilities. Actual results could differ materially from these estimates.

Information on other accounting policies and methods used in the preparation of the Company's consolidated financial statements are included, where applicable, in their respective notes to the consolidated financial statements that follow. Below is a discussion of accounting policies and methods used in the consolidated financial statements that are not presented within other notes to the consolidated financial statements.

Cost of Revenues — *Cost of Revenues* is comprised of *Cost of subscriptions and licenses* and *Cost of Services* in the consolidated statements of operations. Cost of subscription and licenses expenses primarily include headcount-related costs, as well as cloud-related costs incurred for servicing the Company's accounts using cloud provisioned offerings and the Company's license administration platform. Cost of subscriptions and licenses expenses also include channel partner compensation for providing sales coverage to users, depreciation of property and equipment, amortization of capitalized software costs associated with servicing software subscriptions and the Company's ACDP described below, and amortization of intangible assets associated with acquired software and technology. Cost of services expenses primarily include headcount-related costs, as well as depreciation of property and equipment, and amortization of capitalized software costs used for providing training, implementation, configuration, and customization services to accounts.

Software Development Costs — The Company's software development costs, including costs to develop software products or the software component of products to be sold, leased, or marketed to external accounts, before technological feasibility is reached, are included in *Research and development* in the consolidated statements of operations. Research and development expenses, which are generally expensed as incurred, primarily consist of headcount-related costs. In general, technological feasibility is reached shortly before the release of such products.

Under its ACDP (the Company's structured approach to an in-house business incubator function), the Company capitalizes certain development costs related to specified projects once technological feasibility is established. Technological feasibility is established when a detailed program design has been completed and documented, the Company has established that the necessary skills, hardware, and software technology are available to produce the product, and there are no unresolved high-risk development issues. Once the software is ready for its intended use, amortization is recorded over the software's estimated useful life (generally three years). Total costs capitalized under the ACDP were $2,053, $3,878, and $4,558 for the years ended December 31, 2025, 2024, and 2023, respectively. Additionally, total ACDP related amortization was $5,711, $3,720, and $7,711 for the years ended December 31, 2025, 2024, and 2023, respectively, and is included in *Cost of subscriptions and licenses* in the consolidated statements of operations. The Company evaluates the recoverability of capitalized ACDP costs whenever events or changes in circumstances indicate that the carrying value of these assets may not be recoverable. Impairments of capitalized ACDP, which were recorded as amortization expense in *Cost of subscriptions and licenses* in the consolidated statements of operations, were not material during the years ended December 31, 2025, 2024, or 2023. As of December 31, 2025 and 2024, $10,270 and $12,961 of ACDP capitalized costs were recorded in *Other assets* in the consolidated balance sheets, respectively.

Advertising Expense — The Company expenses advertising costs as incurred. Advertising expense for the years ended December 31, 2025, 2024, and 2023 was $6,387, $6,383, and $5,365, respectively, and is included in *Selling and marketing* in the consolidated statements of operations.

Cash and Cash Equivalents — The Company considers all highly liquid investments with a maturity of three months or less at the date of purchase to be cash equivalents. As of December 31, 2025 and 2024, all of the Company's cash and cash equivalents consisted of money market funds and cash held in checking accounts maintained at various financial institutions. Cash equivalents are recorded at cost, which approximates fair value.

Accounts Receivable and Allowance for Doubtful Accounts — Accounts receivable primarily represent receivables from customers for products and services invoiced by the Company for which payment is outstanding and also unbilled accounts receivable (see Note 3). Receivables are recorded at the invoiced amount and do not bear interest.

The Company establishes an allowance for doubtful accounts for expected losses during the accounts receivable collection process. The allowance for doubtful accounts is presented separately in the consolidated balance sheets and reduces the accounts receivable balance to the net realizable value of the outstanding accounts receivable. The development of the allowance for doubtful accounts is based on an expected loss model which considers historical write-off and recovery experience, aging trends affecting specific accounts, and general operational factors affecting all accounts. Account balances are charged off against the allowance after all means of collection have been exhausted and the potential for recovery is considered remote.

The Company considers current economic trends and takes into account reasonable and supportable forecasts of future conditions when evaluating the adequacy of the allowance for doubtful accounts. If circumstances relating to specific customers change or unexpected changes occur in the general business environment, the Company's estimate of the recoverability of receivables could be further adjusted.

Activity related to the Company's allowance for doubtful accounts was as follows:

	Year Ended December 31,	
	2025	2024
Balance, beginning of year	$ 8,395	$ 8,965
Additions to reserve	6,537	7,365
Write-offs, net of recoveries	(7,534)	(7,634)
Foreign currency translation adjustments	211	(301)
Balance, end of year	$ 7,609	$ 8,395

Concentration of Credit Risk — Financial instruments that potentially subject the Company to concentration of credit risk consist primarily of its cash and cash equivalents, and receivables. To reduce credit risk, the Company performs ongoing credit evaluations of its customers and limits the amount of credit extended when deemed necessary. Generally, the Company requires no collateral from its customers. The Company maintains an allowance for potential credit losses, but historically has not experienced any significant losses related to individual customers or groups of customers in any particular industry or geographic region. No single customer accounted for more than 2% of the Company's total revenues for the years ended December 31, 2025, 2024, or 2023.

The Company's cash and cash equivalents are deposited with financial institutions and invested in money market funds that the Company believes are of high credit quality.

Internal-Use Software Implementation Costs — The Company has entered into cloud-based software hosting arrangements related to new internal-use information technology systems, including new enterprise-wide administrative and business management platforms. Certain implementation costs are capitalized and included in *Prepaid and other current assets* or *Other assets* in the consolidated balance sheets, depending on the short- or long-term nature of such costs. Costs incurred during the preliminary project stage and post-implementation stage are expensed as incurred. Capitalized internal-use software implementation costs are amortized, beginning on the date the related software is ready for its intended use, on a straight-line basis over the remaining term of the hosting arrangement primarily as a component of *General and administrative* and *Selling and marketing* in the consolidated statements of operations. Options to extend the hosting arrangement are considered in determining the remaining term when it is reasonably certain that the option will be exercised. The Company evaluates the recoverability of capitalized internal-use software implementation costs whenever events or changes in circumstances indicate that the carrying value of these assets may not be recoverable.

Capitalized internal-use software implementation costs are included in the consolidated balance sheets as follows:

	December 31,	
	2025	2024
Prepaid and other current assets	$ 4,556	$ 2,862
Other assets	21,617	15,929
Total internal-use software implementation costs	$ 26,173	$ 18,791

Amortization of internal-use software implementation costs for the years ended December 31, 2025, 2024, and 2023 was $3,673, $1,712, and $865, respectively.

Note 2: Recent Accounting Pronouncements

In September 2025, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 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 certain aspects of the accounting for and disclosure of software costs under Subtopic 350-40, referred to as internal-use software. ASU 2025-06 is effective for the Company for the annual reporting period beginning after December 15, 2027, and interim periods within that annual reporting period. Early adoption is permitted as of the beginning of an annual reporting period. The amendments in ASU 2025-06 may be adopted on a prospective basis to financial statements issued for reporting periods after the effective date, on a retrospective basis to all periods presented, or on a modified prospective transition basis for in-process projects through a cumulative-effect adjustment to the opening balance of retained earnings. The Company is currently evaluating the impact of the adoption of ASU 2025-06 on its consolidated financial statements.

In July 2025, the FASB issued ASU No. 2025-05, *Financial Instruments–Credit Losses (Topic 326): Measurement of Credit Losses for Accounts Receivable and Contract Assets* ("ASU 2025-05"), which provides public entities with an optional practical expedient when estimating expected credit losses for current accounts receivables and current contract assets arising from transactions accounted for under *Revenue from Contracts with Customers* (Topic 606), 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 the Company for annual reporting periods beginning after December 15, 2025 and interim reporting periods within those annual reporting periods if the Company elects the practical expedient. Early adoption is permitted. The Company currently does not expect a material impact of the adoption of ASU 2025-05 on its consolidated financial statements and related disclosures.

In November 2024, the FASB issued ASU No. 2024-03, *Income Statements–Reporting Comprehensive Income–Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses* ("ASU 2024-03"), which requires enhanced disclosure of income statement expense categories to improve transparency and provide financial statement users with more detailed information about the nature, amount, and timing of expenses impacting financial performance. ASU 2024-03 is effective for the Company for the annual reporting period beginning after December 15, 2026, and interim periods beginning after December 15, 2027. Early adoption is permitted. The amendments in ASU 2024-03 may be adopted either on a prospective basis to financial statements issued for reporting periods after the effective date or on a retrospective basis to all periods presented. The Company is currently evaluating the impact of the adoption of ASU 2024-03, however, other than additional disclosure, the Company does not expect a change to the consolidated financial statements.

In March 2024, the SEC adopted the final rule under SEC Release No. 33-11275, *The Enhancement and Standardization of Climate-Related Disclosures for Investors*. The final rule requires registrants to disclose certain climate-related information in registration statements and annual reports. The final rule disclosure requirements would have begun phasing in prospectively for the Company's fiscal year beginning January 1, 2025. In April 2024, the SEC issued an order staying the final rule pending completion of a judicial review of certain petitions challenging their validity. In March 2025, the SEC voted to end its defense of the final rule. In September 2025, judicial review was suspended awaiting SEC clarity on its position. The Company is currently monitoring the status of the final rule pending the court's ultimate decision and evaluating the impact of the final rule on its consolidated financial statements disclosures.

Recently Adopted Accounting Guidance

In December 2023, the FASB issued ASU No. 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures* ("ASU 2023-09"), which expands disclosures in an entity's income tax rate reconciliation table and regarding cash taxes paid both in the U.S. and foreign jurisdictions. The Company adopted this ASU during the year ended December 31, 2025 (see Note 16).

Note 3: Revenue from Contracts with Customers

Disaggregation of Revenues

The Company's revenues consist of the following:

	Year Ended December 31,		
	2025	2024	2023
Subscriptions:			
Enterprise subscriptions [1]	$ 623,064	$ 530,367	$ 433,321
SELECT subscriptions	267,242	258,504	258,288
Term license subscriptions	486,390	434,491	388,698
Subscriptions	1,376,696	1,223,362	1,080,307
Perpetual licenses	46,180	45,961	46,038
Subscriptions and licenses	1,422,876	1,269,323	1,126,345
Services:			
Recurring	14,654	14,642	16,370
Other	64,249	69,130	85,698
Services	78,903	83,772	102,068
Total revenues	$ 1,501,779	$ 1,353,095	$ 1,228,413

(1) Enterprise subscriptions are primarily revenues attributable to E365 subscriptions of $614,306, $517,997, and $411,025 for the years ended December 31, 2025, 2024, and 2023, respectively.

The Company recognizes perpetual licenses and the term license component of subscriptions as revenue when either the licenses are delivered or at the start of the subscription term. For the years ended December 31, 2025, 2024, and 2023, the Company recognized $777,411, $679,811, and $592,737 of license related revenues, respectively, of which $731,231, $633,850, and $546,699, respectively, were attributable to the term license component of the Company's subscription-based commercial offerings recorded in *Subscriptions* in the consolidated statements of operations.

Revenue from external customers is attributed to individual countries based upon the location of the customer. Revenues by geographic region are as follows:

	Year Ended December 31,		
	2025	2024	2023
Americas [1]	$ 790,495	$ 717,002	$ 650,926
EMEA	436,828	388,384	353,550
APAC	274,456	247,709	223,937
Total revenues	$ 1,501,779	$ 1,353,095	$ 1,228,413

(1) Americas includes the U.S., Canada, and Latin America (including the Caribbean). Revenue attributable to the U.S. totaled $620,441, $561,683, and $511,828 for the years ended December 31, 2025, 2024, and 2023, respectively.

The Company primarily utilizes its direct internal sales force and also has arrangements through independent channel partners to promote and sell its products and subscriptions to end-users. Channel partners are authorized to promote the sale of an authorized set of the Company's products and subscriptions within an authorized geographic region under a Channel Partner Agreement. The Company derived 6%, 7%, and 8% of its total revenues through channel partners for the years ended December 31, 2025, 2024, and 2023, respectively.

Nature of Products and Services

The Company recognizes revenue upon the transfer of promised goods or services to customers in an amount that reflects the expected consideration received in exchange for those goods or services. The Company generates revenues from subscriptions, perpetual licenses, and services.

Subscriptions and perpetual licenses are typically paid upfront, and services are typically paid in arrears, based on the contract terms described below, generally with payment terms of 30 days. The Company does not have any material variable consideration, such as obligations for returns, refunds, or warranties.

Subscriptions

Enterprise Subscriptions

The Company provides enterprise subscription offerings, which provide its enterprise accounts with complete and unlimited global access to the Company's comprehensive portfolio of integrated software offerings. E365 subscriptions require a CSS (described below) and are charged to accounts primarily based upon daily usage. The daily usage fee includes a term license component, SELECT maintenance and support, hosting, and "Blueprints," which are specific, structured engagements outlined in a statement of work and designed to enable accounts to achieve optimal business outcomes through more efficient and effective utilization of the Company's software. E365 revenues are recognized based upon usage incurred by the account. Usage is primarily defined as distinct user access on a daily basis. E365 subscriptions typically contain quarterly usage floors or ceilings. The term of E365 subscriptions aligns with calendar quarters and revenue is recognized based on actual usage.

SELECT Subscriptions

The Company provides prepaid annual recurring subscriptions that accounts (which are based on distinct contractual and billing relationships with the Company, where affiliated entities of a single parent company may each have an independent account with the Company) can elect to add to a new or previously purchased perpetual license. SELECT provides accounts with benefits, including upgrades, comprehensive technical support, pooled licensing benefits, annual portfolio balancing exchange rights, learning benefits, certain Azure-based cloud collaboration services, mobility advantages, and access to other available benefits. SELECT subscriptions revenues are recognized as distinct performance obligations are satisfied. The performance obligations within the SELECT offering, outside of the portfolio balancing exchange right, are concurrently delivered and have the same pattern of recognition. These performance obligations are accounted for ratably over the term as a single performance obligation.

Term License Subscriptions

The Company provides annual, quarterly, and monthly term licenses for its software products. Term license subscriptions contain a term license component and SELECT maintenance and support. Revenue is allocated to the various performance obligations based on their SSP. Annual term licenses ("ATL") are generally prepaid annually for named user access to specific products and include the Company's Virtuoso subscriptions sold via the Company's Virtuosity eStore for practitioner licenses. Virtuoso subscriptions are bundles with customizable training and expert consultation administered through "keys" or credits. Quarterly term license ("QTL") subscriptions allow accounts to pay quarterly in arrears for license usage that is beyond their prepaid subscriptions. Monthly term license ("MTL") subscriptions are identical to QTL subscriptions, except for the term of the license, and the manner in which they are monetized. MTL subscriptions require a CSS described below. For ATL, revenue allocated to the term license component is recognized upon delivery at the start of the subscription term while revenue for the SELECT maintenance and support is recognized as delivered over the subscription term. For Virtuoso keys, revenue is recognized as services are delivered. For usage-based QTL and MTL subscriptions, revenues are recognized based upon usage incurred by the account. Usage is defined as peak usage over the respective terms. The terms of QTL and MTL subscriptions align with calendar quarters and calendar months, respectively, and revenue is recognized based on actual usage.

Visas are QTLs or ATLs enabling users to access specific project or enterprise information and entitles users to certain functionality of the Company's *Bentley Infrastructure Cloud* offerings. The Company's standard offerings are usage based with monetization through the Company's CSS program described below.

CSS is a program designed to streamline the procurement, administration, and payment process. The program requires an estimation of annual usage for CSS eligible offerings and a deposit of funds in advance. Actual consumption is monitored and invoiced against the deposit on a calendar quarter basis. CSS balances not utilized for eligible products or services may roll over to future periods or are refundable. Paid and unconsumed CSS balances are recorded in *Cloud Services Subscription deposits* in the consolidated balance sheets. Software and services consumed under CSS are recognized pursuant to the applicable revenue recognition guidance for the respective software or service and classified as subscriptions or services based on their respective nature.

Perpetual Licenses

Perpetual licenses may be sold with or without attaching a SELECT subscription. Historically, attachment and retention of the SELECT subscription has been high given the benefits of the SELECT subscription discussed above. Perpetual licenses revenues are recognized upon delivery of the license to the user.

Services

The Company provides professional services, including training, implementation, configuration, and customization services. The Company performs projects on both a time and materials and a fixed fee basis. Certain of the Company's fixed-fee arrangements, including its Success Services offerings, are structured as subscription-like, packaged offerings that are annually recurring in nature. Success Services are standard service offerings that provide a level of dedicated professional services above the standard technical support offered to all accounts as part of their SELECT or enterprise agreement. Revenues are recognized as services are performed.

Significant Judgments and Estimates

The Company's contracts with customers may include promises to transfer licenses (perpetual or term-based), maintenance, and services to a user. Judgment is required to determine if the promises are separate performance obligations, and if so, the allocation of the transaction price to each performance obligation. When an arrangement includes multiple performance obligations which are concurrently delivered and have the same pattern of transfer to the customer, the Company accounts for those performance obligations as a single performance obligation. For contracts with more than one performance obligation, the transaction price is allocated among the performance obligations in an amount that depicts the relative SSP of each obligation. Judgment is required to determine the SSP for each distinct performance obligation. In instances where SSP is not directly observable, such as when the Company does not sell the product or service separately, the Company determines the SSP using information that may include market conditions and other observable inputs. The Company uses a range of amounts to estimate SSP when it sells each of the products and services separately and needs to determine whether there is a discount that should be allocated based on the relative SSP of the various products and services.

The Company's SELECT agreement provides users with perpetual licenses a right to exchange software for other eligible perpetual licenses on an annual basis upon renewal. The Company refers to this option as portfolio balancing and has concluded that the portfolio balancing feature represents a material right resulting in the deferral of the associated revenue. Judgment is required to estimate the percentage of users who may elect to portfolio balance and considers inputs such as historical user elections. This feature is available once per term and must be exercised prior to the respective renewal term. The Company recognizes the associated revenue upon election or when the portfolio balancing right expires. This right is included in the initial and subsequent renewal terms and the Company reestablishes the revenue deferral for the material right upon the beginning of the renewal term.

Unbilled Accounts Receivable

Unbilled accounts receivable represent amounts that are unbilled due to agreed-upon contractual terms in which billing occurs subsequent to revenue recognition, and are included in *Accounts receivable* in the consolidated balance sheets. As of December 31, 2025 and 2024, unbilled accounts receivable were $182,315 and $159,924, respectively.

Contract Balances

As of December 31, 2025 and 2024, the Company's contract assets relate to performance obligations completed in advance of the right to invoice and are included in *Prepaid and other current assets* in the consolidated balance sheets. Contract assets were not material as of December 31, 2025 or 2024.

Deferred revenues consist of billings made or payments received in advance of revenue recognition from subscriptions and services. The primary changes in deferred revenues are due to the Company's performance under the contracts and new billings made or payments received in advance of revenue recognition from subscriptions and services. The satisfaction of performance obligations typically lags behind payments received under revenue from contracts with customers.

For the year ended December 31, 2025, $253,003 of revenues that were included in the December 31, 2024 deferred revenues balance were recognized. There were additional deferrals of $270,695, which were primarily related to new billings. For the year ended December 31, 2024, $231,114 of revenues that were included in the December 31, 2023 deferred revenues balance were recognized. There were additional deferrals of $233,910, which were primarily related to new billings.

As of December 31, 2025 and 2024, the Company deferred $19,822 and $18,540, respectively, related to portfolio balancing exchange rights which is included in *Deferred revenues* in the consolidated balance sheets.

Costs to Obtain a Contract with a Customer

The Company recognizes an asset for the incremental costs of obtaining a contract with a customer if the Company expects the benefit of those costs to be longer than one year. The contract costs are amortized based on the economic life of the goods and services to which the contract costs relate. The Company has determined that costs under certain sales incentive programs meet the requirements to be capitalized. The Company applies a practical expedient to expense costs as incurred for costs to obtain a contract with a customer when the amortization period would have been one year or less. These costs include the Company's internal sales force compensation program and certain channel partner sales incentive programs for which the annual compensation is commensurate with annual sales activities.

As of December 31, 2025 and 2024, deferred costs of $4,969 and $4,490, respectively, are included in *Prepaid and other current assets* in the consolidated balance sheets and $10,572 and $10,715, respectively, are included in *Other assets* in the consolidated balance sheets. Amortization expense related to assets recognized from costs to obtain a contract with a customer was $5,746, $5,241, and $5,567 for the years ended December 31, 2025, 2024, and 2023, respectively, and is included in *Cost of subscriptions and licenses* and *Selling and marketing* in the consolidated statements of operations. Impairments of contract cost assets were not material during the years ended December 31, 2025, 2024, or 2023.

Remaining Performance Obligations

The Company's contracts with customers include amounts allocated to performance obligations that will be satisfied at a later date. As of December 31, 2025, amounts allocated to these remaining performance obligations are $296,654, of which the Company expects to recognize approximately 94% over the next 12 months with the remaining amount thereafter.

Note 4: Acquisitions

The aggregate details of the Company's acquisition activity are as follows:

	Acquisitions Completed During Year Ended December 31,		
	2025	2024	2023
Number of acquisitions	2	3	3
Cash paid at closing [1]	$ 101,475	$ 143,299	$ 26,287
Cash acquired	(8,223)	(12,892)	(264)
Net cash paid	$ 93,252	$ 130,407	$ 26,023

(1) Of the cash paid at closing, $9,500 was held in an escrow account to secure any potential indemnification and other obligations of the seller as of December 31, 2025.

The operating results for any acquired business are included in the Company's consolidated financial statements from the closing date of each respective acquisition and were not material, individually or in the aggregate, to the Company's consolidated financial statements of operations. The following summarizes the fair values of the assets acquired and liabilities assumed, as well as the weighted average useful lives assigned to acquired intangible assets at the respective date of each acquisition:

	Acquisitions Completed During Year Ended December 31,		
	2025	2024	2023
Consideration:			
Cash paid at closing	$ 101,475	$ 143,299	$ 26,287
Deferred, non-contingent consideration, net	—	—	525
Other	—	108	15
Total consideration	$ 101,475	$ 143,407	$ 26,827
Assets acquired and liabilities assumed:			
Cash	$ 8,223	$ 12,892	$ 264
Accounts receivable and other current assets	3,596	6,102	1,742
Operating lease right-of-use assets	309	103	397
Deferred income taxes	29	—	2,151
Other assets	864	86	6
Software and technology (weighted average useful life of 3, 5, and 3 years, respectively)	5,901	7,025	3,077
Customer relationships (weighted average useful life of 5, 3, and 6 years, respectively)	14,600	284	3,900
Trademarks (weighted average useful life of 5, 10, and 5 years, respectively)	2,800	5,145	1,000
Total identifiable assets acquired excluding goodwill	36,322	31,637	12,537
Accruals and other current liabilities	(2,945)	(5,778)	(624)
Deferred revenues	(406)	(2,427)	(4,623)
Operating lease liabilities	(309)	(103)	(397)
Deferred income taxes	(419)	(136)	—
Total liabilities assumed	(4,079)	(8,444)	(5,644)
Net identifiable assets acquired excluding goodwill	32,243	23,193	6,893
Goodwill	69,232	120,214	19,934
Net assets acquired	$ 101,475	$ 143,407	$ 26,827

The Company allocates the purchase price for each acquisition to the net tangible and intangible assets acquired and liabilities assumed based on their estimated fair value at the respective acquisition date, with the exception of deferred revenues which are recognized and measured on the acquisition date in accordance with the Company's revenue recognition policies in Note 3. The fair values of the working capital, other assets (liabilities), and property and equipment approximated their respective carrying values as of the acquisition date. The fair values of the intangible assets were primarily determined using the income approach. When applying the income approach, indications of fair values were developed by discounting future net cash flows to their present values at market-based rates of return. The cash flows were based on estimates used to price the acquisitions and the discount rates applied were benchmarked with reference to the implied rate of return from the Company's pricing model and the weighted average cost of capital. Goodwill is measured as the excess of the purchase price over the value of net identifiable assets acquired. While best estimates and assumptions are used to accurately value assets acquired and liabilities assumed at the acquisition date, as well as contingent and non-contingent consideration, where applicable, the Company's estimates are inherently uncertain and subject to refinement. Any adjustments to estimated fair value are recorded to goodwill, provided that the Company is within the measurement period (up to one year from the acquisition date) and that the Company continues to collect information to determine estimated fair value. Subsequent to the measurement period or the Company's final determination of estimated fair value, whichever comes first, adjustments are recorded in the consolidated statements of operations.

Goodwill recorded in connection with the acquisitions was attributable to synergies expected to arise from cost saving opportunities, as well as future expected cash flows. The Company expects $8,799 of the goodwill recorded relating to the 2025 acquisitions will be deductible for income tax purposes.

The Company is in the process of finalizing the purchase accounting for certain acquisitions completed during the year ended December 31, 2025. The initial accounting for these business combinations is not complete because the evaluation necessary to assess the fair values of certain net assets acquired is still in process. The provisional amounts are subject to revision until the evaluations are completed to the extent that additional information is obtained about the facts and circumstances that existed as of the acquisition date. The allocation of the purchase price may be modified from the date of the acquisition as more information is obtained about the fair values of assets acquired and liabilities assumed, however, such measurement period cannot exceed one year. The primary areas of preliminary purchase price allocation that are not yet finalized relate to working capital, tax assets and liabilities, and amounts allocated to goodwill.

Note 5: Property and Equipment

Property and equipment, net consist of the following:

	December 31,	
	2025	2024
Land	$ 1,341	$ 1,341
Building and improvements	34,429	32,115
Computer equipment and software	62,274	50,696
Furniture, fixtures, and equipment	12,653	9,183
Aircraft	2,038	2,038
Other	65	40
Property and equipment, at cost	112,800	95,413
Less: Accumulated depreciation	(76,769)	(61,615)
Total property and equipment, net	$ 36,031	$ 33,798

Depreciation expense for the years ended December 31, 2025, 2024, and 2023 was $14,505, $13,684, and $12,368, respectively.

Property and equipment are recorded at cost less accumulated depreciation. Depreciation is calculated using the straight-line method over the estimated useful lives of the assets. Leasehold improvements are depreciated over the shorter of the estimated useful life of the leasehold improvements or the lease term. Land is not depreciated. Depreciation for equipment commences once it is placed in service, and depreciation for buildings and leasehold improvements commences once they are ready for their intended use.

Estimated useful lives of property and equipment are as follows:

	Useful Life
Building and improvements	25 years
Computer equipment and software	3 years
Furniture, fixtures, and equipment	5 years
Aircraft	6 years

Cost of maintenance and repairs is charged to expense as incurred. Upon retirement or other disposition, the cost of the asset and the related accumulated depreciation are removed from the accounts and any resulting gain or loss is recognized in the consolidated statements of operations. Related to the aircraft, ongoing operating and fixed costs are shared on a proportional use basis subject to a cost-sharing agreement as the Company's Executive Chair owns 50%. Such costs were not material during the years ended December 31, 2025, 2024, or 2023.

The Company evaluates the recoverability of property and equipment whenever events or changes in circumstances indicate that the carrying value of these assets may not be recoverable. If circumstances require an asset to be tested for possible impairment, the Company first compares the undiscounted cash flows expected to be generated by that asset to its carrying value. If the carrying value of the asset is not recoverable on an undiscounted cash flow basis, an impairment is recognized to the extent that the carrying value exceeds its fair value. Impairments of property and equipment were not material during the years ended December 31, 2025, 2024, or 2023.

Note 6: Goodwill and Other Intangible Assets

The Company's intangible assets primarily arise from acquisitions and principally consist of goodwill, acquired software and technology, customer relationships, and trademarks. Finite-lived intangible assets are amortized on a straight-line basis over their estimated useful lives.

Goodwill

The changes in the carrying amount of goodwill are as follows:

Balance, December 31, 2023	$ 2,269,336
Acquisitions	120,214
Foreign currency translation adjustments	(21,538)
Other adjustments	(833)
Balance, December 31, 2024	2,367,179
Acquisitions	69,232
Foreign currency translation adjustments	45,064
Other adjustments	679
Balance, December 31, 2025	$ 2,482,154

Goodwill consists of the excess of cost over the fair value of net assets acquired in business combinations. Goodwill is not amortized, but instead is tested annually for impairment on October 1, or more frequently if events occur or circumstances change that would more likely than not reduce its fair value below its carrying amount. The Company allocates goodwill to reporting units on a relative fair value basis.

In testing for goodwill impairment, the Company may first qualitatively assess whether it is more likely than not (a likelihood of more than 50 percent) that a goodwill impairment exists. If it is determined that a quantitative assessment is required and the carrying amount exceeds its fair value, the Company will recognize goodwill impairment in the amount in which the carrying amount of the reporting unit exceeds its fair value, but not to exceed the carrying amount of goodwill within the reporting unit. There was no impairment of goodwill as a result of the Company's annual impairment assessments conducted for the years ended December 31, 2025, 2024, or 2023.

Other Intangible Assets

Details of intangible assets other than goodwill are as follows:

	Remaining Weighted Average Useful Life as of December 31, 2025	December 31, 2025			December 31, 2024		
		Gross Carrying Amount	Accumulated Amortization	Net Book Value	Gross Carrying Amount	Accumulated Amortization	Net Book Value
Intangible assets subject to amortization:							
Software and technology	2.3 years	$ 88,183	$ (70,058)	$ 18,125	$ 86,578	$ (61,671)	$ 24,907
Customer relationships	5.4 years	332,959	(189,838)	143,121	315,773	(162,175)	153,598
Trademarks	5.8 years	77,764	(45,992)	31,772	74,034	(38,593)	35,441
Non-compete agreements	N/A	—	—	—	350	(337)	13
Total intangible assets		$ 498,906	$ (305,888)	$ 193,018	$ 476,735	$ (262,776)	$ 213,959

The aggregate amortization expense for purchased intangible assets with finite lives is included in the consolidated statements of operations as follows:

	Year Ended December 31,		
	2025	2024	2023
Cost of subscriptions and licenses	$ 12,890	$ 12,681	$ 12,704
Amortization of purchased intangibles	32,768	33,998	38,515
Total amortization expense	$ 45,658	$ 46,679	$ 51,219

Amortization expense for purchased intangible assets with finite lives for the years after December 31, 2025 are estimated as follows:

2026	$ 43,138
2027	36,075
2028	34,575
2029	31,089
2030	29,371
Thereafter	18,770
	$ 193,018

The Company evaluates intangible assets subject to amortization for impairment whenever events or changes in circumstances indicate that the carrying value of these assets may not be recoverable or that useful lives of those assets are no longer appropriate. If circumstances require an asset to be tested for possible impairment, the Company first compares the undiscounted cash flows expected to be generated by that asset to its carrying value. If the carrying value of the asset is not recoverable on an undiscounted cash flow basis, an impairment is recognized to the extent that the carrying value exceeds its fair value. There was no impairment of intangible assets subject to amortization for the years ended December 31, 2025, 2024, or 2023.

Note 7: Investments

Investments consist of the following:

	December 31,	
	2025	2024
Non-marketable equity investments	$ 25,298	$ 23,289
Equity method investments	2,622	2,475
Total investments	$ 27,920	$ 25,764

Non-Marketable Equity Investments

The Company invests in privately-held technology development companies in which it does not have a controlling interest or the ability to exercise significant influence. These investments consist of equity securities that do not have readily determinable values and are accounted for using the measurement alternative, recording at cost less impairments, if any, plus or minus changes resulting from observable price changes in orderly transactions for the identical or a similar investment of the same investee. The Company's share of income or loss of such companies is not included in the Company's consolidated statements of operations.

In March 2023, the Company acquired an equity interest in Worldsensing, a leading global connectivity hardware platform company for infrastructure monitoring, via contribution of its sensemetrics' Thread connectivity device business (the "Thread business") and cash. The non-cash contribution of the Thread business resulted in an insignificant gain, which was recorded in *Other income (expense), net* in the consolidated statements of operations for the year ended December 31, 2023. As of December 31, 2025 and 2024, the Company's investment balance in Worldsensing was $8,928.

During the years ended December 31, 2025 and 2024, the Company invested a total of $981 and $1,435, respectively. During the year ended December 31, 2023, the Company recognized gains on investments of $2,360, which were recorded in *Other income (expense), net* in the consolidated statements of operations (see Note 20).

During the second quarter of 2024, the Company acquired a business for $5,000 from Teralytics Holdings AG ("Teralytics"), a global platform company for human mobility analysis. During the fourth quarter of 2024, the Company sold its ownership percentage in Teralytics, which resulted in no gain or loss.

The Company tests its investments for impairment whenever circumstances indicate that the carrying value of these investments may not be recoverable. Impairment of investments were not material during the year ended December 31, 2025 or 2024. During the year ended December 31, 2023, the Company recognized impairment charges of $14,588 to write-down certain non-marketable equity investments to their fair value primarily as a result of the investees' decline in operating performance and the overall decline in the venture investment valuation environment. The impairment charges included $11,130 to write-off the Company's non-marketable equity investment in Teralytics. The impairment charges were recorded in *Other income (expense), net* in the consolidated statements of operations for the year ended December 31, 2023 (see Note 20).

Equity Method Investments

The Company applies the equity method of accounting for its investment in which it does have the ability to exercise significant influence. Under the equity method, the Company recognizes its initial investment at cost and updates the carrying value of its investment by its proportional share of income or losses from the investment. In addition, the Company decreases the carrying value by any dividends received from the investee. The Company does not otherwise adjust the carrying value to reflect changes to the fair market value of the investment. The Company's equity method investments in joint ventures are considered related parties.

No investments were made during the years ended December 31, 2025 and 2024. During the years ended December 31, 2025 and 2024, transactions between the Company and its joint ventures were not material to the Company's consolidated financial statements.

Note 8: Leases

The Company's operating leases consist of office facilities, office equipment, and automobiles. As of December 31, 2025, the Company's leases have remaining terms of less than one year to eight years, some of which include one or more options to renew, with renewal terms from one year to five years and some of which include options to terminate the leases from less than one year to five years.

The Company determines if an arrangement is a lease at inception. Operating leases are included in *Operating lease right-of-use assets, Operating lease liabilities*, and *Long-term operating lease liabilities* in the consolidated balance sheets. Operating lease right-of-use assets represent the Company's right to use an underlying asset for the lease term and operating lease liabilities represent the Company's obligation to make lease payments arising from the lease. Operating lease right-of-use assets and operating lease liabilities are recognized at the commencement date based on the present value of lease payments over the lease term. The Company uses its incremental borrowing rate, if the Company's leases do not provide an implicit rate, based on the information available at the commencement date in determining the present value of lease payments. The incremental borrowing rate is determined based on the Company's estimated credit rating, the term of the lease, economic environment where the asset resides, and full collateralization. The operating lease right-of-use assets also include any lease payments made and are reduced by any lease incentives. Options to extend or terminate the lease are considered in determining the lease term when it is reasonably certain that the option will be exercised. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

For contracts with lease and non-lease components, the Company has elected not to allocate the contract consideration, and account for the lease and non-lease components as a single lease component. Payments under the Company's lease arrangements are primarily fixed, however, certain lease agreements contain variable payments, which are expensed as incurred and not included in the operating lease assets and liabilities. Variable lease cost may include common area maintenance, property taxes, and utilities. The Company has elected not to recognize a right-of-use asset or lease liability for short-term leases (leases with a term of twelve months or less). Short-term leases are recognized in the consolidated statements of operations on a straight-line basis over the lease term.

The components of operating lease cost is included in the consolidated statements of operations as follows:

	Year Ended December 31,		
	2025	2024	2023
Operating lease cost [1]	$ 15,266	$ 17,890	$ 20,008
Variable lease cost	4,424	4,681	4,594
Total operating lease cost	$ 19,690	$ 22,571	$ 24,602

(1) Operating lease cost includes rent cost related to operating leases for office facilities of $14,247, $16,927, and $19,199 for the years ended December 31, 2025, 2024, and 2023, respectively.

Supplemental operating cash flows and other information related to leases was as follows:

	Year Ended December 31,		
	2025	2024	2023
Cash paid for operating leases included in operating cash flows	$ 15,996	$ 14,345	$ 17,899
Right-of-use assets obtained in exchange for new operating lease liabilities [1]	$ 9,142	$ 11,341	$ 17,015

(1) Right-of-use assets obtained in exchange for new operating lease liabilities does not include the impact from acquisitions of $309, $103, and $397 for the years ended December 31, 2025, 2024, and 2023, respectively.

The weighted average remaining lease term for operating leases was 3.8 years and 4.3 years as of December 31, 2025 and 2024, respectively. The weighted average discount rate was 5.4% and 5.2% as of December 31, 2025 and 2024, respectively.

Maturities of operating lease liabilities for the years after December 31, 2025 are as follows:

2026	$ 15,571
2027	8,964
2028	5,884
2029	4,262
2030	2,289
Thereafter	3,323
Total future lease payments	40,293
Less: Imputed interest	(4,474)
Total operating lease liabilities	$ 35,819

As of December 31, 2025, the Company had additional minimum operating lease payments of $16,521 for executed leases that have not yet commenced, primarily for office locations.

The Company evaluates the recoverability of right-of-use assets whenever events or changes in circumstances indicate that the carrying value of these assets may not be recoverable. If circumstances require an asset to be tested for possible impairment, the Company first compares the undiscounted cash flows expected to be generated by that asset to its carrying value. If the carrying value of the asset is not recoverable on an undiscounted cash flow basis, an impairment is recognized to the extent that the carrying value exceeds its fair value. Impairments were not material during the years ended December 31, 2025, 2024, or 2023.

Note 9: Accruals and Other Current Liabilities

Accruals and other current liabilities consist of the following:

	December 31,	
	2025	**2024**
Accrued compensation	$ 45,776	$ 47,121
Accrued benefits	45,120	40,762
Other accrued and current liabilities	82,359	81,639
Total accruals and other current liabilities	$ 173,255	$ 169,522

Note 10: Long-Term Debt

Long-term debt consists of the following:

	December 31,	
	2025	2024
Credit Facility:		
Revolving loan facility due October 2029	$ —	$ 135,315
2026 Notes	677,830	687,830
2027 Notes	575,000	575,000
Unamortized debt issuance costs	(3,918)	(10,057)
Total debt	1,248,912	1,388,088
Less: Current portion of long-term debt	—	—
Long-term debt	$ 1,248,912	$ 1,388,088

Credit Facility

On October 18, 2024, the Company entered into the Credit Facility, which provides the Company with a $1,300,000 revolving credit facility, including a $125,000 swingline loan and $125,000 in letters of credit. The Credit Facility also provides the Company with a $500,000 "accordion" feature to increase the facility in the form of both revolving indebtedness and/or incremental term loans. On October 18, 2024, the Company used borrowings under the Credit Facility to repay a portion of the revolving indebtedness outstanding under the amended and restated credit agreement, entered into on December 19, 2017 (the "2017 Credit Facility") and all of the outstanding senior secured term loan. In connection with the termination of the 2017 Credit Facility and entrance into the Credit Facility, the Company performed an extinguishment versus modification assessment on a lender-by-lender basis resulting in the write-off of an insignificant amount of unamortized debt issuance costs. Additionally, $6,184 of capitalized fees paid to lenders and third parties associated with the Credit Facility were recorded in *Prepaid and other current assets* or *Other assets* in the consolidated balance sheets, depending on the short- or long-term nature of such costs. Debt issuance costs are amortized to *Interest expense, net*, in the consolidated statements of operations through the maturity date.

The Credit Facility matures on October 18, 2029, subject to a "revolving maturity date" on the date that is 91 days prior to the maturity date of the Company's outstanding convertible debt, unless on such date the Company meets certain liquidity requirements. Voluntary prepayments under the Credit Facility are permitted at any time without payment of any prepayment premiums.

Revolving loan borrowings under the Credit Facility bear interest, at the Company's option, at the Alternative Base Rate or Term SOFR that reset every one, three, or six months. Under the Term SOFR elections, revolving loan borrowings bear an interest rate of the applicable Term SOFR rate plus a credit spread adjustment of 10 bps, plus a spread ranging from 125 bps to 225 bps as determined by the Company's net leverage ratio. Under the non-Term SOFR elections, revolving loan borrowings bear a base interest rate of the highest of (i) the prime rate, (ii) the overnight bank funding effective rate plus 50 bps, or (iii) the daily simple SOFR rate plus 100 bps, plus a spread ranging from 25 bps to 125 bps as determined by the Company's net leverage ratio.

Swingline borrowings under the Credit Facility bear interest that resets daily. Interest on swingline borrowings bear an interest rate of the daily simple SOFR rate plus a credit spread adjustment of 10 bps, plus a spread ranging from 125 bps to 225 bps as determined by the Company's net leverage ratio.

In addition, a commitment fee for the unused revolving credit facility ranges from 20 bps to 30 bps per annum as determined by the Company's net leverage ratio.

Borrowings under the Credit Facility are guaranteed by the Company's material first tier domestic subsidiaries and are secured by a first priority security interest in substantially all of the Company's and the guarantors' U.S. assets, including pledges of the stock of each of their directly owned domestic and foreign subsidiaries, with the latter limited to 65% of such stock.

The agreement governing the Credit Facility contains customary affirmative and negative covenants, including restrictions on the Company's ability to pay dividends, repurchase the Company's Class B common stock, and make other restricted payments, as well as events of default, including, without limitation, payment defaults, breaches of representations and warranties, covenants defaults, cross-defaults to certain other indebtedness in excess of $100,000, certain events of bankruptcy and insolvency, judgment defaults in excess of $10,000, failure of any security document supporting the Credit Facility to be in full force and effect, and a change of control. The Credit Facility also contains customary financial covenants, including net leverage ratio, net senior secured leverage ratio, and interest coverage ratio.

The Company had $150 of letters of credit outstanding as of December 31, 2025 and 2024 under the Credit Facility. As of December 31, 2025 and 2024, the Company had $1,299,850 and $1,164,535, respectively, available under the Credit Facility.

As of December 31, 2025 and 2024, the Company was in compliance with all covenants in its Credit Facility.

Convertible Senior Notes

2026 Notes

On January 26, 2021, the Company completed a private offering of $690,000 of 0.125% convertible senior notes due 2026 (the "2026 Notes"). The 2026 Notes were issued pursuant to an indenture, dated as of January 26, 2021, between the Company and Wilmington Trust, National Association, as trustee (the "2026 Trustee") (the "2026 Indenture"). Interest will accrue from January 26, 2021 and will be payable semi-annually in arrears in cash on January 15 and July 15 of each year, with the first payment due on July 15, 2021. The 2026 Notes will mature on January 15, 2026, unless earlier converted, redeemed, or repurchased.

During the first quarter of 2025, the Company paid $9,797 in cash to repurchase $10,000 aggregate principal amount of its outstanding 2026 Notes through open market transactions resulting in an insignificant gain, which was recorded in *Other income (expense), net* in the consolidated statements of operations for the year ended December 31, 2025. The 2026 Notes were repurchased under the Company's Repurchase Program authorization (see Note 13).

Prior to October 15, 2025, the 2026 Notes were convertible at the option of the holder pursuant to the terms of the 2026 Indenture. On or after October 15, 2025 until 5:00 p.m., New York City time, on the second scheduled trading day immediately before the maturity date, the 2026 Notes are convertible at the option of the holder at any time.

On October 14, 2025, in accordance with the 2026 Indenture, the Company gave notice to the 2026 Trustee, the Conversion Agent, and the Holders (each as defined in the 2026 Indenture) that the Company elected to change the "Default Settlement Method" (as defined in the 2026 Indenture) for conversions of the 2026 Notes to "Physical Settlement" (as defined in the 2026 Indenture). As a result, all conversions of the 2026 Notes occurring on or after October 15, 2025 will be settled by delivery of shares of the Company's Class B common stock using Physical Settlement in accordance with the 2026 Indenture. The initial conversion rate is 15.5925 shares of the Company's Class B common stock per one thousand dollar principal amount of 2026 Notes, which represents an initial conversion price of approximately $64.13 per share, and is subject to adjustment as described in the 2026 Indenture. If a "make-whole fundamental change" (as defined in the 2026 Indenture) occurs, then the Company will, in certain circumstances, increase the conversion rate for a specified period of time.

Upon a fundamental change (as defined in the 2026 Indenture), holders may, subject to certain exceptions, require the Company to purchase their 2026 Notes in whole or in part for cash at a price equal to the principal amount of the 2026 Notes to be purchased, plus accrued and unpaid interest, if any, to, but excluding, the fundamental change repurchase date (as defined in the 2026 Indenture). In addition, upon a Make-Whole Fundamental Change (as defined in the 2026 Indenture), the Company will, under certain circumstances, increase the applicable conversion rate for a holder that elects to convert its 2026 Notes in connection with such Make-Whole Fundamental Change. No adjustment to the conversion rate will be made if the stock price in such Make-Whole Fundamental Change is either less than $44.23 per share or greater than $210.00 per share. The Company will not increase the conversion rate to an amount that exceeds 22.6090 shares per one thousand dollar principal amount of 2026 Notes, subject to adjustment. The 2026 Indenture also contains a customary merger covenant.

Under the 2026 Indenture, the 2026 Notes may be accelerated upon the occurrence of certain customary events of default. If certain bankruptcy and insolvency-related events of default with respect to the Company occur, the principal of, and accrued and unpaid interest on, all of the then outstanding 2026 Notes shall automatically become due and payable. If any other event of default occurs and is continuing, the 2026 Trustee by notice to the Company, or the holders of the 2026 Notes of at least 25% in principal amount of the outstanding 2026 Notes by notice to the Company and the 2026 Trustee, may declare the principal of, and accrued and unpaid interest on, all of the then outstanding 2026 Notes to be due and payable. Notwithstanding the foregoing, the 2026 Indenture provides that, to the extent the Company elects, the sole remedy for an event of default relating to certain failures by the Company to comply with reporting covenant in the 2026 Indenture consists exclusively of the right to receive additional interest on the 2026 Notes.

The 2026 Notes were accounted for as debt, with no bifurcation of the embedded conversion feature. Transaction costs were recorded as a direct deduction from the related debt liability in the consolidated balance sheets and are amortized to interest expense over the term of the 2026 Notes. The effective interest rate for the 2026 Notes is 0.658%.

As of December 31, 2025, none of the conditions of the 2026 Notes to early convert had been met and the Company was in compliance with all affirmative and negative covenants. As of December 31, 2025, the 2026 Notes were classified as long-term in the consolidated balance sheets as the Company had the ability and intent to refinance them on a long-term basis through available capacity under the Credit Facility.

The 2026 Notes matured on January 15, 2026. Upon maturity, the Company repaid $678,254, which consisted of the remaining outstanding principal balance and accrued interest on the 2026 Notes using borrowings under the Credit Facility and available cash on hand.

Capped Call Options — In connection with the pricing of the 2026 Notes, the Company entered into capped call options with certain of the initial purchasers or their respective affiliates and certain other financial institutions. The capped call options are expected to reduce potential dilution to the Company's Class B common stock upon any conversion of 2026 Notes and/or offset any cash payments the Company is required to make in excess of the principal amount of converted notes, as the case may be, with such reduction and/or offset subject to a cap. The cap price of the capped call options is initially $72.9795 per share, which represents a premium of 65% above the last reported sale price per share of the Company's Class B common stock on the Nasdaq Global Select Market on January 21, 2021 and is subject to customary adjustments under the terms of the capped call options.

The capped call options were entered into in conjunction with the issuance of the 2026 Notes, however, they are legally separate agreements that can be separately exercised, with the receipt of shares under the capped call options having no effect on the 2026 Notes, and are legally detachable. As the capped call options are both legally detachable and separately exercisable from the 2026 Notes, the Company accounts for the capped call options separately from the 2026 Notes. The capped call options are indexed to the Company's own common stock and classified in Bentley Systems stockholders' equity. As such, the premiums paid for the capped call options were included as a net reduction to *Additional paid-in capital* in the consolidated balance sheets as of December 31, 2021. These capped call options expired on January 15, 2026.

2027 Notes

On June 28, 2021, the Company completed a private offering of $575,000 of 0.375% convertible senior notes due 2027. The 2027 Notes were issued pursuant to an indenture, dated as of June 28, 2021, between the Company and Wilmington Trust, National Association, as trustee (the "2027 Trustee") (the "2027 Indenture"). Interest will accrue from June 28, 2021 and will be payable semi-annually in arrears in cash on January 1 and July 1 of each year, with the first payment due on January 1, 2022. The 2027 Notes will mature on July 1, 2027, unless earlier converted, redeemed, or repurchased.

Prior to April 1, 2027, the 2027 Notes will be convertible at the option of the holder only under the following circumstances: (1) during any calendar quarter (and only during such quarter) commencing after the calendar quarter ending on September 30, 2021, if the last reported sale price per share of the Company's Class B common stock exceeds 130% of the conversion price for each of at least 20 trading days, whether or not consecutive, during the 30 consecutive trading days ending on, and including, the last trading day of the immediately preceding calendar quarter; (2) during the five consecutive business days immediately after any ten consecutive trading day period (such ten consecutive trading day period, the "measurement period") in which the trading price per one thousand dollar principal amount of 2027 Notes for each trading day of the measurement period was less than 98% of the product of the last reported sale price per share of the Company's Class B common stock on such trading day and the conversion rate on such trading day; (3) upon the occurrence of certain corporate events or distributions on the Company's Class B common stock, as described in the 2027 Indenture; and (4) if the Company calls the 2027 Notes for redemption. On or after April 1, 2027 until 5:00 p.m., New York City time, on the second scheduled trading day immediately before the maturity date, the 2027 Notes will be convertible at the option of the holder at any time.

The Company will settle conversions by paying or delivering, as applicable, cash, shares of the Company's Class B common stock, or a combination of cash and shares of the Company's Class B common stock, at the Company's election, based on the applicable conversion rate. The initial conversion rate is 12.0153 shares of the Company's Class B common stock per one thousand dollar principal amount of 2027 Notes, which represents an initial conversion price of approximately $83.23 per share, and is subject to adjustment as described in the 2027 Indenture. If a "make-whole fundamental change" (as defined in the 2027 Indenture) occurs, then the Company will, in certain circumstances, increase the conversion rate for a specified period of time.

The Company has the option to redeem the 2027 Notes in whole or in part at any time after July 5, 2024 and on or before the 40th scheduled trading day immediately before the maturity date if the last reported sale price per share of the Company's Class B common stock exceeds 130% of the conversion price on (1) each of at least 20 trading days, whether or not consecutive, during any 30 consecutive trading days ending on, and including, the trading day immediately before the date the Company sends the related redemption notice; and (2) the trading day immediately before the date the Company sends such notice. The redemption price will be equal to the principal amount of the 2027 Notes to be redeemed, plus accrued and unpaid interest, if any, to, but excluding, the redemption date.

Upon a fundamental change (as defined in the 2027 Indenture), holders may, subject to certain exceptions, require the Company to purchase their 2027 Notes in whole or in part for cash at a price equal to the principal amount of the 2027 Notes to be purchased, plus accrued and unpaid interest, if any, to, but excluding, the fundamental change repurchase date (as defined in the 2027 Indenture). In addition, upon a Make-Whole Fundamental Change (as defined in the 2027 Indenture), the Company will, under certain circumstances, increase the applicable conversion rate for a holder that elects to convert its 2027 Notes in connection with such Make-Whole Fundamental Change. No adjustment to the conversion rate will be made if the stock price in such Make-Whole Fundamental Change is either less than $61.65 per share or greater than $325.00 per share. The Company will not increase the conversion rate to an amount that exceeds 16.2206 shares per one thousand dollar principal amount of 2027 Notes, subject to adjustment. The 2027 Indenture also contains a customary merger covenant.

Under the 2027 Indenture, the 2027 Notes may be accelerated upon the occurrence of certain customary events of default. If certain bankruptcy and insolvency-related events of default with respect to the Company occur, the principal of, and accrued and unpaid interest on, all of the then outstanding 2027 Notes shall automatically become due and payable. If any other event of default occurs and is continuing, the 2027 Trustee by notice to the Company, or the holders of the 2027 Notes of at least 25% in principal amount of the outstanding 2027 Notes by notice to the Company and the 2027 Trustee, may declare the principal of, and accrued and unpaid interest on, all of the then outstanding 2027 Notes to be due and payable. Notwithstanding the foregoing, the 2027 Indenture provides that, to the extent the Company elects, the sole remedy for an event of default relating to certain failures by the Company to comply with reporting covenant in the 2027 Indenture consists exclusively of the right to receive additional interest on the 2027 Notes.

The 2027 Notes were accounted for as debt, with no bifurcation of the embedded conversion feature. Transaction costs were recorded as a direct deduction from the related debt liability in the consolidated balance sheets and are amortized to interest expense over the term of the 2027 Notes. The effective interest rate for the 2027 Notes is 0.864%.

As of December 31, 2025, none of the conditions of the 2027 Notes to early convert had been met.

The 2027 Notes are the Company's senior, unsecured obligations that rank senior in right of payment to the Company's future indebtedness that is expressly subordinated to the 2027 Notes, rank equally in right of payment with the Company's existing and future senior unsecured indebtedness that is not so subordinated (including the Company's 2026 Notes), effectively subordinated to the Company's existing and future secured indebtedness (including obligations under the Company's senior secured Credit Facility), to the extent of the value of the collateral securing such indebtedness, and structurally subordinated to all existing and future indebtedness and other liabilities (including trade payables and preferred equity (to the extent the Company is not a holder thereof)) of the Company's subsidiaries. The 2027 Notes contain both affirmative and negative covenants. As of December 31, 2025 and 2024, the Company was in compliance with all covenants in the 2027 Notes.

Capped Call Options — In connection with the pricing of the 2027 Notes, the Company entered into capped call options with certain of the initial purchasers or their respective affiliates and certain other financial institutions. The capped call options are expected to reduce potential dilution to the Company's Class B common stock upon any conversion of 2027 Notes and/or offset any cash payments the Company is required to make in excess of the principal amount of converted notes, as the case may be, with such reduction and/or offset subject to a cap. The cap price of the capped call options is initially $95.5575 per share, which represents a premium of 55% above the last reported sale price per share of the Company's Class B common stock on the Nasdaq Global Select Market on June 23, 2021 and is subject to customary adjustments under the terms of the capped call options.

The capped call options were entered into in conjunction with the issuance of the 2027 Notes, however, they are legally separate agreements that can be separately exercised, with the receipt of shares under the capped call options having no effect on the 2027 Notes, and are legally detachable. As the capped call options are both legally detachable and separately exercisable from the 2027 Notes, the Company accounts for the capped call options separately from the 2027 Notes. The capped call options are indexed to the Company's own common stock and classified in Bentley Systems stockholders' equity. As such, the premiums paid for the capped call options were included as a net reduction to *Additional paid-in capital* in the consolidated balance sheets as of December 31, 2021.

Derivative Arrangements

The Company records derivative instruments as an asset or liability measured at fair value and depending on the nature of the hedge, the corresponding changes in the fair value of these instruments are recorded in the consolidated statements of operations or comprehensive income. If the derivative is determined to be a hedge, changes in the fair value of the derivative are offset against the change in the fair value of the hedged assets or liabilities through the consolidated statements of operations or recognized in *Other comprehensive income (loss), net of taxes* until the hedged item is recognized in the consolidated statements of operations. The ineffective portion of a derivative's change in fair value is recognized in earnings. Also, changes in the entire fair value of a derivative that is not designated as a hedge are recognized in earnings.

Effective on April 2, 2020, the Company entered into an interest rate swap with a notional amount of $200,000 and a ten-year term to reduce the interest rate risk associated with a portion of the Company's floating rate debt. Under the terms of the interest rate swap, the Company will pay a fixed interest rate of 72.9 bps, and will receive a floating interest rate equal to daily SOFR plus an ARRC spread adjustment of 11.448 bps. The interest rate swap is not designated as a hedging instrument for accounting purposes. The Company accounts for the interest rate swap as either an asset or a liability on the consolidated balance sheets and carries the derivative at fair value (see Note 17). Gain (loss) from the change in fair value and payments related to the interest rate swap are recognized in *Other income (expense), net* in the consolidated statements of operations (see Note 20). The bank counterparty to the derivative potentially exposes the Company to credit-related losses in the event of nonperformance. To mitigate that risk, the Company only contracts with counterparties who meet the Company's minimum requirements under its counterparty risk assessment process. The Company monitors counterparty risk on at least a quarterly basis and adjusts its exposure as necessary. The Company does not enter into derivative instrument transactions for trading or speculative purposes.

Interest Expense, Net

Interest expense, net consists of the following:

	Year Ended December 31,		
	2025	**2024**	**2023**
Contractual interest expense	$ (7,581)	$ (16,967)	$ (34,973)
Amortization of deferred debt issuance costs	(7,575)	(7,338)	(7,291)
Other interest (expense) income	(166)	(469)	933
Interest income	2,887	2,730	1,538
Interest expense, net	$ (12,435)	$ (22,044)	$ (39,793)

The weighted average interest rate on credit facility borrowings were 6.17%, 7.22%, and 7.13% for the years ended December 31, 2025, 2024, and 2023, respectively.

Scheduled maturities of long-term debt for the years after December 31, 2025 are as follows:

2026	$ 677,830
2027	575,000
Total scheduled maturities of long-term debt	$ 1,252,830

Note 11: Executive Incentive Plans

Executive Bonus Plan

The Company maintains the Bonus Plan, which is a legacy plan from decades prior to the Company's IPO and was established to compensate a limited set of executives with substantial holdings of the Company's common stock. As of January 1, 2024, Gregory S. Bentley was the sole remaining participant in the Bonus Plan. Pursuant to the Bonus Plan, participants are eligible to receive incentive bonuses that are determined based on the Company's adjusted Management Report Operating Income ("MROI"), as defined in the plan agreement and before deduction for such plan payments. For purposes of the Bonus Plan, the bonus pool thereunder may be funded with up to an aggregate of 20% of the Company's adjusted MROI, subject to approval by the Sustainability Committee of the Company's Board of Directors (the "Committee"), with payments made to plan participants based on each such participant's allocated interest in the bonus pool. The plan permits the deduction of certain holdback amounts from the plan's pool, from which amounts can then be allocated to fund items including equity and/or cash incentive compensation for non-plan participants and participant charitable contributions.

As part of Gregory S. Bentley's transition to the role of Executive Chair effective July 1, 2024, on June 26, 2024, the Committee approved Amendment No. 2 to the Bonus Plan pursuant to which (in addition to other conforming changes) Mr. Bentley's fractional interest under the Bonus Pool Plan was reduced from 12/33 to 4/33 effective July 1, 2024.

On November 2, 2022, the Committee approved an amendment to the Bonus Plan such that with respect to fiscal year 2022, one-third of the Company's Chief Investment Officer's allocated percentage interest will be multiplied by a coefficient derived from the performance of the Company's *BSY Investments* group (the Company's executive team focused on portfolio development, mergers and acquisitions, venture capital investing, digital integrator business activities, and various incubating and accelerating business activities). This coefficient is generally determined by calculating the annual increase (or decrease) in value of the *BSY Investments* portfolio, taking into account applicable fees and an annual hurdle rate, in all cases, as approved by the Company's non-employee directors. The Company's Chief Investment Officer retired effective March 31, 2023 and received one Bonus Plan payout during 2023 in respect to the 2022 fiscal year under the amended allocated percentage interest.

A participant may defer any portion, or all, of such participant's incentive bonus payable pursuant to the Bonus Plan into the DCP (see Note 12). The Bonus Plan provides, in part, that a participant may elect to receive any portion, or all, of such participant's non-deferred incentive bonus in the form of shares of fully vested Class B common stock issued under the Bentley Systems, Incorporated 2020 Omnibus Incentive Plan (the "2020 Plan"), subject to the limitation described below. The Company records the election of non-deferred incentive bonus in the form of shares of fully vested Class B common stock as stock-based compensation expense in the consolidated statements of operations (see Note 15). Such election must be made prior to the start of the applicable calendar quarter for which the incentive bonus is to be paid, and the number of shares of Class B common stock payable in respect of such elected amount is calculated using a volume-weighted average price of the Company's Class B common stock for the period commencing on the tenth trading day prior to the end of the applicable calendar quarter and ending on the tenth trading day following the end of the applicable calendar quarter. Notwithstanding participants' elections to receive shares of fully vested Class B common stock in respect of their non-deferred incentive bonus payments, if, in any calendar quarter, the aggregate U.S. dollar value of shares of fully vested Class B common stock payable in respect of the non-deferred incentive bonuses exceeds $7,500, the portion of each participant's non-deferred incentive bonus payable in shares of fully vested Class B common stock will be reduced pro rata such that the $7,500 limit is not exceeded, and, for each affected participant, the amount of such reduction will be payable in cash.

For the years ended December 31, 2025, 2024, and 2023, the incentive compensation, including cash payments, election to receive shares of fully vested Class B common stock, and deferred compensation to plan participants, recognized under this plan (net of all applicable holdbacks) was $9,019, $16,337, and $21,463, respectively.

Career Stock Program

In June 2024, the Committee established an equity-based incentive program to compensate a limited set of executives (the "Career Stock Program") pursuant to which the Company may grant restricted stock units ("RSUs") awards under the 2020 Plan. Under the Career Stock Program, the Committee may from time to time grant RSU awards to program participants, the amount of which is to be determined based upon the Company's AOI less SBC growth in the year preceding the date of grant (the "Performance Year") as a percentage of the difference between realized AOI less SBC growth during the Performance Year and an inflation-adjusted target growth level for such Performance Year. Any such awards, if made, would thereafter cliff vest five years following the end of the Performance Year and would otherwise be subject to the terms and conditions of the 2020 Plan.

During the three months ended March 31, 2025, the Company granted 28,913 RSUs with a fair value of $1,160 under the Career Stock Program based on the achievement of the performance goals for the year ended December 31, 2024. As of December 31, 2025, there was $964 of unrecognized compensation expense related to unvested RSUs under the Career Stock Program, which is expected to be recognized over a weighted average period of approximately 4.0 years.

Note 12: Retirement Plans

Deferred Compensation Plan

Under the Company's DCP, certain officers and key employees may defer all or any part of their incentive compensation, and the Company may make discretionary awards on behalf of such participants. Elective participant deferrals and discretionary Company awards are received in the form of phantom shares of the Company's Class B common stock, which are valued for accounting purposes in the same manner as actual shares of Class B common stock, and are recorded as stock-based compensation expense in the consolidated statements of operations (see Note 15). The DCP has 50,000,000 shares of Class B common stock reserved for issuance. As of December 31, 2025, shares of Class B common stock available for future issuance under the DCP were 4,615,798.

For the years ended December 31, 2025, 2024, and 2023, DCP elective participant deferrals were $0, $188, and $1,765, respectively. No discretionary contributions were made to the DCP during the years ended December 31, 2025, 2024, or 2023. As of December 31, 2025 and 2024, phantom shares of the Company's Class B common stock issuable by the DCP were 10,805,223 and 12,728,808, respectively.

In August 2021, the Company's Board of Directors approved an amendment to the DCP, which offered to certain active executives in the DCP a one-time, short-term election to reallocate a limited portion of their DCP holdings from phantom shares of the Company's Class B common stock into other phantom investment funds. DCP participants' holdings in phantom investment funds are classified as liabilities in either *Accruals and other current liabilities* or *Deferred compensation plan liabilities* in the consolidated balance sheets as they will be settled in cash upon eventual distribution. The deferred compensation plan liabilities are marked to market at the end of each reporting period, with changes in the liabilities recorded as an expense (income) to *Deferred compensation plan* in the consolidated statements of operations.

Deferred compensation plan expense was $14,409, $12,382, and $13,580 for the years ended December 31, 2025, 2024, and 2023, respectively.

The total liabilities related to the DCP are included in the consolidated balance sheets as follows:

	December 31,	
	2025	2024
Accruals and other current liabilities	$ 4,294	$ 3,798
Deferred compensation plan liabilities	106,831	96,684
Total DCP liabilities	$ 111,125	$ 100,482

Other Plans

The Company maintains a qualified 401(k) profit-sharing plan (the "401(k) Plan") for the benefit of U.S.-based full-time colleagues. The Company matches 50%, up to a maximum of 6% of qualified cash compensation for each eligible participating colleague. The Company's matching contributions to the 401(k) Plan were $6,022, $5,472, and $5,260, for the years ended December 31, 2025, 2024, and 2023, respectively.

The Company also maintains various retirement benefit plans (primarily defined contribution plans) for colleagues of its international subsidiaries. The Company's contributions to these plans were $14,928, $13,531, and $13,208, for the years ended December 31, 2025, 2024, and 2023, respectively.

Note 13: Preferred and Common Stock

Preferred Stock Authorized and Selected Terms

The Company's amended and restated Certificate of Incorporation authorizes the Company to issue up to 100,000,000 shares of preferred stock. Preferred stock has rights, preferences, and privileges which may be designated from time to time by the Company's Board of Directors.

Common Stock Authorized and Selected Terms

The Company's amended and restated Certificate of Incorporation authorizes the Company to issue up to 100,000,000 shares of Class A common stock and up to 1,800,000,000 shares of Class B common stock.

The rights of the holders of Class A common stock and Class B common stock are identical, except with respect to voting and conversion rights. Each share of Class B common stock is entitled to one vote per share, while each share of Class A common stock is entitled to 29 votes per share and is convertible at any time into one share of Class B common stock. Class A common stock will automatically convert into Class B common stock upon certain transfers, and its votes per share will be reduced to 11 in the event none of the Bentleys (Barry J. Bentley, Gregory S. Bentley, Keith A. Bentley, Raymond B. Bentley, and Richard P. Bentley, collectively) serves as a Company director or executive officer. Class A common stock also will automatically convert into shares of Class B common stock upon the affirmative vote of at least 90% of the then outstanding shares of Class A common stock or such time that the Bentley family (the Bentleys, certain other family members and trusts and other entities controlled by or primarily for the benefit of the Bentleys and their families, collectively) directly or indirectly, own less than 20% of the issued and outstanding Class B common stock on a fully-diluted basis (assuming the conversion of all issued and outstanding Class A common stock).

During the year ended December 31, 2023, 64,130 shares of Class A common stock were converted to Class B common stock.

BSY Stock Repurchase Program

In May 2022, the Company announced that its Board of Directors approved the Repurchase Program authorizing the Company to repurchase up to $200,000 of the Company's Class B common stock through June 30, 2024. In December 2022, the Company's Board of Directors amended the Repurchase Program to allow the Company also to repurchase its outstanding convertible senior notes. This additional authorization did not increase the overall dollar limit of the Repurchase Program. The Company's authorization under the Repurchase Program approved in May 2022 expired on June 30, 2024. In March 2024, the Company's Board of Directors approved an extension to the Repurchase Program authorizing the Company to repurchase up to $200,000 of the Company's Class B common stock and/or outstanding convertible senior notes from June 30, 2024 through June 30, 2026. In November 2025, the Company's Board of Directors approved an extension to the Repurchase Program authorizing the Company to repurchase up to $500,000 of the Company's Class B common stock and/or outstanding convertible senior notes from November 21, 2025 through December 31, 2028. This updated authorization supersedes the Company's prior authorization, which was set to expire on June 30, 2026. As of December 31, 2025, $481,558 was available under the Company's Board of Directors authorization for future repurchases of Class B common stock and/or outstanding convertible senior notes under the Repurchase Program.

The shares and outstanding convertible senior notes proposed to be acquired in the Repurchase Program may be repurchased from time to time in open market transactions, through privately negotiated transactions, or by other means in accordance with federal securities laws. The Company intends to fund repurchases from available working capital and cash provided by operating activities. The timing, as well as the number and value of shares and/or outstanding convertible senior notes repurchased under the Repurchase Program, will be determined by the Company at its discretion and will depend on a variety of factors, including management's assessment of the intrinsic value of the Company's shares, the market price of the Company's Class B common stock and outstanding convertible senior notes, general market and economic conditions, available liquidity, compliance with the Company's debt and other agreements, and applicable legal requirements. The exact number of shares and/or outstanding convertible senior notes to be repurchased by the Company is not guaranteed, and the Repurchase Program may be suspended, modified, or discontinued at any time without prior notice.

During the year ended December 31, 2025, the Company repurchased 2,887,224 shares for $125,057, and $10,000 aggregate principal amount of the Company's outstanding 2026 Notes for $9,797 (see Note 10) under the Repurchase Program. During the year ended December 31, 2024, the Company repurchased 1,292,733 shares for $64,359 under the Repurchase Program. The Company did not make repurchases under the Repurchase Program during the year ended December 31, 2023.

Common Stock Issuances, Sales, and Repurchases

During the year ended December 31, 2025, the Company issued 1,657,737 shares of Class B common stock to DCP participants in connection with distributions from the plan, net of 335,295 shares which were sold back to the Company in the same period to pay for applicable income tax withholdings of $14,396. During the year ended December 31, 2024, the Company issued 4,707,845 shares of Class B common stock to DCP participants in connection with distributions from the plan. There were no shares sold back to the Company as they were issued on a gross basis during the year ended December 31, 2024. During the year ended December 31, 2023, the Company issued 3,410,006 shares of Class B common stock to DCP participants in connection with distributions from the plan, net of 935,939 shares which were sold back to the Company in the same period to pay for applicable income tax withholdings of $38,456.

During the year ended December 31, 2025, the Company issued 83,791 shares of Class B common stock in connection with Bonus Plan incentive compensation, net of 47,405 shares which were sold back to the Company in the same period to pay for applicable income tax withholdings of $2,371. During the year ended December 31, 2024, the Company issued 282,340 shares of Class B common stock in connection with the Bonus Plan incentive compensation. There were no shares sold back to the Company as they were issued on a gross basis during the year ended December 31, 2024. During the year ended December 31, 2023, the Company issued 247,867 shares of Class B common stock in connection with the Bonus Plan incentive compensation, net of 135,314 shares which were sold back to the Company in the same period to pay for applicable income tax withholdings of $5,756.

During the year ended December 31, 2024, the Company issued 844,283 shares of Class B common stock to colleagues who exercised their stock options, net of 67,146 shares withheld at exercise to pay for the cost of the stock options, as well as for $2,195 of applicable income tax withholdings. The Company received $4,007 in cash proceeds from the exercise of stock options. The total intrinsic value of stock options exercised for the year ended December 31, 2024 was $40,775.

During the year ended December 31, 2023, the Company issued 2,621,959 shares of Class B common stock to colleagues who exercised their stock options, net of 238,627 shares withheld at exercise to pay for the cost of the stock options, as well as for $6,581 of applicable income tax withholdings. The Company received $11,715 in cash proceeds from the exercise of stock options. The total intrinsic value of stock options exercised for the year ended December 31, 2023 was $112,025.

The Company has a Class B Common Stock Purchase Agreement with a strategic investor (the "Common Stock Purchase Agreement"), pursuant to which the investor acquired the maximum purchase amount of $250,000 of the Company's Class B common stock. The Common Stock Purchase Agreement grants to the strategic investor certain informational and protective rights, including, for so long as the Company remains party to a long-term strategic collaboration agreement with the investor the right to participate in any sale process the Company may undertake. The Common Stock Purchase Agreement expires in 2030.

Dividends

The Company declared cash dividends during the periods presented as follows:

	Dividend Per Share	Amount
2025:		
Fourth quarter	$ 0.07	$ 21,207
Third quarter	0.07	21,263
Second quarter	0.07	21,295
First quarter	0.07	21,198
Total	$ 0.28	$ 84,963
2024:		
Fourth quarter	$ 0.06	$ 18,130
Third quarter	0.06	18,134
Second quarter	0.06	17,980
First quarter	0.06	17,871
Total	$ 0.24	$ 72,115
2023:		
Fourth quarter	$ 0.05	$ 14,764
Third quarter	0.05	14,768
Second quarter	0.05	14,702
First quarter	0.05	14,522
Total	$ 0.20	$ 58,756

In February 2026, the Board of Directors approved cash dividends of $0.07 per share payable on March 19, 2026 to all stockholders of record of Class A and Class B common stock as of the close of business on March 10, 2026.

Global Employee Stock Purchase Plan

The Bentley Systems, Incorporated Global Employee Stock Purchase Plan (the "ESPP") provides eligible colleagues of the Company with an opportunity to contribute up to 15% of their eligible compensation toward the purchase of the Company's Class B common stock at a discounted price, up to a maximum of $25 per year and subject to any other plan limitations. The ESPP has 25,000,000 shares of Class B common stock reserved for issuance.

Unless otherwise determined by the Board of Directors, the ESPP has been implemented by means of consecutive offering periods, which will run from January 1st (or the first trading day thereafter) through June 30th (or the first trading day prior to such date), and from July 1st (or the first trading day thereafter) through December 31st (or the first trading day prior to such date). The purchase price per share at which shares of Class B common stock are sold in an offering period under the ESPP will be equal to the lesser of 85% of the fair market value of a share of Class B common stock (i) on the first trading day of the offering period, or (ii) on the purchase date (i.e., the last trading day of the offering period).

During the year ended December 31, 2025, colleagues who elected to participate in the ESPP purchased a total of 280,767 shares of Class B common stock, net of shares withheld, resulting in cash proceeds to the Company of $11,534. Of the total 291,251 shares purchased, 10,484 shares were sold back to the Company to pay for applicable income tax withholdings of $539. During the year ended December 31, 2024, colleagues who elected to participate in the ESPP purchased a total of 253,578 shares of Class B common stock, net of shares withheld, resulting in cash proceeds to the Company of $11,228. Of the total 260,437 shares purchased, 6,859 shares were sold back to the Company to pay for applicable income tax withholdings of $348. During the year ended December 31, 2023, colleagues who elected to participate in the ESPP purchased a total of 315,840 shares of Class B common stock, net of shares withheld, resulting in cash proceeds to the Company of $9,988. Of the total 333,324 shares purchased, 17,484 shares were sold back to the Company to pay for applicable income tax withholdings of $845. As of December 31, 2025 and 2024, $6,173 and $5,577 of ESPP withholdings via colleague payroll deduction were recorded in *Accruals and other current liabilities* in the consolidated balance sheets, respectively. As of December 31, 2025, shares of Class B common stock available for future issuance under the ESPP were 23,737,693.

Note 14: Accumulated Other Comprehensive Loss

Accumulated other comprehensive loss consists of the following:

	Foreign Currency Translation	Actuarial (Loss) Gain on Retirement Plan	Total
Balance, December 31, 2022	$ (89,408)	$ (332)	$ (89,740)
Other comprehensive income, before taxes	4,774	68	4,842
Tax expense	—	(89)	(89)
Other comprehensive income (loss), net of taxes	4,774	(21)	4,753
Less: Other comprehensive income (loss) attributable to noncontrolling interest	—	—	—
Balance, December 31, 2023	(84,634)	(353)	(84,987)
Other comprehensive (loss) income, before taxes	(19,308)	220	(19,088)
Tax expense	—	(45)	(45)
Other comprehensive (loss) income, net of taxes	(19,308)	175	(19,133)
Less: Other comprehensive income (loss) attributable to noncontrolling interest	(42)	—	(42)
Balance, December 31, 2024	(103,900)	(178)	(104,078)
Other comprehensive income, before taxes	29,360	279	29,639
Tax expense	—	(106)	(106)
Other comprehensive income, net of taxes	29,360	173	29,533
Less: Other comprehensive income (loss) attributable to noncontrolling interest	13	—	13
Balance, December 31, 2025	$ (74,553)	$ (5)	$ (74,558)

Note 15: Stock-Based Compensation

Total stock-based compensation expense consists of the following:

	Year Ended December 31,		
	2025	2024	2023
Restricted stock and RSUs expense	$ 62,222	$ 58,921	$ 54,606
Bonus Plan expense (see Note 11)	6,823	12,344	14,801
ESPP expense (see Note 13)	2,931	2,426	2,407
Stock grants expense	600	600	600
Stock option expense	—	—	343
DCP elective participant deferrals expense [(1)] (see Note 12)	—	126	215
Total stock-based compensation expense [(2)]	$ 72,576	$ 74,417	$ 72,972

(1) DCP elective participant deferrals expense excludes deferred incentive bonus payable pursuant to the Bonus Plan.

(2) As of December 31, 2025 and 2024, $1,814 and $1,556 remained in *Accruals and other current liabilities* in the consolidated balance sheets, respectively.

Total stock-based compensation expense is included in the consolidated statements of operations as follows:

	Year Ended December 31,		
	2025	2024	2023
Cost of subscriptions and licenses	$ 3,882	$ 1,506	$ 4,444
Cost of services	2,252	3,142	3,196
Research and development	22,345	20,862	19,380
Selling and marketing	15,954	12,972	11,565
General and administrative	28,143	35,935	34,387
Total stock-based compensation expense	$ 72,576	$ 74,417	$ 72,972

Stock-based compensation expense is measured at the grant date fair value of the award and is recognized ratably over the requisite service period, which is generally the vesting period. Specifically for performance-based RSUs, stock-based compensation expense is measured at the grant date fair value of the award and is recognized ratably over the requisite service period based on the number of awards expected to vest at each reporting date. The Company accounts for forfeitures of equity awards as those forfeitures occur.

The fair value of the common stock during periods prior to the IPO was determined by the Board of Directors at each award grant date based upon a variety of factors, including the results obtained from independent third-party valuations, the Company's financial condition, and historical financial performance.

Bentley Systems, Incorporated 2020 Omnibus Incentive Plan

The Company's 2020 Plan provides for the granting of stock, stock options, restricted stock, RSUs, and other stock-based or performance-based awards to certain directors, officers, colleagues, consultants, and advisors of the Company, and terminates in September 2030. The 2020 Plan provides that 25,000,000 shares of Class B common stock may be issued for equity awards. Equity awards that are expired, canceled, forfeited, or terminated for any reason will be available for future grant under the 2020 Plan. As of December 31, 2025, equity awards available for future grants under the 2020 Plan were 18,476,290.

Restricted Stock and RSUs

Under the 2020 Plan, the Company may grant both time-based and performance-based shares of restricted Class B common stock and RSUs to eligible colleagues. Time-based awards generally vest ratably on each of the first four anniversaries of the grant date. Performance-based awards vesting is determined by the achievement of certain business growth targets, which include growth in ARR, as well as actual bookings for perpetual licenses and non-recurring services. Performance targets are generally set for annual performance periods. The fair value of restricted stock and RSUs is determined by the product of the number of shares granted and the Company's Class B common stock price on the grant date.

Shares of restricted stock have voting rights and, subject to the terms of the award agreements, the time-based restricted stock awards generally accrue declared dividends which are paid upon vesting. RSUs, which may be cash or share-settled depending on the award, do not have voting rights and, subject to the terms of the award agreements, the time-based RSUs have dividend equivalent rights and do not accrue cash dividends. Recipients of the Company's outstanding performance-based restricted stock awards and RSUs are paid dividends prior to vesting.

The following is a summary of unvested RSUs activity and related information:

	Total RSUs	Time-Based RSUs	Performance-Based RSUs	Time-Based Weighted Average Grant Date Fair Value Per Share	Performance-Based Weighted Average Grant Date Fair Value Per Share
Unvested, December 31, 2024	3,417,009	3,067,703 (1)	349,306 (2)	$ 45.45	$ 44.83
Granted	1,778,953	1,560,631	218,322 (3)	$ 40.90	$ 40.62
Vested	(1,563,419)	(1,248,515)	(314,904)	$ 43.99	$ 43.84
Forfeited and canceled	(223,934)	(216,048)	(7,886)	$ 42.87	$ 52.53
Unvested, December 31, 2025	3,408,609	3,163,771 (4)	244,838	$ 43.96	$ 42.10

(1) Includes 175,928 time-based RSUs granted during the three months ended March 31, 2022 to certain officers and key employees, which cliff vested on January 31, 2025. Additionally, includes 300,964 time-based RSUs granted during the three months ended June 30, 2024 to certain officers, which vest 20% on each of December 15, 2025, 2026, 2027, 2028, and 2029.

(2) Primarily relates to the 2024 annual performance period. Includes 162,038 performance-based RSUs granted during the year ended December 31, 2022 with extraordinary terms, which are described below.

(3) Primarily relates to the 2025 annual performance period. Includes 10,493 additional shares earned based on the achievement of 2024 performance goals for performance-based RSUs granted during the year ended December 31, 2024.

(4) Includes 36,124 RSUs which are expected to be settled in cash.

During the year ended December 31, 2022, the Company granted 185,186 performance-based RSUs to certain officers and key employees, which vest subject to the achievement of certain performance goals over a three-year performance period (the "Performance Period"). For each year of the Performance Period, one-third of the performance-based RSUs were subject to a cliff, whereby no vesting of that portion would occur unless the Company's applicable margin metrics (which, for 2022 was Adjusted EBITDA margin, and for 2023 and 2024 was AOI less SBC margin, excluding the impact of foreign currency exchange fluctuations) also equaled or exceeded the relevant target level for such year. Provided that the applicable margin targets were met, the total number of performance-based RSUs that vested were determined by the achievement of growth targets, which included growth in ARR, as well as actual bookings for perpetual licenses and non-recurring services. As of December 31, 2024, 162,038 of the aforementioned performance-based RSUs were outstanding. On January 31, 2025, 162,038 performance-based RSUs were determined to be vested based on the achievement of the performance goals during the Performance Period.

In 2016, the Company granted RSUs subject to performance-based vesting as determined by the achievement of certain business growth targets. Certain colleagues elected to defer delivery of such shares upon vesting. During the years ended December 31, 2025, 2024, and 2023, 1,577, 1,569, and 1,562 shares, respectively, were delivered to colleagues, and 32, 32, and 36 additional shares, respectively, were earned as a result of dividends. As of December 31, 2025, 2024, and 2023, 4,755, 6,300, and 7,837 shares, respectively, of these vested and deferred RSUs remained outstanding.

The weighted average grant date fair values of RSUs granted were $40.87, $50.36, and $42.29 for the years ended December 31, 2025, 2024, and 2023, respectively.

During the years ended December 31, 2025, 2024, and 2023, restricted stock and RSUs were issued net of 330,161, 197,328, and 161,841 shares, respectively, which were sold back to the Company to settle applicable income tax withholdings of $14,881, $9,966, and $7,299, respectively.

As of December 31, 2025, there was $97,229 of unrecognized compensation expense related to unvested time-based RSUs, which is expected to be recognized over a weighted average period of approximately 1.8 years. As of December 31, 2025, there was $747 of unrecognized compensation expense related to unvested performance-based RSUs, which is expected to be recognized over a weighted average period of approximately 1.0 year.

Stock Grants

Under the 2020 Plan, the Company may grant unrestricted, fully vested shares of Class B common stock. The fair value of stock grants is determined by the product of the number of fully vested Class B common stock granted and the Company's common stock price on the grant date. The total expense related to stock grants is recognized on the grant date as the issued awards are fully vested.

During the years ended December 31, 2025, 2024, and 2023, the Company granted 12,591, 11,391, and 12,639 fully vested shares of Class B common stock, respectively, with a fair value of $600, $600, and $600, respectively.

ESPP

The ESPP is considered a compensatory plan as it provides eligible colleagues an option to purchase shares of the Company's Class B common stock for 85% of the lower of the price of the first day of the offering period or the last day of the offering period (i.e., the purchase date).

The fair value of each purchase right under the ESPP was calculated as the sum of its components, which includes the discount, a six-month call option, and a six-month put option. The call and put options were valued using the Black-Scholes option pricing model. Stock-based compensation expense is recognized ratably over the respective offering period.

Note 16: Income Taxes

The components of *Income before income taxes* consist of the following:

	Year Ended December 31,		
	2025	2024	2023
Domestic	$ 160,489	$ 118,624	$ 16,652
Foreign	190,244	174,431	166,875
Income before income taxes	$ 350,733	$ 293,055	$ 183,527

The *(Provision) benefit for income taxes* consists of the following:

	Year Ended December 31,		
	2025	2024	2023
Current:			
Federal	$ (4,940)	$ (7,194)	$ (12,899)
State	(1,831)	(2,674)	(2,567)
Foreign	(41,873)	(36,287)	(40,171)
	(48,644)	(46,155)	(55,637)
Deferred:			
Federal	(18,940)	(7,627)	134,516
State	(5,399)	(4,057)	29,514
Foreign	6	(887)	34,848
	(24,333)	(12,571)	198,878
(Provision) benefit for income taxes	$ (72,977)	$ (58,726)	$ 143,241

A reconciliation of the U.S. federal statutory income tax rate to the Company's effective tax rate after the adoption of ASU 2023-09 (see Note 2) is as follows:

	Year Ended December 31, 2025	
	$	%
U.S. federal statutory income tax rate	$ 73,654	21.0%
U.S. federal:		
Nontaxable or nondeductible items:		
Stock-based compensation	(18,673)	(5.3)
Nondeductible officer compensation	14,151	4.0
Other	324	0.1
Tax credits	(4,958)	(1.4)
Other adjustments	(958)	(0.3)
State and local income tax, net of U.S. federal income tax effect [1]	5,712	1.6
Foreign tax effects:		
Ireland:		
Foreign tax rate differential	(11,516)	(3.3)
Other	(1,029)	(0.3)
Other foreign jurisdictions	16,270	4.7
Effective tax rate	$ 72,977	20.8%

(1) New York state and city, California, Oregon, and Pennsylvania represent the majority of the tax effect in this category.

A reconciliation of the U.S. federal statutory income tax rate to the Company's effective tax rate prior to the adoption of ASU 2023-09 (see Note 2) is as follows:

	Year Ended December 31,	
	2024	2023
U.S. federal statutory income tax rate	21.0%	21.0%
State and local income tax, net of U.S. federal income tax effect	2.1	(0.3)
Stock-based compensation	(16.0)	(22.9)
Nondeductible officer compensation	14.1	14.9
Tax credits	(3.0)	(5.8)
Withholding taxes	3.4	4.9
Foreign tax rate differential	(3.3)	(3.0)
U.S. net tax on foreign earnings	0.5	4.2
Tax impact of internal legal entity restructuring	—	(93.1)
Other	1.2	2.1
Effective tax rate	20.0%	(78.0%)

For the year ended December 31, 2025, the effective tax rate was higher as compared to the year ended December 31, 2024 primarily due to the decrease in tax benefits related to stock-based compensation, net of the impact from officer compensation limitation provisions, recognized in the current year. For the year ended December 31, 2024, the effective tax rate was higher as compared to the year ended December 31, 2023 primarily due to the tax benefit recognized as a result of the internal legal entity restructuring during the fourth quarter of 2023 described below, as well as a decrease in tax benefits related to stock-based compensation, net of the impact from officer compensation limitation provisions, partially offset by the decrease in the adverse effective tax rate impact of the net tax on foreign earnings. The decrease in net tax on foreign earnings is primarily related to increased foreign creditable taxes available to reduce the net impact of the U.S. Global Intangible Low-Taxed Income ("GILTI") inclusion.

On July 4, 2025, President Trump signed into law the OBBBA. The OBBBA includes the permanent extension of certain expiring provisions of the JOBS Act, modifications to the international tax framework, and the restoration of favorable tax treatment for certain business provisions. The legislation has multiple effective dates. The OBBBA had a favorable impact on the Company's cash paid for income taxes in 2025, primarily attributable to the change in restoring immediate U.S. tax deductions for domestic research and development expenses. The OBBBA did not have a material impact on the effective tax rate for the year ended December 31, 2025.

During the fourth quarter of 2023, the Company recognized a net income tax benefit of $170,784 attributable to internal legal entity restructuring and related intra-entity transactions as part of its continuing efforts to align intellectual property ownership with the Company's business operating model. These transactions resulted in the recognition of deferred tax benefits arising from the net increase in deferred tax assets related to intangibles and goodwill of $171,622. As of December 31, 2023, the deferred tax assets represented the undiscounted future anticipated cash tax impacts of basis differences, which were expected to be realized through tax amortization over the next 13 years, beginning in 2024. The benefit of the internal legal entity restructuring was partially offset by an increase in the effective tax rate impact of the GILTI inclusion due to the mandatory capitalization of research and development expenses for U.S. tax purposes and a decrease in tax benefits related to stock-based compensation, net of the impact from officer compensation limitation provisions, recognized during the year ended December 31, 2023.

The Company has elected the "period cost method" and treats taxes due on future U.S. inclusions in taxable income related to Net Controlled Foreign Corporation Tested Income, formerly known as GILTI, as a current-period expense when incurred.

Cash paid for income taxes, net of refunds, after the adoption of ASU 2023-09 (see Note 2) was as follows:

	Year Ended December 31, 2025
U.S. federal	$ 10,495
U.S. state and local	4,402
Foreign:	
Ireland	22,544
India	4,486
Brazil	2,608
All other foreign	7,042
Cash paid for income taxes, net of refunds [1]	$ 51,577

(1) Cash paid for income taxes, net of refunds, excludes $7,518 of third-party withholding taxes.

The following is a summary of the significant components of the Company's deferred tax assets and liabilities:

	December 31,	
	2025	2024
Deferred tax assets:		
Accrued compensation	$ 31,072	$ 32,875
Tax loss and credit carryforwards	18,775	19,679
Intangible assets including goodwill	118,038	142,293
Convertible debt	4,014	5,281
Lease liabilities	5,451	5,810
Other accruals not currently deductible	1,091	1,294
Allowance for doubtful accounts	787	1,048
Deferred revenues	3,273	1,899
Other	2,197	581
Total deferred tax assets	184,698	210,760
Less: Valuation allowance	(6,411)	(4,474)
Net deferred tax assets	178,287	206,286
Deferred tax liabilities:		
Operating lease right-of-use assets	(4,314)	(4,607)
Prepaid expenses	(1,132)	(714)
Unrealized gains and losses	(4,088)	(8,522)
Property and equipment	(2,753)	(2,769)
Total deferred tax liabilities	(12,287)	(16,612)
Net deferred tax assets (liabilities)	$ 166,000	$ 189,674

The Company recognizes deferred income tax assets and liabilities for the expected future tax consequences of NOL carryforwards, credit carryforwards, and temporary differences between financial statement carrying amounts of assets and liabilities and their respective tax bases, using enacted tax rates in effect for the year in which the items are expected to reverse.

The Company had deferred tax assets for tax credits and NOLs, net of unrecognized tax positions, primarily related to:

Jurisdiction:	December 31, 2025	Begin to Expire
U.S. Federal NOL	$ 4,463	2034
U.S. Federal research and development credits	$ 60	2039
U.S. Federal foreign tax credits	$ 254	2028
U.S. State NOL	$ 1,473	2026
U.S. State research and development credits	$ 1,237	2029
U.K. NOL	$ 2,814	Indefinite
U.K. research and development credits	$ 340	Indefinite
Canadian research and development credit	$ 1,274	2030

As of December 31, 2025 and 2024, the Company has a valuation allowance recorded against net deferred tax assets related to NOLs and tax attributes in certain jurisdictions of $6,411 and $4,474, respectively. During the year ended December 31, 2025, the Company increased the valuation allowance by $1,937, which was primarily related to taxable losses in various foreign jurisdictions. A valuation allowance is required when it is more likely than not that all or a portion of deferred tax assets will not be realized. The Company assesses the available positive and negative evidence to estimate whether the existing deferred tax assets will be realized.

The Company has provided for any applicable income taxes associated with current year distributions, as well as any earnings that are expected to be distributed in the future, in the calculation of the income tax provision. No additional provision has been made for U.S. and non-U.S. income taxes on the undistributed earnings of subsidiaries that are expected to be indefinitely reinvested. A liability could arise if the Company's intention to indefinitely reinvest such earnings were to change and amounts are distributed by such subsidiaries or if such subsidiaries are ultimately disposed. The potential tax implications of unremitted earnings are driven by the facts at the time of the distribution. It is not practicable to estimate the additional income taxes related to indefinitely reinvested earnings or the basis differences related to investments in subsidiaries.

The following is a reconciliation of the changes in gross unrecognized tax benefits:

	Year Ended December 31,		
	2025	2024	2023
Gross unrecognized tax benefits, beginning of year	$ —	$ 466	$ 910
Increases for tax positions of prior years	—	—	12
Decreases for tax positions of prior years	—	(26)	(9)
Increases for tax positions related to the current year	—	—	—
Decreases relating to settlements with taxing authorities	—	(382)	—
Reductions as a result of lapse of the statute of limitations	—	(58)	(447)
Gross unrecognized tax benefits, end of year	$ —	$ —	$ 466

As of December 31, 2025, 2024, and 2023, the Company had total unrecognized tax benefits including interest and penalties of $0, $0, and $557, respectively, of which $0, $0, and $554, respectively, would impact the Company's effective tax rate if recognized. Interest expense and penalties related to unrecognized tax benefits included in the *(Provision) benefit for income taxes* were $0, $91, $194 for the years ended December 31, 2025, 2024, and 2023, respectively. The cumulative accrued interest and penalties related to unrecognized tax benefits were $0, $0, and $91 as of December 31, 2025, 2024, and 2023, respectively.

The Company is subject to income tax in the U.S. (federal and state) and numerous foreign jurisdictions. Significant judgment is required in evaluating the Company's tax positions and determining the provision for income taxes. During the ordinary course of business, there are many transactions and calculations for which the ultimate tax determination is uncertain. The Company establishes reserves for tax-related uncertainties based on estimates of whether, and the extent to which, additional taxes will be due. These reserves are established when the Company believes that certain positions might be challenged despite its belief that the Company's tax return positions are fully supportable. The tax benefit recognized is based on the largest amount that is greater than 50 percent likely of being realized upon ultimate settlement. The Company adjusts these reserves in light of changing facts and circumstances, such as the outcome of tax audits. The *(Provision) benefit for income taxes* in the consolidated statements of operations includes the impact of reserve provisions and changes to reserves that are considered appropriate. The Company records accrued interest and/or penalties, where applicable, related to unrecognized tax benefits as part of the *(Provision) benefit for income taxes* in the consolidated statements of operations.

The Company is currently under audit in the U.K. for years 2018 through 2023, in Ireland for year 2023, and in Canada for years 2019 through 2024. In addition, the Company is under audit in various other foreign taxing jurisdictions that are not material to the consolidated financial statements. The Company's U.S. consolidated federal income tax returns for years 2022 through 2025 may be subject to examination by the Internal Revenue Service. The Company also may be subject to examination by other significant jurisdictions, including the Inland Revenue Department for New Zealand Tax purposes for years 2020 through 2025.

In December 2021, the Organization for Economic Co-operation and Development ("OECD") adopted model rules to implement a global minimum corporate tax of 15% for companies with global revenues and profits above certain thresholds (referred to as "Pillar 2"). The OECD has continued to issue administrative guidance and interpretations regarding the Pillar 2 rules. A number of E.U. and G20 member nations, including locations where the Company currently has operations, are at various stages in the process of enacting tax legislation to incorporate aspects of the Pillar 2 rules. For countries that have adopted the model rules, certain aspects of the Pillar 2 rules became effective in 2024 and 2025, while other aspects are expected to become effective in 2026 and beyond. Due to the uncertainty regarding which countries will enact Pillar 2 legislation and in what form the legislation will be adopted, as well as uncertainty regarding the timing of individual country legislative action and the underlying complexity of the rules, the Company is still assessing the impact, if any, of the Pillar 2 legislation. Pillar 2 legislation did not have a material impact on the *(Provision) benefit for income taxes* in the consolidated statements for the years ended December 31, 2025 or 2024.

Note 17: Fair Value of Financial Instruments

The Company categorizes its assets and liabilities measured at fair value into a three-level hierarchy, based on the priority of the inputs to the respective valuation technique. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). An asset or liability's classification within the fair value hierarchy is based on the lowest level of significant input to its valuation. The Company's assessment of the significance of a particular input to the fair value measurement requires judgment and may affect the valuation of fair value assets and liabilities and their placement within the fair value hierarchy levels.

The fair value hierarchy consists of the following three levels:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 inputs are quoted prices for similar assets and liabilities in active markets or inputs that are observable for the asset or liability, either directly or indirectly through market corroboration, for substantially the full term of the financial instrument.

Level 3 inputs are unobservable inputs based on management's own assumptions used to measure assets and liabilities at fair value.

The Company's financial instruments include cash equivalents, account receivables, certain other assets, accounts payable, accruals, certain other current and long-term liabilities, and long-term debt.

Current Assets and Current Liabilities — In general, the carrying amounts reported on the consolidated balance sheets for current assets and current liabilities approximate their fair values due to the short-term nature of those instruments.

The following methods and assumptions were used by the Company in estimating its fair value measurements for Level 2 financial instruments as of December 31, 2025 and 2024:

Interest Rate Swap — The fair value of the Company's interest rate swap asset or liability is determined using an income approach and is measured based on the implied forward rates for the remaining term of the interest rate swap. The Company considers these valuation inputs to be Level 2 inputs in the fair value hierarchy.

Long-Term Debt — The fair value of the Company's borrowings under the Credit Facility approximated its carrying value based upon discounted cash flows at current market rates for instruments with similar remaining terms. The Company considers these valuation inputs to be Level 2 inputs in the fair value hierarchy. As of December 31, 2025, the estimated fair value of the 2026 Notes and 2027 Notes was $676,542 and $543,059, respectively. As of December 31, 2024, the estimated fair value of the 2026 Notes and 2027 Notes was $671,123 and $519,271, respectively. The estimated fair value of the 2026 Notes and 2027 Notes is based on quoted market prices of the Company's instrument in markets that are not active and are classified as Level 2 within the fair value hierarchy. Considerable judgment is necessary to interpret the market data and develop estimates of fair values. Accordingly, the estimates presented are not necessarily indicative of the amounts at which these instruments could be purchased, sold, or settled.

Deferred Compensation Plan Liabilities — The fair value of deferred compensation plan liabilities, including the liability classified phantom investments in the DCP, are marked to market at the end of each reporting period.

Financial assets and financial liabilities carried at fair value measured on a recurring basis consist of the following:

December 31, 2025	**Level 1**	**Level 2**	**Total**
Assets:			
Money market funds [(1)]	$ 17,838	$ —	$ 17,838
Interest rate swap [(2)]	—	21,934	21,934
Total assets	$ 17,838	$ 21,934	$ 39,772
Liabilities:			
Deferred compensation plan liabilities [(3)]	$ 111,125	$ —	$ 111,125
Cash-settled equity awards [(4)]	361	—	361
Total liabilities	$ 111,486	$ —	$ 111,486

December 31, 2024	Level 1	Level 2	Total
Assets:			
Money market funds [1]	$ 5,648	$ —	$ 5,648
Interest rate swap [2]	—	32,172	32,172
Total assets	$ 5,648	$ 32,172	$ 37,820
Liabilities:			
Deferred compensation plan liabilities [3]	$ 100,482	$ —	$ 100,482
Cash-settled equity awards [4]	440	—	440
Total liabilities	$ 100,922	$ —	$ 100,922

(1) Included in *Cash and cash equivalents* in the consolidated balance sheets.

(2) Included in *Other assets* in the consolidated balance sheets.

(3) Included in *Deferred compensation plan liabilities*, except for current liabilities of $4,294 and $3,798 as of December 31, 2025 and 2024, respectively, which are included in *Accruals and other current liabilities* in the consolidated balance sheets.

(4) Included in *Accruals and other current liabilities* in the consolidated balance sheets.

Note 18: Commitments and Contingencies

Purchase Commitments

In the normal course of business, the Company enters into various purchase commitments for goods and services. During the years ended December 31, 2025 and 2024, the Company entered into approximately $7,900 and $45,500, respectively, of non-cancelable future cash purchase commitments for services related to cloud provisioning of the Company's software and for internal-use software costs. As of December 31, 2025, total non-cancelable future cash purchase commitments were approximately $53,700, of which the Company expects approximately $17,600 to be paid over the next 12 months and approximately $36,100 to be paid through September 2029. The Company expects to fully consume its contractual commitments in the ordinary course of operations.

Litigation

From time to time, the Company is involved in certain legal actions arising in the ordinary course of business. In management's opinion, based upon the advice of counsel, the outcome of such actions is not expected to have a material adverse effect on the Company's future financial position, results of operations, or cash flows.

Guarantees

The Company's software license agreements typically provide for indemnification of customers for intellectual property infringement claims. The Company also warrants to customers, when requested, that its software products operate substantially in accordance with standard specifications for a limited period of time. The Company has not incurred significant obligations under customer indemnification or warranty provisions historically and does not expect to incur significant obligations in the future. Accordingly, the Company does not maintain accruals for potential customer indemnification or warranty-related obligations.

Note 19: Segment and Geographic Information

The Company operates and manages its business in a single reportable segment, the development and marketing of computer software and related services. The Company defines its CODM to be its Chief Executive Officer, who reviews financial information presented on a consolidated basis. The Company's reported measures of profit or loss for segment reporting purposes are Net income and AOI less SBC. The CODM is regularly provided Net income and AOI less SBC to understand the Company's financial and operating results across accounting periods and for comparison of the Company's results to those of other companies. The CODM regularly reviews AOI less SBC for internal budgeting and forecasting purposes, to evaluate operating performance, and to make decisions on allocation of resources. The CODM does not use segment asset information to evaluate operating performance or allocate resources.

The presentation of Net income is included in the consolidated statements of operations. AOI less SBC is a non-GAAP financial measure and is defined as operating income adjusted for the following: amortization of purchased intangibles, expense (income) relating to deferred compensation plan liabilities, acquisition expenses (inclusive of cash-settled retention incentives provided to key employees of acquired companies), and realignment expenses (income), for the respective periods.

Reconciliation of operating income to AOI less SBC:

	Year Ended December 31,		
	2025	2024	2023
Operating income	$ 362,621	$ 302,150	$ 230,542
Amortization of purchased intangibles (see Note 6)	45,658	46,679	51,219
Deferred compensation plan	14,409	12,382	13,580
Acquisition expenses [(1)]	7,229	10,222	17,866
Realignment expenses [(2)]	—	789	11,470
AOI less SBC	$ 429,917	$ 372,222	$ 324,677

Further explanation of certain of the Company's adjustments in arriving at AOI less SBC are as follows:

(1) *Acquisition expenses*. The Company incurs expenses for professional services rendered in connection with business combinations, which are recorded in *General and administrative* in the consolidated statements of operations. Also included in the Company's acquisition expenses are cash-settled retention incentives provided to key employees of the acquired companies.

(2) *Realignment expenses*. During the fourth quarter of 2023, the Company approved the 2023 Program. For the years ended December 31, 2024 and 2023, the Company recognized realignment costs related to the aforementioned program of $847 and $12,579, respectively, which represent termination benefits for colleagues whose roles were impacted (see Note 21). For the year ended December 31, 2023, realignment expenses were partially offset by income associated with the continued wind down of the Company's Russian entities following our exit from operations beginning in the second quarter of 2022.

"Headcount-related" costs are considered the Company's significant expense category and primarily include salaries, benefits, bonuses, stock-based compensation expense, employment taxes, travel, training, and realignment and optimization of the Company's colleagues, and third-party personnel expenses and related overhead. The CODM is regularly provided headcount-related costs to understand and compare operating results across accounting periods, for internal budgeting and forecasting purposes, to evaluate financial performance, and to align colleague resources and evaluate compensation to support the Company's operational efficiency and maximize long-term growth. Headcount-related costs of $851,674, $787,248, and $748,772 for the years ended December 31, 2025, 2024, and 2023, respectively, are included in *Cost of subscriptions and licenses*, *Cost of services*, *Research and development*, *Selling and marketing*, and *General and administrative* in the consolidated statements of operations .

Under the Company's Net income measure of profit or loss for segment reporting purposes, other segment items were $372,311, $331,414, and $152,854 for the years ended December 31, 2025, 2024, or 2023, respectively. These other segment items primarily include cloud-related costs incurred for servicing the Company's accounts using cloud provisioned offerings and the Company's license administration platform, channel partner compensation for providing sales coverage to users, marketing costs, acquisition costs, depreciation expense, and amortization expense recorded in *Cost of subscriptions and licenses*, *Cost of services*, *Research and development*, *Selling and marketing*, and *General and administrative* in the consolidated statements of operations. Additionally, other segment items include *Deferred compensation plan* expense (income), *Amortization of purchased intangibles*, and non-operating expense (income) amounts presented in the consolidated statements of operations.

Under the Company's AOI less SBC measure of profit or loss for segment reporting purposes, other segment items were $226,234, $202,994, and $179,246 for the years ended December 31, 2025, 2024, and 2023, respectively. These other segment items primarily include cloud-related costs incurred for servicing the Company's accounts using cloud provisioned offerings and the Company's license administration platform, channel partner compensation for providing sales coverage to users, marketing costs, and depreciation expense recorded in *Cost of subscriptions and licenses*, *Cost of services*, *Research and development*, *Selling and marketing*, and *General and administrative* in the consolidated statements of operations. Within the reconciliation of AOI less SBC, cash-settled retention incentives provided to key employees of acquired companies included as a component of acquisition expenses and costs associated with the 2023 Program included as a component of realignment expenses totaling $6,046, $9,369, and $24,282 for the years ended December 31, 2025, 2024, and 2023, respectively, are excluded from the calculation of headcount-related costs.

Revenues by geographic region are presented in Note 3. Long-lived assets (other than goodwill), net of depreciation and amortization by geographic region (see Notes 5, 6, and 8) are as follows:

	December 31,	
	2025	2024
Americas [1]	$ 213,352	$ 230,964
EMEA	31,684	32,712
APAC	15,154	16,384
Total long-lived assets	$ 260,190	$ 280,060

(1) Americas includes the U.S., Canada, and Latin America (including the Caribbean).

Note 20: Other Income (Expense), Net

Other income (expense), net consists of the following:

	Year Ended December 31,		
	2025	2024	2023
(Loss) gain from:			
Change in fair value of interest rate swap (see Note 17)	$ (10,238)	$ 10	$ (5,038)
Foreign exchange [1]	2,578	939	2,497
Receipts related to interest rate swap	7,390	9,309	8,803
Other income (expense), net [2]	817	2,691	(13,484)
Total other income (expense), net	$ 547	$ 12,949	$ (7,222)

(1) Foreign exchange gain is primarily attributable to foreign currency translation derived mainly from U.S. dollar denominated cash and cash equivalents, account receivables, customer deposits, and intercompany balances held by foreign subsidiaries.

(2) Other income (expense), net for the year ended December 31, 2023 includes non-marketable equity investment impairment and other charges of $(16,988), partially offset by gains on non-marketable equity investments of $2,360 (see Note 7).

Note 21: Realignment Costs

During the fourth quarter of 2023, the Company approved a strategic realignment program to better serve the Company's accounts and to better align resources with the strategy of the business, including reinvestment in go-to-market functions, as well as in AI in product development. For the years ended December 31, 2024 and 2023, the Company incurred realignment costs related to the aforementioned program of $847 and $12,579, respectively, which represent termination benefits for colleagues whose roles were impacted. The 2023 Program activities, including payments of termination benefits, were completed as of December 31, 2024.

Realignment costs (income) by expense classification were as follows:

	Year Ended December 31,	
	2024	2023
Cost of revenues:		
Cost of subscriptions and licenses	$ 1,227	$ 839
Cost of services	(85)	1,246
Total cost of revenues	1,142	2,085
Operating expenses:		
Research and development	(118)	4,995
Selling and marketing	413	4,012
General and administrative	(590)	1,487
Total operating expenses	(295)	10,494
Total realignment costs	$ 847	$ 12,579

Accruals and other current liabilities in the consolidated balance sheets included amounts related to the realignment activities as follows:

Balance, December 31, 2023	$ 12,459
Realignment costs	847
Payments	(12,768)
Adjustments [(1)]	(538)
Balance, December 31, 2024	$ —

(1) Adjustments include foreign currency translation and other adjustments.

Note 22: Net Income Per Share Attributable to Bentley Systems Stockholders

To compute the numerator of basic net income per share attributable to Bentley Systems stockholders, undistributed net income attributable to Bentley Systems allocated to participating securities (described further below) using the required two-class method, is subtracted from net income attributable to Bentley Systems. The denominator of basic net income per share attributable to Bentley Systems stockholders is the weighted average number of shares, inclusive of undistributed shares held in the DCP as phantom shares of the Company's Class B common stock.

The Company issues certain performance-based RSUs determined to be participating securities because holders of such shares have non-forfeitable dividend rights in the event of the Company's declaration of a dividend for common shares. As of December 31, 2025, 2024, and 2023, there were 207,829, 349,306, and 365,641 participating securities outstanding, respectively.

To compute the numerator of diluted net income per share attributable to Bentley Systems stockholders, interest expense, net of tax, attributable to the assumed conversion of the convertible senior notes using the if-converted method is added back to basic net income attributable to Bentley Systems. To compute the denominator of diluted net income per share attributable to Bentley Systems stockholders, the basic weighted average number of shares is adjusted for the effect of dilutive securities, including awards under the Company's equity compensation plans and ESPP using the treasury stock method, and for the dilutive effect of the assumed conversion of the convertible senior notes using the if-converted method.

Except with respect to voting and conversion, the rights of the holders of the Company's Class A and Class B common stock are identical. Each class of shares has the same rights to dividends and allocation of income (loss) and, therefore, net income per share attributable to Bentley Systems stockholders would not differ under the two-class method.

The details of basic and diluted net income per share attributable to Bentley Systems stockholders are as follows:

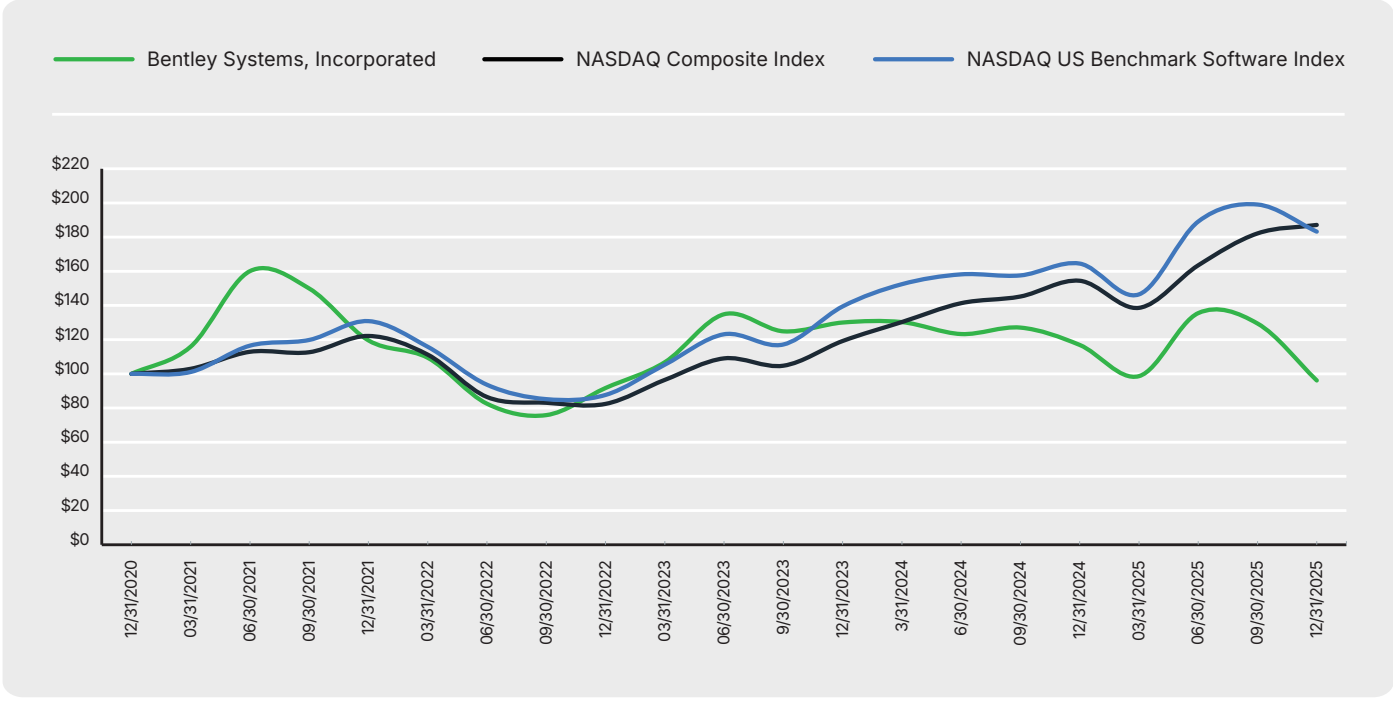
	Year Ended December 31,		
	2025	2024	2023
Numerator:			
Net income attributable to Bentley Systems	$ 277,861	$ 234,787	$ 326,787
Less: Net income attributable to Bentley Systems allocated to participating securities	(58)	(84)	(74)
Basic net income attributable to Bentley Systems stockholders	277,803	234,703	326,713
Add: Interest expense, net of tax, attributable to assumed conversion of convertible senior notes	6,720	6,880	6,874
Diluted net income attributable to Bentley Systems stockholders	$ 284,523	$ 241,583	$ 333,587
Denominator:			
Basic weighted average shares	314,690,707	314,886,615	312,358,823
Dilutive effect of stock options, restricted stock, and RSUs	807,288	1,185,014	2,435,456
Dilutive effect of ESPP	85,637	68,752	75,568
Dilutive effect of assumed conversion of convertible senior notes	17,505,581	17,633,786	17,633,786
Diluted weighted average shares	333,089,213	333,774,167	332,503,633
Net income per share attributable to Bentley Systems stockholders:			
Basic	$ 0.88	$ 0.75	$ 1.05
Diluted	$ 0.85	$ 0.72	$ 1.00

For the year ended December 31, 2025, 139,424 RSUs were excluded from the calculation of diluted net income per share attributable to Bentley Systems stockholders as including them would have an anti-dilutive effect. There were no anti-dilutive securities for the years ended December 31, 2024 or 2023.

The Company repaid the 2026 Notes at maturity on January 15, 2026, and no shares of the Company's Class B common stock were issued upon settlement. Subsequent to repayment, the 2026 Notes no longer represent potential common shares and, as a result, approximately 10 million shares will be excluded from the calculation of diluted weighted average shares.

Performance Chart
The graph below compares the cumulative total stockholder return on our Class B common stock with the cumulative total return on the NASDAQ Composite Index and the NASDAQ US Benchmark Software Index, assuming an initial investment of USD 100 at the market close on December 31, 2020. Data for the NASDAQ Composite Index and the NASDAQ US Benchmark Software Index assume reinvestment of dividends.

The comparisons in the graph below are based upon historical data and are not indicative of, nor intended to forecast, future performance of our common stock.



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