

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

FORM 10-Q

(Mark One)

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

For the quarterly period ended May 31, 2026
or

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

For the transition period from _____ to _____.
Commission File Number: **0-19417**

PROGRESS SOFTWARE CORPORATION

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation or organization)

04-2746201

(I.R.S. Employer Identification No.)

15 Wayside Road, Suite 400, Burlington, Massachusetts

(Address of principal executive offices)

01803

(Zip code)

Registrant's telephone number, including area code: **(781) 280-4000**

Not applicable

(Former name or former address and former fiscal year, if changed since last report.)

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, \$0.01 par value per share	PRGS	The Nasdaq Stock Market LLC

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

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

As of June 26, 2026, there were 41,012,942 shares of the registrant's common stock, \$.01 par value per share, outstanding.

PROGRESS SOFTWARE CORPORATION
FORM 10-Q
FOR THE QUARTERLY PERIOD ENDED MAY 31, 2026
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PART I. FINANCIAL INFORMATION
Item 1. Financial Statements (Unaudited)

Condensed Consolidated Balance Sheets

(in thousands, except share data)

	May 31, 2026	November 30, 2025
Assets		
Current assets:		
Cash and cash equivalents	\$ 102,978	\$ 94,807
Accounts receivable, net	125,209	195,783
Unbilled receivables, current portion	51,297	46,599
Other current assets	57,018	62,776
Total current assets	336,502	399,965
Unbilled receivables, non-current portion	44,139	29,950
Property and equipment, net	14,938	13,694
Intangible assets, net	514,579	584,028
Goodwill	1,309,750	1,309,054
Right-of-use lease assets	31,526	25,842
Deferred tax assets	78,300	77,442
Other assets	15,889	17,683
Total assets	\$ 2,345,623	\$ 2,457,658
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable	\$ 11,189	\$ 15,934
Accrued compensation and related payroll taxes	47,446	71,804
Deferred revenue, current portion	324,469	324,750
Convertible senior notes, current portion, net	—	359,163
Operating lease liabilities, current portion	8,144	8,490
Other accrued liabilities	24,787	29,593
Total current liabilities	416,035	809,734
Long-term debt	850,000	600,000
Convertible senior notes, non-current portion, net	442,147	441,186
Operating lease liabilities, non-current portion	26,467	21,077
Deferred revenue, non-current portion	98,756	100,329
Deferred tax liabilities	1,150	1,158
Other non-current liabilities	4,985	5,825
Commitments and contingencies		
Stockholders' equity:		
Preferred stock, \$0.01 par value; authorized, 10,000,000 shares; issued, none	—	—
Common stock, \$0.01 par value; authorized, 200,000,000 shares; issued and outstanding, 41,311,679 shares in 2026 and 42,335,700 shares in 2025	413	423
Additional paid-in capital	415,630	383,696
Retained earnings	124,414	127,373
Accumulated other comprehensive loss	(34,374)	(33,143)
Total stockholders' equity	506,083	478,349
Total liabilities and stockholders' equity	\$ 2,345,623	\$ 2,457,658

See notes to unaudited condensed consolidated financial statements.

Condensed Consolidated Statements of Operations

<i>(in thousands, except per share data)</i>	Three Months Ended		Six Months Ended	
	May 31, 2026	May 31, 2025	May 31, 2026	May 31, 2025
Revenue:				
Software licenses	\$ 68,979	\$ 50,795	\$ 136,560	\$ 109,240
Maintenance, SaaS, and professional services	184,486	186,560	364,704	366,130
Total revenue	253,465	237,355	501,264	475,370
Costs of revenue:				
Cost of software licenses	3,675	2,987	6,688	5,912
Cost of maintenance, SaaS, and professional services	32,259	33,764	64,359	66,648
Amortization of acquired intangibles	8,938	10,537	17,689	20,959
Total costs of revenue	44,872	47,288	88,736	93,519
Gross profit	208,593	190,067	412,528	381,851
Operating expenses:				
Sales and marketing	54,341	49,677	106,338	100,973
Product development	48,840	46,570	99,314	92,945
General and administrative	32,236	25,637	58,740	51,260
Amortization of acquired intangibles	26,167	26,063	51,784	51,871
Cyber vulnerability response expenses, net	1,266	730	2,624	1,467
Restructuring expenses	1,480	1,043	2,186	8,072
Acquisition-related expenses	(939)	1,731	(125)	4,221
Total operating expenses	163,391	151,451	320,861	310,809
Income from operations	45,202	38,616	91,667	71,042
Other (expense) income:				
Interest expense	(15,911)	(18,138)	(31,157)	(36,567)
Interest income and other, net	233	294	550	781
Foreign currency loss, net	(684)	(908)	(1,928)	(2,090)
Total other expense, net	(16,362)	(18,752)	(32,535)	(37,876)
Income before income taxes	28,840	19,864	59,132	33,166
Provision for income taxes	7,767	2,835	15,246	5,191
Net income	\$ 21,073	\$ 17,029	\$ 43,886	\$ 27,975
Earnings per share:				
Basic	\$ 0.50	\$ 0.40	\$ 1.04	\$ 0.65
Diluted	\$ 0.50	\$ 0.39	\$ 1.03	\$ 0.63
Weighted average shares outstanding:				
Basic	41,901	43,053	42,028	43,154
Diluted	42,310	44,156	42,519	44,522

See notes to unaudited condensed consolidated financial statements.

Condensed Consolidated Statements of Comprehensive Income

<i>(in thousands)</i>	Three Months Ended		Six Months Ended	
	May 31, 2026	May 31, 2025	May 31, 2026	May 31, 2025
Net income	\$ 21,073	\$ 17,029	\$ 43,886	\$ 27,975
Other comprehensive income:				
Foreign currency translation adjustments	(1,707)	4,546	(1,231)	3,134
Comprehensive income	<u>\$ 19,366</u>	<u>\$ 21,575</u>	<u>\$ 42,655</u>	<u>\$ 31,109</u>

See notes to unaudited condensed consolidated financial statements.

Condensed Consolidated Statements of Stockholders' Equity

Three Months Ended May 31, 2026

<i>(in thousands)</i>	Common Stock		Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Total Stockholders' Equity
	Number of Shares	Amount				
Balance, March 1, 2026	42,075	\$ 421	\$ 398,033	\$ 133,008	\$ (32,667)	\$ 498,795
Issuance of stock under employee stock purchase plan	223	2	4,870	—	—	4,872
Exercise of stock options	4	—	152	—	—	152
Vesting of RSUs	352	4	(4)	—	—	—
Withholding tax payments related to net issuance of RSUs	(117)	(1)	(2,920)	—	—	(2,921)
Stock-based compensation	—	—	20,509	—	—	20,509
Common stock repurchases and retirements	(1,225)	(13)	(5,010)	(29,667)	—	(34,690)
Net income	—	—	—	21,073	—	21,073
Other comprehensive loss	—	—	—	—	(1,707)	(1,707)
Balance, May 31, 2026	41,312	\$ 413	\$ 415,630	\$ 124,414	\$ (34,374)	\$ 506,083

Six Months Ended May 31, 2026

<i>(in thousands)</i>	Common Stock		Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Total Stockholders' Equity
	Number of Shares	Amount				
Balance, December 1, 2025	42,336	\$ 423	\$ 383,696	\$ 127,373	\$ (33,143)	\$ 478,349
Issuance of stock under employee stock purchase plan	286	3	7,171	—	—	7,174
Exercise of stock options	18	—	642	—	—	642
Vesting of RSUs	570	6	(6)	—	—	—
Withholding tax payments related to net issuance of RSUs	(207)	(2)	(6,627)	—	—	(6,629)
Stock-based compensation	—	—	38,983	—	—	38,983
Common stock repurchases and retirements	(1,691)	(17)	(8,229)	(46,845)	—	(55,091)
Net income	—	—	—	43,886	—	43,886
Other comprehensive loss	—	—	—	—	(1,231)	(1,231)
Balance, May 31, 2026	41,312	\$ 413	\$ 415,630	\$ 124,414	\$ (34,374)	\$ 506,083

Three Months Ended May 31, 2025

	Common Stock		Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Total Stockholders' Equity
	Number of Shares	Amount				
<i>(in thousands)</i>						
Balance, March 1, 2025	43,022	\$ 430	\$ 353,039	\$ 115,999	\$ (37,621)	\$ 431,847
Issuance of stock under employee stock purchase plan	119	1	5,206	—	—	5,207
Exercise of stock options	118	2	2,780	—	—	2,782
Vesting of RSUs	290	3	(3)	—	—	—
Withholding tax payments related to net issuance of RSUs	(97)	(1)	(5,459)	—	—	(5,460)
Stock-based compensation	—	—	16,741	—	—	16,741
Common stock repurchases and retirements	(351)	(4)	(10,213)	(9,774)	—	(19,991)
Net income	—	—	—	17,029	—	17,029
Other comprehensive income	—	—	—	—	4,546	4,546
Balance, May 31, 2025	43,101	\$ 431	\$ 362,091	\$ 123,254	\$ (33,075)	\$ 452,701

Six Months Ended May 31, 2025

	Common Stock		Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Total Shareholders' Equity
	Number of Shares	Amount				
<i>(in thousands)</i>						
Balance, December 1, 2024	43,361	\$ 434	\$ 354,158	\$ 120,405	\$ (36,209)	\$ 438,788
Issuance of stock under employee stock purchase plan	176	1	7,402	—	—	7,403
Exercise of stock options	155	2	4,250	—	—	4,252
Vesting of RSUs	477	5	(5)	—	—	—
Withholding tax payments related to net issuance of RSUs	(178)	(2)	(10,099)	—	—	(10,101)
Stock-based compensation	—	—	31,424	—	—	31,424
Common stock repurchases and retirements	(890)	(9)	(25,039)	(25,126)	—	(50,174)
Net income	—	—	—	27,975	—	27,975
Other comprehensive income	—	—	—	—	3,134	3,134
Balance, May 31, 2025	43,101	\$ 431	\$ 362,091	\$ 123,254	\$ (33,075)	\$ 452,701

See notes to unaudited condensed consolidated financial statements.

Condensed Consolidated Statements of Cash Flows

<i>(in thousands)</i>	Six Months Ended	
	May 31, 2026	May 31, 2025
Operating activities:		
Net income	\$ 43,886	\$ 27,975
Adjustments to reconcile net income to net cash flows provided by operating activities:		
Depreciation and amortization of property and equipment	3,258	3,217
Amortization of acquired intangibles and other	69,473	73,532
Amortization of debt discount and issuance costs	2,915	2,028
Stock-based compensation	38,983	31,424
Non-cash lease expense	4,761	5,878
Deferred income taxes	(895)	(6,131)
Credit losses and other sales allowances	7,095	1,991
Changes in operating assets and liabilities:		
Accounts receivable	46,057	23,635
Other assets	6,477	3,656
Accounts payable and accrued liabilities	(32,587)	(38,869)
Lease liabilities	(5,402)	(6,988)
Income taxes payable	(3,441)	(1,020)
Deferred revenue	(3,117)	(21,385)
Net cash flows provided by operating activities	177,463	98,943
Investing activities:		
Purchases of property and equipment	(4,569)	(1,785)
Payments for acquisitions	—	(1,195)
Net cash flows used in investing activities	(4,569)	(2,980)
Financing activities:		
Proceeds from equity plans	8,065	12,760
Payments for taxes related to net share settlements of equity awards	(6,629)	(10,101)
Repurchases of common stock	(55,091)	(50,108)
Dividend equivalent payments to stockholders	(363)	(654)
Repurchases of convertible senior notes	(360,000)	—
Proceeds from revolving line of credit	360,000	—
Repayment of revolving line of credit	(110,000)	(70,000)
Net cash flows used in financing activities	(164,018)	(118,103)
Effect of exchange rate changes on cash and cash equivalents	(705)	6,069
Net increase (decrease) in cash and cash equivalents	8,171	(16,071)
Cash and cash equivalents, beginning of period	94,807	118,077
Cash and cash equivalents, end of period	\$ 102,978	\$ 102,006

Condensed Consolidated Statements of Cash Flows, continued

<i>(in thousands)</i>	Six Months Ended	
	May 31, 2026	May 31, 2025
Supplemental disclosure:		
Cash paid for income taxes, net of refunds of \$1,119 and \$1,101 in 2026 and 2025, respectively	\$ 11,020	\$ 6,740
Cash paid for interest	\$ 27,648	\$ 33,387
Non-cash investing and financing activities:		
Total fair value of restricted stock awards, restricted stock units, and deferred stock units on date vested	\$ 18,573	\$ 30,075
Operating lease liabilities arising from obtaining right-of-use lease assets	\$ 9,517	\$ 451

See notes to unaudited condensed consolidated financial statements.

Notes to Condensed Consolidated Financial Statements

Note 1: Summary of Significant Accounting Policies

Basis of Presentation

The condensed consolidated financial statements of Progress Software Corporation ("Progress," the "Company," "we," "us," or "our") included herein are prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") and pursuant to the rules and regulations of the U.S. Securities and Exchange Commission ("SEC"). Certain information in the footnote disclosures of the financial statements has been condensed or omitted where it substantially duplicated information provided in the Company's latest audited consolidated financial statements, in accordance with the rules and regulations of the SEC. In our opinion, the financial statements include all adjustments of a normal recurring nature necessary for fair financial statement presentation. Interim results are not necessarily indicative of the results to be expected for the full year ending November 30, 2026. We have made estimates and assumptions that affect the amounts reported and disclosed in the financial statements and accompanying footnote disclosures. Actual results could differ significantly from these estimates.

These unaudited condensed consolidated financial statements should be read in conjunction with the Company's audited consolidated financial statements and footnote disclosures included in our Annual Report on Form 10-K for the fiscal year ended November 30, 2025, as filed with the SEC on January 20, 2026 (our "2025 Annual Report").

Recent Accounting Pronouncements

Recently Issued Accounting Pronouncements Not Yet Adopted

In December 2023, the FASB issued ASU No. 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures* ("ASU 2023-09"). ASU 2023-09 is intended to improve the transparency and decision usefulness of income tax disclosures, primarily related to the rate reconciliation and income taxes paid information. ASU 2023-09 is effective for us beginning with the annual period ending November 30, 2026, allowing for adoption on a prospective basis or a retrospective option. The adoption of this standard only impacts disclosures and is not expected to have a material impact on our consolidated financial statements.

In November 2024, the FASB issued ASU No. 2024-03, *Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses* ("ASU 2024-03"), and in January 2025, the FASB issued ASU No. 2025-01, *Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures (Subtopic 220-40): Clarifying the Effective Date* ("ASU 2025-01"). ASU 2024-03 requires additional disclosure of the nature of expenses included in the income statement as well as disclosures about specific types of expenses included in the expense captions presented in the income statement. ASU 2024-03, as clarified by ASU 2025-01, is effective for us for our annual reporting for fiscal 2028 and for interim period reporting beginning in fiscal 2029 on a prospective basis. Both early adoption and retrospective application are permitted. We are currently evaluating the impact that the adoption of these standards will have on our consolidated financial statements and disclosures.

In September 2025, the FASB issued 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 modernizes the accounting for internal-use software. ASU 2025-06 removes all references to software development stages and requires capitalization of software costs when management has committed to the software project and it is probable the software will be completed and perform its intended use. ASU 2025-06 will be effective for us in our first quarter of 2029, and may be adopted on a prospective basis, full retrospective basis, or modified prospective basis with a cumulative-effect adjustment through retained earnings. Early adoption is permitted. We are currently evaluating the timing, method of adoption, and impact of ASU 2025-06 on our consolidated financial statements and disclosures.

Note 2: Fair Value Measurements

Assets and Liabilities Measured at Fair Value on a Recurring Basis

The following table details the fair value measurements within the fair value hierarchy of our financial assets and liabilities at May 31, 2026:

<i>(in thousands)</i>	Total Fair Value	Fair Value Measurements Using		
		Level 1	Level 2	Level 3
<i>Assets</i>				
Money market funds	\$ 778	\$ 778	\$ —	\$ —
<i>Liabilities</i>				
Foreign exchange derivatives	\$ (3)	\$ —	\$ (3)	\$ —

The following table details the fair value measurements within the fair value hierarchy of our financial assets and liabilities at November 30, 2025:

<i>(in thousands)</i>	Total Fair Value	Fair Value Measurements Using		
		Level 1	Level 2	Level 3
<i>Assets</i>				
Money market funds	\$ 779	\$ 779	\$ —	\$ —
<i>Liabilities</i>				
Foreign exchange derivatives	\$ (95)	\$ —	\$ (95)	\$ —
Contingent consideration	\$ (1,080)	\$ —	\$ —	\$ (1,080)

When developing fair value estimates, we maximize the use of observable inputs and minimize the use of unobservable inputs. When available, we use quoted market prices to measure fair value. The valuation technique used to measure fair value for our Level 1 and Level 2 assets is a market approach, using prices and other relevant information generated by market transactions involving identical or comparable assets. If market prices are not available, the fair value measurement is based on models that use primarily market-based parameters including yield curves, volatilities, credit ratings, and currency rates. In certain cases, where market rate assumptions are not available, we are required to make judgments about assumptions market participants would use to estimate the fair value of a financial instrument.

We classify contingent consideration related to the Nuclia acquisition, which occurred in the third fiscal quarter of 2025, within Level 3 of the fair value hierarchy because the fair value is derived using significant unobservable inputs. We utilized the Monte Carlo simulation method to estimate the fair value of the contingent liability as of the acquisition date, and we have updated the fair value using an income approach in subsequent periods. The fair value of the contingent consideration, which is primarily dependent on the revenue of the acquired business in fiscal 2026, is remeasured each reporting period, with adjustments to fair value recorded as acquisition-related expenses in our condensed consolidated statements of operations. During the quarter ended May 31, 2026, we adjusted the carrying value of the contingent liability to zero. The gain was reported in acquisition-related expenses in the condensed consolidated statements of operations.

The following table reflects the activity for our contingent consideration obligation measured at fair value using Level 3 inputs for the six months ended May 31, 2026:

<i>(in thousands)</i>	
Balance, December 1, 2025	\$ (1,080)
Changes in fair value of contingent consideration	1,080
Balance, May 31, 2026	\$ —

There were no transfers between levels of the fair value measurement hierarchy during the six months ended May 31, 2026 and 2025.

Assets and Liabilities Not Carried at Fair Value

Fair Value of the Convertible Senior Notes

The following table details the fair value and carrying value of our Convertible Senior Notes that were due and paid in April 2026 and our Convertible Senior Notes due 2030 (together referred to as "the Notes"):

(in thousands)	May 31, 2026		November 30, 2025	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Convertible senior notes due 2026 ⁽¹⁾	\$ —	\$ —	\$ 359,163	\$ 357,300
Convertible senior notes due 2030 ⁽²⁾	442,147	428,099	441,186	452,295
Total	\$ 442,147	\$ 428,099	\$ 800,349	\$ 809,595

⁽¹⁾ The carrying value of the convertible senior notes due 2026 (the "2026 Notes"), is reflected net of \$0.8 million of unamortized debt issuance costs as of November 30, 2025.

⁽²⁾ The carrying value of the convertible senior notes due 2030 (the "2030 Notes"), is reflected net of \$7.9 million and \$8.8 million of unamortized debt issuance costs as of May 31, 2026 and November 30, 2025, respectively.

The fair value of the Notes is based on quoted prices in an over-the-counter market on the last trading day of the reporting period and classified within Level 2 in the fair value hierarchy.

Fair Value of Other Financial Assets and Liabilities

The carrying amounts of other financial assets and liabilities including cash and cash equivalents, accounts receivable, unbilled accounts receivable, accounts payable, and accrued liabilities approximate their respective fair values due to their immediate or short-term maturities.

Borrowings under our revolving credit facility are recorded at carrying value, which approximates fair value due to the frequent nature of such borrowings and repayments. The Company considers this a Level 2 input.

Note 3: Intangible Assets and Goodwill

Intangible Assets

Intangible assets are comprised of the following significant classes:

(in thousands)	May 31, 2026			November 30, 2025		
	Gross Carrying Amount	Accumulated Amortization	Net Book Value	Gross Carrying Amount	Accumulated Amortization	Net Book Value
Purchased technology	\$ 403,375	\$ (269,180)	\$ 134,195	\$ 403,375	\$ (251,491)	\$ 151,884
Customer-related	777,930	(425,588)	352,342	777,930	(377,368)	400,562
Trademarks and trade names	77,111	(49,069)	28,042	77,111	(45,529)	31,582
Total	\$ 1,258,416	\$ (743,837)	\$ 514,579	\$ 1,258,416	\$ (674,388)	\$ 584,028

In the three and six months ended May 31, 2026, amortization expense related to intangible assets was \$35.1 million and \$69.5 million, respectively. In the three and six months ended May 31, 2025, amortization expense related to intangible assets was \$36.6 million and \$72.8 million, respectively.

Future amortization expense for intangible assets as of May 31, 2026, is as follows:

(in thousands)

Remainder of 2026	\$	67,817
2027		112,166
2028		100,582
2029		100,582
2030		72,580
Thereafter		60,852
Total	\$	<u>514,579</u>

Goodwill

Changes in the carrying amount of goodwill in the six months ended May 31, 2026 are as follows:

(in thousands)

Balance, December 1, 2025	\$	1,309,054
Measurement period adjustments ⁽¹⁾ and other		696
Balance, May 31, 2026	\$	<u>1,309,750</u>

⁽¹⁾ Represents measurement period adjustments related to Nuclia during fiscal year 2026. Refer to Note 4, *Business Combinations* for further information.

Note 4: Business Combinations

Nuclia Acquisition

On June 30, 2025, we completed the acquisition of Nuclia, an innovator in agentic Retrieval-Augmented Generation AI solutions, for a purchase price with an aggregate fair value of \$21.4 million, which was primarily allocated to purchased technology and goodwill. The purchase consideration consisted of \$20.3 million of cash paid at closing and contingent consideration with an estimated fair value of \$1.1 million.

We are required to pay contingent earn-out consideration of up to \$5.0 million to former Nuclia shareholders, based on the achievement of certain revenue targets during fiscal year 2026. The fair value of the earn-out liability was determined to be \$1.1 million as of the acquisition date. Refer to Note 2, *Fair Value Measurements* for information regarding changes in the fair value of the earn-out liability, which are recorded as acquisition-related expenses in our condensed consolidated statements of operations.

We have not disclosed the amount of revenues and earnings of Nuclia since acquisition, nor pro forma financial information, as those amounts are not significant to our condensed consolidated financial statements.

Note 5: Debt

As of May 31, 2026 and November 30, 2025, we had the following debt obligations:

<i>(in thousands)</i>	May 31, 2026	November 30, 2025
Current portion of long-term debt:		
1.0% convertible senior notes due 2026	\$ —	\$ 360,000
Unamortized discount and issuance costs for the 2026 Notes	—	(837)
Total current portion of long-term debt	—	359,163
Long-term debt:		
3.5% convertible senior notes due 2030	450,000	450,000
Revolving credit facility ⁽¹⁾	850,000	600,000
Total face value of long-term debt	1,300,000	1,050,000
Unamortized discount and issuance costs for the 2030 Notes	(7,853)	(8,814)
Total long-term debt	1,292,147	1,041,186
Total debt	\$ 1,292,147	\$ 1,400,349

⁽¹⁾ Unamortized debt issuance costs related to the revolving credit facility of \$9.3 million and \$10.4 million are included in other assets on the condensed consolidated balance sheets as of May 31, 2026 and November 30, 2025, respectively.

In April 2026, the Company paid \$361.8 million to redeem the outstanding portion of the 2026 Notes, including the outstanding principal amount and accrued interest through the April 2026 maturity date. We funded the redemption through borrowings under our existing revolving credit facility and cash on hand.

In April 2021, in connection with the pricing of the 2026 Notes, the Company entered into privately negotiated capped call transactions (the "2021 Capped Call Transactions") to reduce potential dilution to our common stock upon any conversion of the 2026 Notes and/or offset any potential cash payments the Company was required to make in excess of the principal amount of converted 2026 Notes. The 2021 Capped Call Transactions expired unexercised in April 2026.

During the six months ended May 31, 2026, we repaid \$110.00 million on the revolving credit facility. The interest rate as of May 31, 2026 was 5.37%.

Note 6: Common Stock Repurchases

On September 23, 2025, our Board of Directors increased the share repurchase authorization by \$200.0 million to an aggregate authorization of \$242.2 million. During the three and six months ended May 31, 2026, we repurchased and retired 1.2 million shares for \$34.7 million and 1.7 million shares for \$54.7 million, respectively. During the three and six months ended May 31, 2025, we repurchased and retired 0.4 million shares for \$20.0 million and 0.9 million shares for \$50.0 million, respectively. As of May 31, 2026, there was \$147.5 million remaining under the current authorization.

Note 7: Stock-Based Compensation

Stock-based compensation expense reflects the fair value of stock-based awards measured at the grant date and recognized over the relevant service period. We estimate the fair value of each stock-based award on the measurement date using either the current market price of the stock, the Black-Scholes option valuation model, or the Monte Carlo Simulation valuation model. The Black-Scholes and Monte Carlo Simulation valuation models incorporate assumptions as to stock price volatility, the expected life of options or awards, a risk-free interest rate, and dividend yield. We recognize stock-based compensation expense related to options and restricted stock units on a straight-line basis over the service period of the award, which is generally four or five years for options and three or four years for restricted stock units, and adjust the expense each period for actual forfeitures. We recognize stock-based compensation expense related to performance stock units and our employee stock purchase plan using an accelerated attribution.

In 2026, 2025, and 2024, we granted performance-based restricted stock units that include two performance metrics under our Long-Term Incentive Plan ("LTIP") where the performance measurement period is three years. For the 2026, 2025, and 2024 plans, the vesting terms were based on the following: (i) 75% is based on achievement of a three-year cumulative operating income, and (ii) 25% is based on our level of attainment of specified TSR targets relative to the percentage appreciation of a specified index of companies for the respective three-year periods. The vesting of LTIP awards is also subject to continued employment of the grantees through the performance period, except in the event of a qualifying termination. In order to estimate the fair value of such awards, we used a Monte Carlo Simulation valuation model for the market condition portion of the award, and used the closing price of our common stock on the date of grant, less the present value of expected dividends when applicable, for the portion related to the performance condition.

The following table provides the classification of stock-based compensation as reflected in our condensed consolidated statements of operations:

<i>(in thousands)</i>	Three Months Ended		Six Months Ended	
	May 31, 2026	May 31, 2025	May 31, 2026	May 31, 2025
Cost of maintenance, SaaS, and professional services	\$ 1,508	\$ 1,560	\$ 3,126	\$ 2,755
Sales and marketing	4,059	3,663	8,142	6,695
Product development	5,847	4,984	11,442	9,394
General and administrative	9,095	6,534	16,273	12,580
Total stock-based compensation	\$ 20,509	\$ 16,741	\$ 38,983	\$ 31,424

Note 8: Revenue Recognition

Timing of Revenue Recognition

Our revenues are derived from licensing our products and from related services, which consist of maintenance, SaaS, and professional services. Information relating to revenue from external customers by revenue type is as follows:

<i>(in thousands)</i>	Three Months Ended		Six Months Ended	
	May 31, 2026	May 31, 2025	May 31, 2026	May 31, 2025
Performance obligations transferred at a point in time:				
Software licenses	\$ 68,979	\$ 50,795	\$ 136,560	\$ 109,240
Performance obligations transferred over time:				
Maintenance	101,222	103,491	201,561	203,026
SaaS	73,005	72,105	143,466	141,515
Professional services	10,259	10,964	19,677	21,589
Total revenue	\$ 253,465	\$ 237,355	\$ 501,264	\$ 475,370

Geographic Revenue

In the following table, revenue attributed to North America includes sales to customers in the U.S. and Canada and sales to certain multinational organizations. Revenue from EMEA, Latin America, and the Asia Pacific region includes sales to customers in each region plus sales from the U.S. to distributors in these regions. Information relating to revenue from external customers from different geographical areas is as follows:

<i>(in thousands)</i>	Three Months Ended		Six Months Ended	
	May 31, 2026	May 31, 2025	May 31, 2026	May 31, 2025
North America	\$ 162,529	\$ 147,326	\$ 315,218	\$ 301,972
EMEA	70,608	73,039	148,988	139,982
Latin America	5,790	4,853	11,316	9,905
Asia Pacific	14,538	12,137	25,742	23,511
Total revenue	\$ 253,465	\$ 237,355	\$ 501,264	\$ 475,370

No single customer, partner, or country outside the U.S. accounted for more than 10% of our total revenue for the three and six months ended May 31, 2026 or 2025.

Contract Balances

Unbilled Receivables and Contract Assets

As of May 31, 2026, billing of our non-current unbilled receivables is expected to occur as follows:

(in thousands)

2027	\$	18,542
2028		16,101
2029		9,496
Total	\$	<u>44,139</u>

Contract assets arise when revenue is recognized in excess of billings and the right to the amount due from customers is conditioned on something other than the passage of time, such as the completion of a related performance obligation. We did not have any net contract assets as of May 31, 2026 or November 30, 2025.

Deferred Revenue

Deferred revenue is recorded when revenue is recognized subsequent to customer invoicing. Deferred revenue expected to be recognized as revenue more than one year subsequent to the balance sheet date is included in long-term liabilities on the condensed consolidated balance sheets. Our deferred revenue balance is primarily made up of deferred maintenance and deferred revenue related to our SaaS offerings.

As of May 31, 2026, the changes in deferred revenue were as follows:

(in thousands)

Balance, December 1, 2025	\$	425,079
Billings and other		499,410
Revenue recognized that was deferred in prior periods		(265,282)
Revenue recognized from current period arrangements		(235,982)
Balance, May 31, 2026	\$	<u>423,225</u>

Transaction price allocated to remaining performance obligations represents contracted revenue that has not yet been recognized, which includes deferred revenue and amounts that will be invoiced and recognized as revenue in future periods. As of May 31, 2026, transaction price allocated to remaining performance obligations was \$518.9 million. We expect to recognize approximately 74% of the revenue within the next year and the remainder thereafter.

Deferred Contract Costs

Certain of our sales incentive programs meet the requirements to be capitalized. Depending upon the sales incentive program and the related revenue arrangement, such capitalized costs are amortized over the longer of (i) the product life, which is generally three to five years; or (ii) the term of the related revenue contract. We determined that a three to five year product life represents the period of benefit that we receive from these incremental costs based on both qualitative and quantitative factors, which include customer contracts, industry norms, and product upgrades. Total deferred contract costs were \$5.3 million and \$6.5 million as of May 31, 2026 and November 30, 2025, respectively, and are included in other current assets and other assets on our condensed consolidated balance sheets. Amortization of deferred contract costs is included in sales and marketing expense on our condensed consolidated statements of operations and was insignificant in all periods presented.

Note 9: Restructuring

The following table provides a summary of activity for all of our restructuring actions:

<i>(in thousands)</i>	Excess Facilities and Other Costs	Employee Severance and Related Benefits	Total
Balance, December 1, 2025	\$ 2,585	\$ 3,254	\$ 5,839
Costs incurred	1,353	833	2,186
Cash disbursements	(1,653)	(3,504)	(5,157)
Asset impairment	(447)	—	(447)
Translation and other adjustments	(2)	(4)	(6)
Balance, May 31, 2026	<u>\$ 1,836</u>	<u>\$ 579</u>	<u>\$ 2,415</u>

Costs incurred during the three and six months ended May 31, 2026 are primarily related to our restructuring action that commenced in fiscal year 2025 to optimize efficiency, while ensuring alignment with the Company's long-term financial objectives. Cash disbursements for expenses incurred to date under this restructuring are expected to be made through the fourth quarter of fiscal year 2026. The restructuring reserve is included in other accrued liabilities on the condensed consolidated balance sheet as of May 31, 2026. We do not expect to incur additional material expenses in connection with this restructuring.

Note 10: Earnings Per Share

We compute basic earnings per share using the weighted average number of common shares outstanding. We compute diluted earnings per share using the weighted average number of common shares outstanding plus the effect of outstanding dilutive stock options, restricted stock units, and deferred stock units, using the treasury stock method and the effect of our convertible debt using the if-converted method. The following table sets forth the calculation of basic and diluted earnings per share on an interim basis:

<i>(in thousands, except per share data)</i>	Three Months Ended		Six Months Ended	
	May 31, 2026	May 31, 2025	May 31, 2026	May 31, 2025
Net income	\$ 21,073	\$ 17,029	\$ 43,886	\$ 27,975
Weighted average shares outstanding	41,901	43,053	42,028	43,154
Effect of dilution from common stock equivalents	409	1,043	491	1,104
Effect of dilution from if-converted convertible notes	—	60	—	264
Diluted weighted average shares outstanding	<u>42,310</u>	<u>44,156</u>	<u>42,519</u>	<u>44,522</u>
Earnings per share:				
Basic	\$ 0.50	\$ 0.40	\$ 1.04	\$ 0.65
Diluted	\$ 0.50	\$ 0.39	\$ 1.03	\$ 0.63

We excluded stock awards representing approximately 4,289,000 and 3,888,000 shares of common stock from the calculation of diluted earnings per share in the three and six months ended May 31, 2026, respectively, as these awards were anti-dilutive. We excluded stock awards representing approximately 776,000 and 586,000 shares of common stock, from the calculation of diluted earnings per share in the three and six months ended May 31, 2025, respectively, as these awards were anti-dilutive.

The dilutive impact of the Notes on our calculation of diluted earnings per share is measured using the if-converted method. However, because the principal amount of the 2026 Notes was settled in cash and the principal amount of the 2030 Notes will be settled in cash, the dilutive impact of applying the if-converted method is limited to the in-the-money portion, if any. During the three and six months ended May 31, 2026, we excluded the Notes in our diluted earnings per share calculation because the conversion feature in the Notes was out of the money. During the three and six months ended May 31, 2025, we included the 2026 Notes in our diluted earnings per share calculation and we excluded the 2030 Notes in our diluted earnings per share calculation because the conversion feature in the 2030 Notes was out of the money.

Note 11: Segment Information

Operating segments are components of an enterprise that engages in business activities for which discrete financial information is available and regularly reviewed by the chief operating decision maker ("CODM") in deciding how to allocate resources and assess performance. Our CODM is our Chief Executive Officer.

We operate as one operating and reportable segment that is managed on a consolidated basis and derives substantially all of its revenue from the sale and support of one group of similar products and services, comprised of software products for the development, deployment, and management of responsible, AI-powered applications and digital experiences. The accounting policies of the Company's operating segment are the same as those described in Note 1, *Nature of Business and Summary of Significant Accounting Policies* to our Consolidated Financial Statements in Item 8 of our 2025 Annual Report. Our CODM does not receive profitability information at a lower level than consolidated results, and evaluates net income on a consolidated basis to set financial performance targets, assess performance, and make resource allocation decisions, primarily through comparison of actual results to forecasted results, year-over-year analysis, and review of historical performance trends. The measure of segment assets is reported on the Company's consolidated balance sheets as total consolidated assets.

The Company's significant expenses and other segment items are provided in the table below:

(in thousands)	Three Months Ended		Six Months Ended	
	May 31, 2026	May 31, 2025	May 31, 2026	May 31, 2025
Revenue	\$ 253,465	\$ 237,355	\$ 501,264	\$ 475,370
Costs of revenue ⁽¹⁾	34,426	35,191	67,921	69,805
Sales and marketing ⁽²⁾	50,282	46,014	98,196	94,278
Product development ⁽²⁾	42,993	41,586	87,872	83,551
General and administrative ⁽²⁾	23,141	19,103	42,467	38,680
Stock-based compensation	20,509	16,741	38,983	31,424
Amortization of intangibles	35,105	36,600	69,473	72,830
Other segment items, net ⁽³⁾	25,936	25,091	52,466	56,827
Net income	\$ 21,073	\$ 17,029	\$ 43,886	\$ 27,975

⁽¹⁾Excludes amortization of intangibles and stock-based compensation.

⁽²⁾Excludes stock-based compensation.

⁽³⁾Includes restructuring expenses, acquisition-related expenses, cyber vulnerability response expenses, net, interest expense, interest income and other, net, foreign currency loss, net, and provision for income taxes.

Note 12: Cyber Related Matters

MOVEit Vulnerability

As previously disclosed, on the evening of May 28, 2023, we learned that our MOVEit Transfer (the on-premise version) and MOVEit Cloud (a cloud-hosted version of MOVEit Transfer) products were attacked by a threat actor who compromised and exfiltrated personal data from various customer-controlled MOVEit Transfer environments (the "MOVEit Vulnerability"). As a result of the MOVEit Vulnerability, we are party to certain class action lawsuits filed by individuals who claim to have been impacted by the exfiltration of data from the environments of our MOVEit Transfer customers, which have been centralized in multi-district litigation in the District of Massachusetts (the "MDL"). The MDL has also consolidated an insurance subrogation complaint (where an insurer is seeking recovery for expenses incurred on behalf of its insured in connection with the MOVEit Vulnerability) and, as of the date of this filing, one customer cross-claim. Motions to dismiss were filed and partially granted in July 2025, then further partially granted in January 2026 in response to our motions for reconsideration. In all, the court has dismissed, in whole or in part, 23 of the 33 claims asserted by the bellwether plaintiffs in the MDL. The court has ordered the conclusion of fact discovery by September 29, 2026, and that the filing of class certification briefing will begin on August 28, 2026, and continue into the fourth quarter of 2026. The MDL is not expected to conclude within the next twelve months.

As previously disclosed, we have also cooperated with inquiries and investigations from various governmental authorities, a number of which have been formally closed and, as of the date of this filing, have not resulted in any prosecution or enforcement actions.

Expenses Incurred and Future Costs

During the three and six months ended May 31, 2026, we incurred net costs of approximately \$1.3 million and \$2.6 million, respectively, related to the MOVEit Vulnerability. The costs recognized are net of insurance recoveries of \$2.4 million and \$3.4 million for the three and six months ended May 31, 2026, respectively. During the three and six months ended May 31, 2025, we incurred net costs of approximately \$0.7 million and \$1.5 million, respectively, related to the MOVEit Vulnerability. The costs recognized are net of insurance recoveries of \$0.6 million and \$1.3 million for the three and six months ended May 31, 2025, respectively. The timing of recognizing insurance recoveries may differ from the timing of recognizing the associated expenses.

We expect to continue to incur legal and professional services expenses associated with the MOVEit Vulnerability in future periods. We will recognize these expenses as services are received, net of insurance recoveries. While a loss from these matters is reasonably possible, we cannot reasonably estimate a range of possible losses at this time, particularly while the foregoing matters remain ongoing. Furthermore, with respect to the MDL, alleged damages have not been specified, there is uncertainty as to the likelihood of a class or classes being certified or the ultimate size of any class if certified, and there are significant factual and legal issues to be resolved. With respect to the governmental inquiries and investigations, we are currently unable to reasonably estimate any possible adverse judgments, settlements, fines, or penalties. Therefore, we have not recorded a loss contingency liability for the MOVEit Vulnerability as of May 31, 2026.

Insurance Coverage

During the period when the MOVEit Vulnerability occurred, we maintained \$15.0 million of cybersecurity insurance coverage, which has reduced our exposure to expenses and liabilities arising from these events. As of May 31, 2026, we have approximately \$1.1 million of remaining cybersecurity insurance coverage under the applicable policy. We will pursue recoveries to the maximum extent available under our insurance policies.

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

Cautionary Note Regarding Forward-Looking Statements

This Quarterly Report on Form 10-Q may contain information that are "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended; Section 21E of the Securities Exchange Act of 1934, as amended; and the Private Securities Litigation Reform Act of 1995. Whenever we use words such as "believe," "may," "could," "would," "might," "should," "expect," "intend," "plan," "estimate," "target," "anticipate" and negatives and derivatives of these or similar expressions, or when we make statements concerning future financial results, product offerings, or other events that have not yet occurred, we are making forward-looking statements. Actual future results may differ materially from those contained in or implied by our forward-looking statements due to various factors which are more fully described in Part I, Item 1A. Risk Factors in our 2025 Annual Report as well as any risk factors described in Part II, Item 1A of this Quarterly Report on Form 10-Q. Although we have sought to identify the most significant risks to our business, we cannot predict whether, or to what extent, any of such risks may be realized. We also cannot assure you that we have identified all possible issues that we might face. We undertake no obligation to update any forward-looking statements that we make.

Overview

Progress Software Corporation ("Progress," the "Company," "we," "us," or "our") provides software products that enable our customers to develop, deploy and manage responsible AI-powered applications and digital experiences.

Critical Accounting Policies

Management's discussion and analysis of financial condition and results of operations are based upon our consolidated financial statements, which have been prepared in accordance with GAAP. We make estimates and assumptions in the preparation of our consolidated financial statements that affect the reported amounts of assets and liabilities, revenue and expenses and related disclosures of contingent assets and liabilities. We base our estimates on historical experience and various other assumptions that are believed to be reasonable under the circumstances. However, actual results may differ from these estimates. The most significant estimates relate to revenue recognition, loss contingencies and the MOVEit Vulnerability, and business combinations. For further information regarding the application of these and other accounting policies, see Note 1, *Nature of Business and Summary of Significant Accounting Policies* to our Consolidated Financial Statements in Item 8 of our 2025 Annual Report. There have been no significant changes to our critical accounting policies and estimates since our 2025 Annual Report.

Use of Constant Currency

Revenue from our international operations has historically represented a substantial portion of our total revenue. As a result, our revenue results have been impacted, and we expect will continue to be impacted, by fluctuations in foreign currency exchange rates. For example, if the local currencies of our foreign subsidiaries strengthen, our consolidated results stated in U.S. Dollars are positively impacted.

As exchange rates are an important factor in understanding period to period comparisons, we believe the presentation of revenue growth rates on a constant currency basis enhances the understanding of our revenue results and evaluation of our performance in comparison to prior periods. The constant currency information presented is calculated by translating current period results using prior period weighted average foreign currency exchange rates. These results should be considered in addition to, not as a substitute for, results reported in accordance with accounting principles generally accepted in the United States of America.

Results of Operations

Revenue

<i>(in thousands)</i>	Three Months Ended		Percentage Change	
	May 31, 2026	May 31, 2025	As Reported	Constant Currency
Revenue	\$ 253,465	\$ 237,355	7 %	6 %

<i>(in thousands)</i>	Six Months Ended		Percentage Change	
	May 31, 2026	May 31, 2025	As Reported	Constant Currency
Revenue	\$ 501,264	\$ 475,370	5 %	4 %

Total revenue increased in the second quarter of fiscal year 2026 as compared to the same period last year primarily due to increases in license sales as well as a positive impact from foreign currency exchange, while maintenance, SaaS, and professional services were essentially unchanged from prior periods.

Software Licenses Revenue

<i>(in thousands)</i>	Three Months Ended		Percentage Change	
	May 31, 2026	May 31, 2025	As Reported	Constant Currency
Software licenses	\$ 68,979	\$ 50,795	36 %	34 %
<i>As a percentage of total revenue</i>	27 %	21 %		

<i>(in thousands)</i>	Six Months Ended		Percentage Change	
	May 31, 2026	May 31, 2025	As Reported	Constant Currency
Software licenses	\$ 136,560	\$ 109,240	25 %	22 %
<i>As a percentage of total revenue</i>	27 %	23 %		

Software licenses revenue increased in the second quarter of fiscal year 2026 primarily due to increases in our DataDirect, Chef, and MarkLogic product offerings. Software licenses revenue increased in the first six months of fiscal year 2026 primarily due to increases in our DataDirect, MarkLogic, and OpenEdge product offerings.

Maintenance, SaaS, and Professional Services Revenue

<i>(in thousands)</i>	Three Months Ended		Percentage Change	
	May 31, 2026	May 31, 2025	As Reported	Constant Currency
Maintenance	\$ 101,222	\$ 103,491	(2)%	(4)%
<i>As a percentage of total revenue</i>	40 %	44 %		
SaaS	73,005	72,105	1 %	1 %
<i>As a percentage of total revenue</i>	29 %	30 %		
Professional services	10,259	10,964	(6)%	(7)%
<i>As a percentage of total revenue</i>	4 %	5 %		
Total maintenance, SaaS, and professional services	\$ 184,486	\$ 186,560	(1)%	(2)%
<i>As a percentage of total revenue</i>	73 %	79 %		

<i>(in thousands)</i>	Six Months Ended		Percentage Change	
	May 31, 2026	May 31, 2025	As Reported	Constant Currency
Maintenance	\$ 201,561	\$ 203,026	(1)%	(3)%
<i>As a percentage of total revenue</i>	40 %	43 %		
SaaS	143,466	141,515	1 %	1 %
<i>As a percentage of total revenue</i>	29 %	30 %		
Professional services	19,677	21,589	(9)%	(10)%
<i>As a percentage of total revenue</i>	4 %	5 %		
Total maintenance, SaaS, and professional services	\$ 364,704	\$ 366,130	— %	(2)%
<i>As a percentage of total revenue</i>	73 %	77 %		

Maintenance and SaaS revenue were essentially unchanged from prior periods. Professional services revenue decreased across multiple product offerings as compared to the same periods last year.

Cost of Software Licenses

<i>(in thousands)</i>	Three Months Ended			Six Months Ended		
	May 31, 2026	May 31, 2025	Percentage Change	May 31, 2026	May 31, 2025	Percentage Change
Cost of software licenses	\$ 3,675	\$ 2,987	23 %	\$ 6,688	\$ 5,912	13 %
<i>As a percentage of software licenses revenue</i>	5 %	6 %		5 %	5 %	

Cost of software licenses consists primarily of royalties, electronic software distribution, duplication, and packaging. Cost of software licenses as a percentage of software license revenue varies from period to period depending upon the relative product mix. The increases in the second quarter and first six months of fiscal year 2026 compared to the same periods last year were related to increased royalty costs.

Cost of Maintenance, SaaS, and Professional Services

<i>(in thousands)</i>	Three Months Ended			Six Months Ended		
	May 31, 2026	May 31, 2025	Percentage Change	May 31, 2026	May 31, 2025	Percentage Change
Cost of maintenance, SaaS, and professional services	\$ 32,259	\$ 33,764	(4)%	\$ 64,359	\$ 66,648	(3)%
<i>As a percentage of maintenance, SaaS, and professional services revenue</i>	17 %	18 %		18 %	18 %	

Cost of maintenance, SaaS, and professional services consist primarily of hosting costs, and personnel-related costs attributable to customer support, cloud operations, consulting, and education. The decreases in all periods shown are primarily due to decreased contractors and headcount related costs in fiscal year 2026.

Amortization of Acquired Intangibles – Costs of Revenue

<i>(in thousands)</i>	Three Months Ended			Six Months Ended		
	May 31, 2026	May 31, 2025	Percentage Change	May 31, 2026	May 31, 2025	Percentage Change
Amortization of acquired intangibles	\$ 8,938	\$ 10,537	(15)%	\$ 17,689	\$ 20,959	(16)%
<i>As a percentage of total revenue</i>	4 %	4 %		4 %	4 %	

Amortization of acquired intangibles included in costs of revenue primarily represents the amortization of the value assigned to technology-related intangible assets obtained in business combinations. The year-over-year decreases in all periods shown are due to the run-off of existing intangible assets over the period.

Sales and Marketing

<i>(in thousands)</i>	Three Months Ended			Six Months Ended		
	May 31, 2026	May 31, 2025	Percentage Change	May 31, 2026	May 31, 2025	Percentage Change
Sales and marketing	\$ 54,341	\$ 49,677	9 %	\$ 106,338	\$ 100,973	5 %
<i>As a percentage of total revenue</i>	21 %	21 %		21 %	21 %	

Sales and marketing expenses increased in all periods presented due to increased personnel-related costs, partially offset by lower marketing and sales events costs. These costs as a percentage of total revenue were 21% in all periods presented.

Product Development

<i>(in thousands)</i>	Three Months Ended			Six Months Ended		
	May 31, 2026	May 31, 2025	Percentage Change	May 31, 2026	May 31, 2025	Percentage Change
Product development	\$ 48,840	\$ 46,570	5 %	\$ 99,314	\$ 92,945	7 %
<i>As a percentage of total revenue</i>	19 %	20 %		20 %	20 %	

Product development expenses increased in all periods presented primarily due to increased personnel-related costs.

General and Administrative

(in thousands)	Three Months Ended			Six Months Ended		
	May 31, 2026	May 31, 2025	Percentage Change	May 31, 2026	May 31, 2025	Percentage Change
General and administrative	\$ 32,236	\$ 25,637	26 %	\$ 58,740	\$ 51,260	15 %
As a percentage of total revenue	13 %	11 %		12 %	11 %	

General and administrative expenses include the costs of our finance, human resources, legal, information systems, and administrative departments. The increases in all periods shown was due to higher stock-based compensation expense and additional reserves related to our receivables, partially offset by lower contractors and outside services costs.

Amortization of Acquired Intangibles – Operating Expenses

(in thousands)	Three Months Ended			Six Months Ended		
	May 31, 2026	May 31, 2025	Percentage Change	May 31, 2026	May 31, 2025	Percentage Change
Amortization of acquired intangibles	\$ 26,167	\$ 26,063	— %	\$ 51,784	\$ 51,871	— %
As a percentage of total revenue	10 %	11 %		10 %	11 %	

Amortization of acquired intangibles included in operating expenses primarily represents the amortization of value assigned to intangible assets obtained in business combinations other than assets identified as purchased technology. Amortization of acquired intangibles decreased in all periods shown due to the run-off of existing intangible assets over the period.

Cyber Vulnerability Response Expenses, Net

(in thousands)	Three Months Ended			Six Months Ended		
	May 31, 2026	May 31, 2025	Percentage Change	May 31, 2026	May 31, 2025	Percentage Change
Cyber vulnerability response expenses, net	\$ 1,266	\$ 730	73 %	\$ 2,624	\$ 1,467	79 %
As a percentage of total revenue	— %	— %		1 %	— %	

Since the discovery of the MOVEit Vulnerability that was disclosed on June 5, 2023, we have incurred expenses and will incur future costs related to the MOVEit Vulnerability. Such costs and expenses are net of received insurance recoveries. Please refer to Note 12, *Cyber Related Matters* for additional details, and updates regarding the MOVEit Vulnerability.

Restructuring Expenses

(in thousands)	Three Months Ended			Six Months Ended		
	May 31, 2026	May 31, 2025	Percentage Change	May 31, 2026	May 31, 2025	Percentage Change
Restructuring expenses	\$ 1,480	\$ 1,043	42 %	\$ 2,186	\$ 8,072	(73)%
As a percentage of total revenue	1 %	— %		— %	2 %	

Restructuring expenses recorded in the second quarter and first six months of fiscal year 2026 primarily relate to the headcount reduction action in November 2025, and facility closures in other existing restructuring actions. Restructuring expenses recorded in the second quarter and first six months of fiscal year 2025 primarily relate to headcount reductions and a facility closure in connection with the restructuring action related to the ShareFile acquisition in November 2024. See Note 9, *Restructuring* for additional details, including types of expenses incurred and the timing of future expenses and cash payments.

Acquisition-Related Expenses

<i>(in thousands)</i>	Three Months Ended			Six Months Ended		
	May 31, 2026	May 31, 2025	Percentage Change	May 31, 2026	May 31, 2025	Percentage Change
Acquisition-related expenses	\$ (939)	\$ 1,731	(154)%	\$ (125)	\$ 4,221	(103)%
<i>As a percentage of total revenue</i>	— %	1 %		— %	1 %	

Acquisition-related costs are expensed as incurred and include those costs incurred as a result of business combinations. These costs consist of professional service fees, including third-party legal and valuation-related fees. The decrease in acquisition-related expenses in the second quarter of and first six months fiscal year 2026 are due to the fair value adjustment related to the contingent earn-out to former Nuclia shareholders. See Note 4, *Business Combinations*, acquisition-related expenses in the same period of fiscal year 2025 were primarily related to our acquisition of ShareFile.

Other (Expense) Income

<i>(in thousands)</i>	Three Months Ended			Six Months Ended		
	May 31, 2026	May 31, 2025	Percentage Change	May 31, 2026	May 31, 2025	Percentage Change
Interest expense	\$ (15,911)	\$ (18,138)	(12)%	\$ (31,157)	\$ (36,567)	(15)%
Interest income and other, net	233	294	(21)%	550	781	(30)%
Foreign currency loss, net	(684)	(908)	(25)%	(1,928)	(2,090)	(8)%
Total other expense, net	\$ (16,362)	\$ (18,752)	13 %	\$ (32,535)	\$ (37,876)	14 %
<i>As a percentage of total revenue</i>	(6)%	(8)%		(6)%	(8)%	

Total other expense, net, decreased in the second quarter and first six months of fiscal year 2026 due to a lower weighted average balance and interest rate on our revolving line of credit as compared to the same periods last year. These decreases in interest expense were partially offset by the redemption of our 2026 Notes in April, which was funded by drawing on our revolving line of credit that carries a higher interest rate than the Notes. Refer to Note 5, *Debt* for further discussion. Foreign currency loss decreased year-over-year due to rate volatility and timing of intercompany and hedge settlement activities.

Provision for Income Taxes

<i>(in thousands)</i>	Three Months Ended			Six Months Ended		
	May 31, 2026	May 31, 2025	Percentage Change	May 31, 2026	May 31, 2025	Percentage Change
Provision for income taxes	\$ 7,767	\$ 2,835	174 %	\$ 15,246	\$ 5,191	194 %
<i>As a percentage of income before income taxes</i>	27 %	14 %		26 %	16 %	

Our effective tax rate was 27% and 14% in the second fiscal quarters of 2026 and 2025, respectively. The increase in the effective rate is primarily due to changes in the jurisdictional mix of earnings, including the proportion of U.S. versus non-U.S. income, and discrete tax expense of \$0.8 million in the second fiscal quarter of 2026 compared to a discrete tax benefit of \$1.1 million in the second fiscal quarter of 2025.

On July 4, 2025, the One Big Beautiful Bill Act ("OBBBA") was enacted into law, introducing significant changes to the U.S. federal income tax system. The legislation contains key modifications to the provisions of the 2017 Tax Cuts and Jobs Act and has multiple effective dates. In our fiscal 2026, provisions under OBBBA allow for an immediate deduction of U.S. Research & Experimental expenditures and a return to interest expense limitations based on EBITDA, which results in a reduction to the current taxes payable.

Select Performance Metrics:

Management evaluates our financial performance using a number of financial and operating metrics. These metrics are periodically reviewed and revised to reflect changes in our business.

Annualized Recurring Revenue ("ARR")

We disclose ARR as a performance metric to help investors better understand and assess the performance of our business because our mix of revenue generated from recurring sources currently represents the substantial majority of our revenues and is expected to continue in the future. We define ARR as the annualized revenue of all active and contractually binding term-based contracts from all customers at a point in time. ARR includes revenue from maintenance, software upgrade rights, public cloud, and on-premises subscription-based transactions and managed services. ARR mitigates fluctuations in revenue due to seasonality, contract term and the sales mix of subscriptions for term-based licenses and SaaS. We use ARR to understand customer trends and the overall health of our business, helping us to formulate strategic business decisions.

We calculate the annualized value of annual and multi-year contracts, and contracts with terms less than one year, by dividing the total contract value of each contract by the number of months in the term and then multiplying by 12. Annualizing contracts with terms less than one-year results in amounts being included in our ARR that are in excess of the total contract value for those contracts at the end of the reporting period. We generally do not sell non-SaaS-based contracts with a term of less than one year unless a customer is purchasing additional licenses under an existing annual or multi-year contract. The expectation is that at the time of renewal, such contracts with a term less than one year will renew with the same term as the existing contracts being renewed, such that both contracts are co-terminated. Historically, such contracts with a term of less than one year renew at rates equal to or better than annual or multi-year contracts.

For SaaS-based contracts, there is a meaningful percentage of monthly auto-renewing contracts for which annualizing the contracts results in amounts being included in our ARR that are in excess of the total contract value for those contracts at the end of the reporting period.

Revenue from term-based license and on-premises subscription arrangements include a portion of the arrangement consideration that is allocated to the software license that is recognized up-front at the point in time control is transferred under ASC 606 revenue recognition principles. ARR for these arrangements is calculated as described above. The expectation is that the total contract value, inclusive of revenue recognized as software license, will be renewed at the end of the contract term. The calculation is done at constant currency using the current year budgeted exchange rates for all periods presented.

ARR is not defined in GAAP and is not derived from a GAAP measure. Rather, ARR generally aligns to billings (as opposed to GAAP revenue which aligns to the transfer of control of each performance obligation). ARR does not have any standardized meaning and is therefore unlikely to be comparable to similarly titled measures presented by other companies. ARR should be viewed independently of revenue and deferred revenue and is not intended to be combined with or to replace either of those items. ARR is not a forecast and the active contracts at the end of a reporting period used in calculating ARR may or may not be extended or renewed by our customers.

Our ARR was \$868 million and \$850 million as of May 31, 2026 and 2025, respectively, which is an increase of 2% year-over-year.

Net Retention Rate

We calculate net retention rate as of a period end by starting with the ARR from the cohort of all customers as of 12 months prior to such period end ("Prior Period ARR"). We then calculate the ARR from these same customers as of the current period end ("Current Period ARR"). Current Period ARR includes any expansion and is net of contraction or attrition over the last 12 months but excludes ARR from new customers in the current period. We then divide the total Current Period ARR by the total Prior Period ARR to arrive at the net retention rate. Net retention rate is not calculated in accordance with GAAP and is not derived from a GAAP measure.

Our net retention rates have generally ranged between 99% and 100% for all periods presented. We believe net retention rates can be a helpful indicator of the durability of top line performance.

Liquidity and Capital Resources

Cash and Cash Equivalents

(in thousands)

	May 31, 2026	November 30, 2025
Cash and cash equivalents	\$ 102,978	\$ 94,807

The increase in cash and cash equivalents of \$8.2 million from the end of fiscal year 2025 was due to cash inflows from operations of \$177.5 million. The cash inflows described above were offset by cash outflows of \$110.0 million to pay down the revolving line of credit, repurchases of common stock of \$55.1 million, and purchases of property and equipment of \$4.6 million. Except as described below, there are no limitations on our ability to access our cash and cash equivalents.

As of May 31, 2026, \$70.0 million of our cash and cash equivalents was held by our foreign subsidiaries. The Company has determined that a substantial portion of unremitted foreign earnings are no longer indefinitely reinvested. As a result of this, we plan to utilize worldwide cash based on the needs of the parent entity. These amounts will be repatriated as needed. Deferred taxes are recorded for earnings of our foreign operations that we determine are not indefinitely reinvested.

(in thousands)

	Six Months Ended	
	May 31, 2026	May 31, 2025
Net cash flows provided by operating activities	\$ 177,463	\$ 98,943
Net cash flows used in investing activities	\$ (4,569)	\$ (2,980)
Net cash flows used in financing activities	\$ (164,018)	\$ (118,103)

Cash Flows Provided by Operating Activities

The increase in cash generated from operations in the first six months of fiscal year 2026, as compared to the same period last year, was primarily attributable to higher collections, increased income from operations, and lower interest expense.

Our gross accounts receivable as of May 31, 2026, decreased by \$72.0 million from the end of fiscal year 2025. Our days sales outstanding ("DSO") in accounts receivable was 49 days in the second quarter of fiscal year 2026 compared to 53 days and 73 days in the second and fourth fiscal quarters of 2025, respectively, due to the timing of billings and collections.

Cash Flows Used in Investing Activities

Net cash outflows and inflows of our net investment activity are generally a result of capital expenditures as well as the timing of acquisitions. In the first six months of fiscal year 2026, we purchased \$4.6 million of property and equipment. In the second quarter of fiscal year 2025 we had \$1.8 million of purchases of property and equipment and a payment of \$1.2 million related to the acquisition of ShareFile.

Cash Flows Used in Financing Activities

We repurchased \$55.1 million of our common stock under our share repurchase plan in the first six months of fiscal year 2026 as compared to \$50.1 million in the same period of the prior year. Further, we received proceeds from our revolving line of credit of \$360.0 million which we used to repurchase our convertible senior note for \$360.0 million, and additionally we made payments on our revolving line of credit of \$110.0 million through the second quarter of fiscal year 2026 as compared to \$70.0 million in the same period of fiscal year 2025.

Share Repurchases

On September 23, 2025, our Board of Directors increased the share repurchase authorization by \$200.0 million to an aggregate authorization of \$242.2 million. During the three and six months ended May 31, 2026, we repurchased and retired 1.2 million shares for \$34.7 million and 1.7 million shares for \$54.7 million, respectively. During the three and six months ended May 31, 2025, we repurchased and retired 0.4 million shares for \$20.0 million and 0.9 million shares for \$50.0 million, respectively. The shares were repurchased in both periods as part of the share repurchase program as authorized by our Board of Directors. As of May 31, 2026, there was \$147.5 million remaining under the current authorization.

Restructuring Activities

See Note 9, *Restructuring* to the condensed consolidated financial statements.

Convertible Senior Notes and Long-Term Debt

See Note 5, *Debt* to the condensed consolidated financial statements.

Liquidity Outlook

Cash from operations in fiscal year 2026 could be affected by various risks and uncertainties, including, but not limited to, the effects of various risks detailed in Part I, Item 1A. Risk Factors in our 2025 Annual Report, including increased disruption and volatility in capital markets and credit markets that could adversely affect our liquidity and capital resources in the future. However, based on our current business plan, we believe that existing cash balances, together with funds generated from operations and amounts available under our revolving credit facility, will be sufficient to finance our operations and meet our foreseeable cash requirements through at least the next twelve months. Our foreseeable cash needs include capital expenditures, acquisitions, debt repayments, share repurchases, lease commitments, restructuring obligations, and other long-term obligations.

We expect to continue to make payments on the revolving credit facility and are also continuously evaluating additional financing options, the net proceeds of which could be used for general corporate purposes or to repay outstanding indebtedness.

Legal and Other Regulatory Matters

MOVEit Vulnerability

As previously disclosed, on the evening of May 28, 2023, we learned that our MOVEit Transfer (the on-premise version) and MOVEit Cloud (a cloud-hosted version of MOVEit Transfer) products were attacked by a threat actor who compromised and exfiltrated personal data from various customer-controlled MOVEit Transfer environments. As a result of the MOVEit Vulnerability, we are party to certain class action lawsuits filed by individuals who claim to have been impacted by the exfiltration of data from the environments of our MOVEit Transfer customers, which have been centralized in the MDL. The MDL has also consolidated an insurance subrogation complaint (where an insurer is seeking recovery for expenses incurred on behalf of its insured in connection with the MOVEit Vulnerability) and, as of the date of this filing, one customer cross-claim. Motions to dismiss were filed and partially granted in July 2025, then further partially granted in January 2026 in response to our motions for reconsideration. In all, the court has dismissed, in whole or in part, 23 of the 33 claims asserted by the bellwether plaintiffs in the MDL. The court has ordered the conclusion of fact discovery by September 29, 2026, and that the filing of class certification briefing will begin on August 28, 2026, and continue into the fourth quarter of 2026. The MDL is not expected to conclude within the next twelve months. As previously disclosed, we have also cooperated with inquiries and investigations from various governmental authorities, a number of which have been formally closed and, as of the date of this filing, have not resulted in any prosecution or enforcement actions.

Please refer to Note 12, *Cyber Related Matters* to the condensed consolidated financial statements for additional details and updates regarding the MOVEit Vulnerability.

Recent Accounting Pronouncements

Refer to Note 1, *Summary of Significant Accounting Policies* to the condensed consolidated financial statements for further discussion.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

During the first six months of fiscal year 2026, with the exception of repayments on our revolving credit facility, there were no significant changes to our quantitative and qualitative disclosures about market risk. Please refer to Part II, Item 7A. Quantitative and Qualitative Disclosures about Market Risk included in our 2025 Annual Report, for a more complete discussion of the market risks we encounter.

Item 4. Controls and Procedures

(a) Evaluation 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 and 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 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.

Our management, including our principal executive and principal financial officers, evaluated 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, we concluded that our disclosure controls and procedures were effective at the reasonable assurance level as of May 31, 2026.

(b) Changes in internal control over financial reporting

There were no changes in our internal control over financial reporting during the fiscal quarter ended May 31, 2026 that have materially affected, or are reasonably likely to materially affect our internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

Please refer to Note 12, *Cyber Related Matters* to the condensed consolidated financial statements for a discussion of legal proceedings related to the MOVEit Vulnerability. Our 2025 Annual Report and previous SEC filings also contain additional information, including risk factors, related to the MOVEit Vulnerability.

We are also subject to various other legal proceedings and claims, either asserted or unasserted, which arise in the ordinary course of business. While the outcome of these claims cannot be predicted with certainty, management does not believe that the outcome of any of these legal matters will have a material effect on our financial position, results of operations, or cash flows.

Item 1A. Risk Factors

We operate in a rapidly changing environment that involves certain risks and uncertainties, some of which are beyond our control. In addition to the information provided in this report, please refer to Part I, Item 1A. Risk Factors in our 2025 Annual Report for a more complete discussion regarding certain factors that could materially affect our business, financial condition, or future results.

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

(c) Stock Repurchases

Information related to the repurchases of our common stock by month in the second quarter of fiscal year 2026 is as follows:

(in thousands, except per share and share data)

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Approximate Dollar Value of Shares that May Yet be Purchased Under the Plans or Programs
March 2026	—	\$ —	—	\$ 182,220
April 2026	729,071	28.05	729,071	161,754
May 2026	496,183	28.65	496,183	147,529
Total	1,225,254	\$ 28.29	1,225,254	\$ 147,529

On September 23, 2025, our Board of Directors increased the share repurchase authorization by \$200.0 million to an aggregate authorization of \$242.2 million. The timing and amount of any shares repurchased will be determined by management based on its evaluation of market conditions and other factors, and the Board of Directors may choose to suspend, expand, or discontinue the repurchase program at any time. As of May 31, 2026, there was \$147.5 million remaining under the current authorization.

Item 5. Other Information**(c) Insider Adoption or Termination of Trading Arrangements**

During the second quarter of fiscal year 2026, none of our directors or officers informed us of the adoption or termination of a "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement," as those terms are defined in Regulation S-K, Item 408.

Item 6. Exhibits

The following exhibits are filed or furnished as part of this Quarterly Report on Form 10-Q:

Exhibit Number	Exhibit Description	Incorporated by Reference			Filed Herewith
		Form	Filing Date	Exhibit	
10.1**	Progress Software Corporation 1991 Employee Stock Purchase Plan, as amended and restated				X
10.2**	Progress Software Corporation 2008 Stock Option and Incentive Plan, as amended and restated				X
31.1	Certification of the Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act – Yogesh K. Gupta				X
31.2	Certification of the Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act – Anthony Folger				X
32.1*	Certification Pursuant to Section 906 of the Sarbanes-Oxley Act				
101*	The following materials from Progress Software Corporation's Quarterly Report on Form 10-Q for the three and six months ended May 31, 2026, formatted in iXBRL (Inline eXtensible Business Reporting Language): (i) Condensed Consolidated Balance Sheets as of May 31, 2026 and November 30, 2025; (ii) Condensed Consolidated Statements of Operations for the three and six months ended May 31, 2026 and 2025; (iii) Condensed Consolidated Statements of Comprehensive Income for the three and six months ended May 31, 2026 and 2025; (iv) Condensed Consolidated Statements of Stockholders' Equity for the three and six months ended May 31, 2026 and 2025; (v) Condensed Consolidated Statements of Cash Flows for the six months ended May 31, 2026 and 2025; and (vi) Notes to Condensed Consolidated Financial Statements.				
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)				

* Furnished herewith

** Management contract or compensatory plan or arrangement in which an executive officer or director of Progress Software Corporation participates.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

PROGRESS SOFTWARE CORPORATION
(Registrant)

Dated: June 30, 2026

/s/ YOGESH K. GUPTA

Yogesh K. Gupta
President and Chief Executive Officer
(Principal Executive Officer)

Dated: June 30, 2026

/s/ ANTHONY FOLGER

Anthony Folger
Executive Vice President and Chief Financial Officer
(Principal Financial Officer)

Dated: June 30, 2026

/s/ DOMENIC LOCOCO

Domenic LoCoco
Senior Vice President and Chief Accounting Officer
(Principal Accounting Officer)

PROGRESS SOFTWARE CORPORATION 1991 EMPLOYEE STOCK PURCHASE PLAN

(Amended and Restated by the Board of Directors: March 24, 2026)

1. PURPOSE

The Progress Software Corporation Employee Stock Purchase Plan (the "Plan") is intended to provide a method whereby employees of Progress Software Corporation (the "Company") will have an opportunity to acquire an ownership interest (or increase an existing ownership interest) in the Company through the purchase of shares of the Common Stock of the Company. It is the intention of the Company that the Plan qualify as an "employee stock purchase plan" under Section 423 of the Internal Revenue Code of 1986, as amended (the "Code"). The provisions of the Plan shall, accordingly, be construed so as to extend and limit participation in a manner consistent with the requirements of that section of the Code.

2. DEFINITIONS

- (a) "Eligible Compensation" for purposes of the Plan means: (i) with respect to individuals who are hourly employees, base salary plus payments for overtime and bonuses or (ii) with respect to individuals who are salaried employees, base salary plus sales commissions and bonuses. Eligible Compensation shall not include any deferred compensation other than contributions by an individual through a salary reduction agreement to a cash or deferred plan pursuant to Section 401(k) of the Code or to a cafeteria plan pursuant to Section 125 of the Code.
- (b) "Board" means the Board of Directors of the Company.
- (c) "Committee" means the Compensation Committee of the Board.
- (d) "Common Stock" means the common stock, \$.01 par value per share, of the Company.
- (e) "Company" shall also include any subsidiary of Progress Software Corporation designated as a participant in the Plan by the Board, unless the context otherwise requires.
- (f) "Employee" means any person who is customarily employed at least 20 hours per week and more than five months in a calendar year by (i) the Company or (ii) any subsidiary corporation.
- (g) "Subsidiary Corporation" shall mean any present or future corporation which is or would constitute a "subsidiary corporation" as that term is defined in Section 424(f) of the Code.

3. ELIGIBILITY

- (a) Participation in the Plan is completely voluntary. Participation during any one or more of the Offering Periods, as hereafter defined, under the Plan shall neither limit, nor require, participation during any other Offering Period.
- (b) Each Employee of the Company and its Subsidiary Corporations shall be eligible to participate in the Plan on any Offering Period commencement date, as hereafter identified, following the completion of three months of continuous service with the Company and/or its Subsidiary Corporations; provided, however, that no Employee shall be granted an option under the Plan:
 - (i) if, immediately after the grant, such Employee would own stock, and/or hold outstanding options to purchase stock, possessing 5% or more of the total combined voting power or value of all classes of stock of the Company or any Subsidiary Corporation; for purposes of this Paragraph the rules of Section 424(d) of the Code shall apply in determining stock ownership of any employee; or
 - (ii) which permits his/her rights to purchase stock under all Section 423 employee stock purchase plans of the Company and its Subsidiary Corporations to exceed US \$25,000 of the fair market value of the stock (determined at the time such option is granted) for each calendar year in which such option is outstanding; for purposes of this Paragraph, the rules of Section 423 (b)(8) of the Code shall apply.

4. OFFERING PERIOD / EXERCISE PERIOD

The right to purchase stock hereunder shall be made available by a series of "Exercise Periods" during an "Offering Period" to employees eligible in accordance with Paragraph 3 hereof.

- (a) Offering Period. Each participant in the Plan will be enrolled in an Offering Period. An Offering Period has a duration of 27 consecutive months unless a participant: withdraws from the Plan, ceases to be an eligible employee or is automatically transferred to a new Offering Period. Offering Periods commence on each of the following dates: January 1, April 1, July 1, or October 1.

Notwithstanding the foregoing, no Offering Period shall commence if at any time it is determined that the Company is not then lawfully permitted to offer, issue and sell shares of Common Stock in accordance with the terms of this Plan pursuant to an effective registration statement under the Securities Act of 1933, as amended. If an Offering Period cannot commence upon any date for the reason set forth above, an Offering Period may commence upon a date other than January 1, April 1, July 1 or October 1, and such Offering Period may be for a duration of less than 27 months. Any determination as to whether an Offering Period shall so commence on another date, and the duration of such Offering Period, shall be in the sole discretion of the Committee.

- (b) Exercise Period. Each 27-month Offering Period consists of nine consecutive Exercise Periods lasting three months each. Exercise Periods start on January 1, April 1, July 1, and October 1.
- (c) Exercise Date. During each 27-month Offering Period there will be nine Exercise Dates. An Exercise Date is the last date of each Exercise Period. Therefore, Exercise Dates will be as follows: March 31, June 30, September 30, and December

31.

Notwithstanding the foregoing and subject to Paragraph 22, in the event that, on any Exercise Date provided for herein, it is determined that the Company is not then lawfully permitted to offer, issue and sell shares of Common Stock in accordance with the terms of this Plan pursuant to an effective registration statement under the Securities Act of 1933, as amended, such Exercise Date shall be of no force or effect.

5. PARTICIPATION

Any eligible employee may become a participant by completing a payroll deduction authorization form provided by the Company and filing it with their payroll department and the Plan administrator 20 days prior to an Offering Period commencement date.

A participant may be enrolled in only one Offering Period at a time. A participant will be re-enrolled automatically as a participant in future Offering Periods when an Offering Period in which such participant is currently enrolled ends, unless such participant withdraws from participation, is terminated or terminates employment, becomes ineligible to participate for any reason, or the Plan terminates.

6. PAYROLL DEDUCTIONS

(a) At the time a participant files his/her authorization for a payroll deduction, he/she shall specify a percentage of his/her Eligible Compensation to be deducted from his/her pay on each payday during any Offering Period in which he/she is a participant in the Plan. Such percentage shall be in increments of one percent (1%) up to a maximum percentage to be established for each Offering Period by the Committee.

(b) Payroll deductions for participants shall commence on the Offering Period commencement date following the effective date of his/her authorization for such payroll deductions.

(c) A participant may, at any time, reduce the percentage (but not below 1%) of his/her Eligible Compensation to be deducted on each payday that he/she participates in the Plan. A reduction in payroll deductions will be effective on the seventh business day following receipt of notice by the Company and will apply to the first full pay period commencing after such date.

(d) A participant may, at any time, increase the percentage (but not above the maximum established by the Committee) of his/her Eligible Compensation to be deducted on each payday that he/she participates in the Plan. An increase in payroll deductions will be effective on the seventh business day following receipt of notice by the Company and will apply to the first full Exercise Period commencing after such date.

(e) All payroll deductions made for a participant shall be credited to his/her account under the Plan. A participant may not make any separate cash payment into such account.

7. GRANTING OF OPTION / EXERCISE PRICE

(a) On the commencement date of each Offering Period, a participant in such Offering Period shall be deemed to have been granted an option to purchase on each Exercise Date during such Offering Period (at the per share exercise price) up to a number of shares of the Company's Common Stock determined by dividing such participant's payroll deductions accumulated during the applicable Exercise Period by eighty-five (85%) of the market value per share of the Company's Common Stock on the Offering Period commencement date or on the Exercise Date, whichever is lower, provided that the number of shares subject to the option shall not exceed 200% of the number of shares determined by dividing 10% of the participant's Eligible Compensation over the Offering Period (determined as of the Offering Period commencement date) by 85% of the market value per share of the Company's Common Stock on the Offering Period commencement date, subject to the limitations set forth in Section 3 (b) and 12 hereof. The Market value per share of the Company's Common Stock shall be determined as provided in Section 7(b) herein.

(b) The exercise price per share to be paid for Common Stock purchased under the Plan shall be equal to the lower of 85% of the market value per share of the Common Stock on the first day of the Offering Period in which the Exercise Date falls, or 85% of the market value per share of the Common Stock on the Exercise Date. Market value per share of the Common Stock on a particular date is the closing price (or closing bid, if no sales were reported) of the Common Stock on the National Association of Securities Dealers Automated Quotation System, Inc. ("NASDAQ"), or, in the event the Common Stock is listed on a stock exchange, the market value per share shall be the closing price on such exchange, for that date, as reported in the Wall Street Journal. If a closing price is not available for a particular date, then the market value per share to be used for that date will be the closing stock price as of the last preceding trading day on the NASDAQ or a stock exchange for which a closing price is available. If the Common Stock is not listed on the NASDAQ or a stock exchange then the market value per share will be determined by the Committee.

For purpose of calculating the number of shares of Common Stock to be purchased with payroll deductions from participants outside of the United States, the Company will use the exchange rate published in the Wall Street Journal on the Exercise Date.

8. EXERCISE OF OPTION

Unless a participant withdraws from the Plan or is terminated from participating in the Plan pursuant to paragraph 10 hereof, his/her option for the purchase of Common Stock will be deemed to have been exercised automatically on each Exercise Date for the purchase of the number of full shares of Common Stock which the accumulated payroll deductions in his/her account at that time will purchase at the price of the Common Stock as determined in Paragraph 7 (b). Fractional shares will not be issued under the Plan and any excess funds in a participant's account representing any fractional shares after Common Stock purchases

made on each Exercise Date will be automatically carried forward to the next Exercise Period unless the participant elects, by written notice to their payroll department, to have the excess returned to him/her.

In the event that an Exercise Date is of no force or effect pursuant to the provisions of Paragraph 4 above, the automatic exercise described in this Paragraph shall occur on the next succeeding Exercise Date in such Offering Period that has not been determined to be of no force or effect. If there is no such Exercise Date in the Offering Period, all of the participant's outstanding payroll deductions for such Offering Period shall be returned to the participant, without interest.

9. NEW OFFERING PERIOD

If the market value of the Common Stock is lower on an Exercise Date than it was on the first day of the Offering Period, then all participants in such Offering Period will be automatically withdrawn from that Offering Period immediately after the participants' exercise of the option on such Exercise Date, and such participants will be automatically re-enrolled in a new Offering Period commencing immediately after that Exercise Date. The old Offering Period terminates upon such automatic re-enrollment.

10. WITHDRAWAL AND TERMINATION

(a) Prior to the Exercise Date for each Exercise Period, any participant may withdraw all but not less than all of his/her payroll deductions under the Plan for such Exercise Period by giving written notice to his/her payroll department. All of the participant's payroll deductions credited to such account will be paid to him/her after receipt of notice of withdrawal, without interest, and no future payroll deductions will be made. Withdrawal from an Exercise Period will be deemed to be a withdrawal from the Offering Period which includes such Exercise Period. The Company will treat any attempt to borrow by a participant on the security of accumulated payroll deductions as an election to withdraw such deductions.

(b) A participant may elect not to exercise an option by giving written notice to their payroll department no less than seven (7) business days prior to the applicable Exercise Date. Any such election will be treated as a withdrawal pursuant to section (a) above.

(c) A participant's election not to participate in, or withdrawal from, any Offering Period or Exercise Period within such Offering Period will not have any effect upon his/her eligibility to participate in any succeeding Offering Period or in any similar plan which may hereafter be adopted by the Company.

(d) Upon termination of the participant's employment for any reason, including retirement but excluding death, all of his/her payroll deductions accrued during the relevant Exercise Period will be returned to the participant.

(e) Upon termination of the participant's employment because of death, the participant's beneficiary (as defined in Paragraph 14) shall have the right to elect, by written notice given to the participant's former payroll department prior to the expiration of a period of 90 days commencing with the date of the death of the participant but in no event later than the applicable Offering Period, either

(i) to withdraw all of the payroll deductions credited to the participant's account under the Plan; or

(ii) to exercise the participant's option for the purchase of stock on the Exercise Date next following the date of the participant's death for the purchase of the number of full shares which the participant's accumulated payroll deductions, at the date of the participant's death, will purchase at the applicable price, and any excess deductions will be returned to said beneficiary. In the event that no such written notice of election shall be duly received by the appropriate payroll department of the Company, the beneficiary shall automatically be deemed to have elected to withdraw the payroll deductions credited to the participant at the date of the participant's death and the same will be paid promptly to said beneficiary.

11. INTEREST

No interest will be paid or allowed on any money paid into the Plan or credited to any participant.

12. STOCK

(a) The maximum number of shares of Common Stock available for issuance and purchase by participants under the Plan, subject to adjustment upon changes in capitalization of the Company as provided in Paragraph 17, shall be 12,150,000 shares of Common Stock, par value \$.01 per share, of the Company. If on a given Exercise Date the number of shares with respect to which options are to be exercised exceeds the number of shares then available, the Company shall make a pro rata allocation of the shares available for delivery and distribution in an equitable manner, with the balances of payroll deductions credited to each participant under the Plan carried forward to the next Exercise Period in the applicable Offering Period or returned to the participant if the participant so chooses, by giving written notice to their payroll department to this effect.

(b) The participant will have no interest in stock underlying his/her option until such option has been exercised.

(c) The Committee, in its sole discretion, may establish a minimum holding period, if any, for shares of stock acquired pursuant hereto by any participant or his beneficiary pursuant to Paragraph 14 hereof. Certificates representing said shares of stock issued pursuant to this Plan may bear legends to that effect.

13. ADMINISTRATION

The Plan shall be administered by the Committee. The interpretation and construction of any provision of the Plan and adoption of rules and regulations for administering the Plan shall be made by the Committee. Determinations made by the Committee with respect to any matter or provision contained in the Plan shall be final, conclusive and binding upon the Company

and upon all participants, their heirs or legal representatives. Any rule or regulation adopted by the Committee shall remain in full force and effect unless and until altered, amended, or repealed by the Committee.

14. DESIGNATION OF BENEFICIARY

A participant shall file with their payroll department a written designation of a beneficiary who is to receive any Common Stock and/or cash under the Plan. Such designation of beneficiary may be changed by the participant at any time by written notice. Upon the death of a participant and upon receipt by the Company of proof of the identity and existence at the participant's death of a beneficiary validly designated by him under the Plan, the Company shall deliver such Common Stock and/or cash to such beneficiary validly designated under the Plan who is living at the time of such participant's death, the Company shall deliver such Common Stock and/or cash to the executor or administrator of the estate of the participant. No beneficiary shall prior to the death of the participant by whom he has been designated, acquire any interest in the Common Stock and/or cash credited to the participant under the Plan.

15. TRANSFERABILITY

Neither payroll deductions credited to a participant nor any rights with regard to the exercise of an option or to receive Common Stock under the Plan may be assigned, transferred, pledged, or otherwise disposed of in any way by the participant other than by will or the laws of descent and distribution. Any such attempted assignment, transfer, pledge, or other disposition shall be without effect, except that the Company may treat such act as an election to withdraw funds in accordance with Paragraph 10(a).

16. USE OF FUNDS

All payroll deductions received or held by the Company under this Plan may be used by the Company for any corporate purpose, and the Company shall not be obligated to segregate such payroll deductions.

17. EFFECT OF CHANGES OF COMMON STOCK

If the Company shall subdivide or reclassify the Common Stock which has been or may be optioned under this Plan, or shall declare thereon any dividend payable in shares of such Common Stock, or shall take any other action of a similar nature affecting such Common Stock, then the number and class of shares of Common Stock which may thereafter be optioned (in the aggregate and to any participant) shall be adjusted accordingly and in the case of each option outstanding at the time of any such action, the number and class of shares which may thereafter be purchased pursuant to such option and the option price per share shall be adjusted to such extent as may be determined by the Committee, with the approval of independent public accountants and counsel, to be necessary to preserve the rights of the holder of such option.

18. AMENDMENT OR TERMINATION

The Board may at any time terminate or amend the Plan. No such termination shall affect options previously granted, nor may an amendment make any change in any option theretofore granted which would adversely affect the rights of any participant holding options under the Plan.

19. NOTICES

All notices or other communications by a participant to the Company under or in connection with the Plan shall be deemed to have been duly given when received by the participant's payroll department.

20. MERGER OR CONSOLIDATION

If the Company shall at any time merge into or consolidate with another corporation, the holder of each option then outstanding will thereafter be entitled to receive at the next Exercise Date upon the exercise of such option for each share as to which such option shall be exercised, the securities or property which a holder of one share of the Common Stock was entitled to upon and at the time of such merger or consolidation. In accordance with this Paragraph and Paragraph 17, the Committee shall determine the kind and amount of such securities or property which such holder of an option shall be entitled to receive. A sale of all or substantially all of the assets of the Company shall be deemed a merger or consolidation for the foregoing purposes.

21. APPROVAL OF STOCKHOLDERS

The Plan is subject to the approval of the stockholders of the Company at their next annual meeting or at any special meeting of the stockholders for which one of the purposes of such a special meeting shall be to act upon the Plan.

22. GOVERNMENTAL AND OTHER REGULATIONS

The Plan, and the grant and exercise of the rights to purchase shares hereunder, and the Company's obligation to sell and deliver shares upon the exercise of rights to purchase shares, shall be subject to all applicable federal, state and foreign laws, rules and regulations, and to such approvals by any regulatory or governmental agency as may, in the opinion of counsel for the Company, be required. The Plan shall be governed by, and construed and enforced in accordance with, the provisions of Sections 421, 423 and 424 of the Code and the substantive laws of the Commonwealth of Massachusetts. In the event of any inconsistency between such provisions of the Code and any such laws, said provisions of the Code shall govern to the extent necessary to preserve favorable federal income tax treatment afforded employee stock purchase plans under Section 423 of the Code.

PROGRESS SOFTWARE CORPORATION
2008 STOCK OPTION AND INCENTIVE PLAN

(Amended and Restated by the Board of Directors: March 24, 2026)

SECTION 1. GENERAL PURPOSE OF THE PLAN; DEFINITIONS

The name of the plan is the Amended and Restated Progress Software Corporation 2008 Stock Option and Incentive Plan (the "Plan"). The purpose of the Plan is to encourage and enable the officers, employees, Non-Employee Directors and other key persons (including consultants and prospective employees) of Progress Software Corporation (the "Company") and its Subsidiaries upon whose judgment, initiative and efforts the Company largely depends for the successful conduct of its business to acquire a proprietary interest in the Company. It is anticipated that providing such persons with a direct stake in the Company's welfare will assure a closer identification of their interests with those of the Company and its shareholders, thereby stimulating their efforts on the Company's behalf and strengthening their desire to remain with the Company.

The following terms shall be defined as set forth below:

"Act" means the Securities Act of 1933, as amended, and the rules and regulations thereunder.

"Administrator" means either the Board or the Committee.

"Adoption Date" means March 12, 2008.

"Award" or "Awards," except where referring to a particular category of grant under the Plan, shall include Incentive Stock Options, Non-Qualified Stock Options, Stock Appreciation Rights, Deferred Stock Awards, Restricted Stock Awards, Unrestricted Stock Awards, Cash-Based Awards, Performance Share Awards and Dividend Equivalent Rights.

"Award Document" means a written or electronic document setting forth the terms and provisions applicable to an Award granted under the Plan. Each Award Document is subject to the terms and conditions of the Plan.

"Board" means the Board of Directors of the Company.

"Cash-Based Award" means an Award entitling the recipient to receive a cash-denominated payment.

"Cause" means (i) any material breach by the grantee of any agreement to which the grantee and the Company are both parties, (ii) any act or omission to act by the grantee which may have a material and adverse effect on the Company's business or on the grantee's ability to perform services for the Company, including, without limitation, the commission of any crime (other than ordinary traffic violations), or (iii) any material misconduct or material neglect of duties by the grantee in connection with the business or affairs of the Company or any affiliate of the Company.

"Code" means the Internal Revenue Code of 1986, as amended, and any successor Code, and related rules, regulations and interpretations.

"Committee" means a committee which is comprised of not less than two Non-Employee Directors who are independent.

"Deferred Stock Award" means an Award of phantom stock units to a grantee, including restricted stock units.

"Disability" means disability as set forth in Section 22(e)(3) of the Code.

"Dividend Equivalent Right" means an Award entitling the grantee to receive credits based on cash dividends that would have been paid on the shares of Stock specified in the Dividend Equivalent Right (or other award to which it relates) if such shares had been issued to and held by the grantee.

"Effective Date" means the date on which the Plan is approved by shareholders as set forth in Section 21.

"Exchange Act" means the Securities Exchange Act of 1934, as amended, and the rules and regulations thereunder.

"Fair Market Value" of the Stock on any given date means the closing price per share of Stock as reported by the NASDAQ Global Select Market or another national securities exchange. If there are no market quotations for such date, the determination shall be made by reference to the last date preceding such date for which there are market quotations. If the Stock is not quoted on the NASDAQ Global Select Market or another national securities exchange, the fair market value of the Stock shall be as determined in good faith by the Administrator.

"Incentive Stock Option" means any Stock Option designated and qualified as an "incentive stock option" as defined in Section 422 of the Code.

"Non-Employee Director" means a member of the Board who is not also an employee of the Company or any Subsidiary.

"Non-Qualified Stock Option" means any Stock Option that is not an Incentive Stock Option.

"Option" or "Stock Option" means any option to purchase shares of Stock granted pursuant to Section 5.

"Performance-Based Award" means any Restricted Stock Award, Deferred Stock Award, Performance Share Award or Cash-Based Award that is subject to performance-based vesting conditions.

"Performance Criteria" means the criteria that the Administrator selects for purposes of establishing the Performance Goal or Performance Goals for an individual for a Performance Cycle. The Performance Criteria (which shall be applicable to the organizational level specified by the Administrator, including, but not limited to, the Company or a unit, division, group, or Subsidiary of the Company) that will be used to establish Performance Goals may include, but are not limited to the following: revenue, non-GAAP operating income, earnings before interest, taxes, depreciation and amortization, net income (loss) (either before or after interest, taxes, depreciation and/or amortization), changes in the market price of the Stock, economic value-added, sales or revenue, acquisitions or strategic transactions, cash flow (including, but not limited to, operating cash flow and free cash flow), return on capital, assets, equity, or investment, total shareholder returns, return on sales, gross or net profit levels, productivity, expense, margins, operating efficiency, working capital, earnings (loss) per share of Stock, sales or market shares

and number of customers, any of which may be measured either in absolute terms or as compared to any incremental increase or as compared to results of a peer group.

"Performance Cycle" means one or more periods of time, which may be of varying and overlapping durations, as the Administrator may select, over which the attainment of one or more Performance Criteria will be measured for the purpose of determining a grantee's right to and the payment of a Restricted Stock Award, Deferred Stock Award, Performance Share Award or Cash-Based Award.

"Performance Goals" means, for a Performance Cycle, the specific goals established in writing by the Administrator for a Performance Cycle based upon the Performance Criteria.

"Performance Share Award" means an Award entitling the recipient to acquire shares of Stock upon the attainment of specified Performance Goals.

"Restricted Stock Award" means an Award entitling the recipient to acquire, at such purchase price (which may be zero) as determined by the Administrator, shares of Stock subject to such restrictions and conditions as the Administrator may determine at the time of grant.

"Sale Event" shall mean (i) the sale of all or substantially all of the assets of the Company on a consolidated basis to an unrelated person or entity, (ii) a merger, reorganization or consolidation in which the outstanding shares of Stock are converted into or exchanged for securities of the successor entity and the holders of the Company's outstanding voting power immediately prior to such transaction do not own a majority of the outstanding voting power of the successor entity immediately upon completion of such transaction, or (iii) the sale of all of the Stock of the Company to an unrelated person or entity.

"Sale Price" means the value as determined by the Administrator of the consideration payable, or otherwise to be received by shareholders, per share of Stock pursuant to a Sale Event.

"Section 409A" means Section 409A of the Code and the regulations and other guidance promulgated thereunder.

"Stock" means the Common Stock, par value \$0.01 per share, of the Company, subject to adjustments pursuant to Section 3.

"Stock Appreciation Right" means an Award entitling the recipient to receive shares of Stock having a value equal to the excess of the Fair Market Value of the Stock on the date of exercise over the exercise price of the Stock Appreciation Right multiplied by the number of shares of Stock with respect to which the Stock Appreciation Right shall have been exercised.

"Subsidiary" means any corporation or other entity (other than the Company) in which the Company has at least a 50 percent interest, either directly or indirectly.

"Ten Percent Owner" means an employee who owns or is deemed to own (by reason of the attribution rules of Section 424(d) of the Code) more than 10 percent of the combined voting power of all classes of stock of the Company or any parent or subsidiary corporation.

"Unrestricted Stock Award" means an Award of shares of Stock free of any restrictions.

SECTION 2. ADMINISTRATION OF PLAN; ADMINISTRATOR AUTHORITY TO SELECT GRANTEES AND DETERMINE AWARDS

(a) Administration of Plan. The Plan shall be administered by the Administrator. In the event the Administrator is the Committee rather than the Board, it is the intention of the Company that the Committee shall consist of "non-employee directors" within the meaning of Rule 16b-3 of the Exchange Act, but the authority and validity of any act taken or not taken by the Committee shall not be affected if any person serving on the Committee does not meet the qualification imposed by this sentence. Except as specifically reserved to the Board under the terms of the Plan or when the Board is serving as Administrator, the Committee shall have full and final authority to operate, manage and administer the Plan on behalf of the Company. Action by the Committee shall require the affirmative vote of a majority of all members thereof.

(b) Powers of Administrator. The Administrator shall have the power and authority to grant Awards consistent with the terms of the Plan, including the power and authority:

- (i) to select the individuals to whom Awards may from time to time be granted;
- (ii) to determine the time or times of grant, and the extent, if any, of Incentive Stock Options, Non-Qualified Stock Options, Stock Appreciation Rights, Restricted Stock Awards, Deferred Stock Awards, Unrestricted Stock Awards, Cash-Based Awards and Performance Share Awards, Dividend Equivalent Rights or any combination of the foregoing, granted to any one or more grantees;
- (iii) to determine the number of shares of Stock to be covered by any Award;
- (iv) to determine and modify from time to time the terms and conditions, including restrictions, not inconsistent with the terms of the Plan, of any Award, which terms and conditions may differ among individual Awards and grantees, and to approve the form of written instruments evidencing the Awards;
- (v) to accelerate at any time the exercisability and vesting of all or any portion of any Award with the exception of a Restricted Stock Award or Deferred Stock Award other than in the context of a Sale Event;
- (vi) subject to the provisions of Section 5(c), to extend at any time the period in which Stock Options or Stock Appreciation Rights may be exercised;
- (vii) to reduce the per-share exercise price of any outstanding Stock Option or Stock Appreciation Right awarded to any employee of the Company, including any officer or director of the Company (but not to less than 100% of Fair Market Value on the date the reduction is made); provided, however, that such reduction shall be effective only if approved by the shareholders of the Company; and
- (viii) at any time to adopt, alter and repeal such rules, guidelines and practices for administration of the Plan and for its own acts and proceedings as it shall deem advisable; to interpret the terms and provisions of the Plan and any

Award (including related written instruments); to make all determinations it deems advisable for the administration of the Plan; to decide all disputes arising in connection with the Plan; and to otherwise supervise the administration of the Plan. All decisions and interpretations of the Administrator shall be binding on all persons, including the Company and Plan grantees.

(c) Award Document. Awards under the Plan shall be evidenced by Award Documents that set forth the terms, conditions and limitations for each Award which may include, without limitation, the term of an Award and the provisions applicable in the event employment or service terminates.

(d) Indemnification. Neither the Board nor the Administrator, nor any member of either or any delegate thereof, shall be liable for any act, omission, interpretation, construction or determination made in good faith in connection with the Plan, and the members of the Board and the Administrator (and any delegate thereof) shall be entitled in all cases to indemnification and reimbursement by the Company in respect of any claim, loss, damage or expense (including, without limitation, reasonable attorneys' fees) arising or resulting therefrom to the fullest extent permitted by law and/or under the Company's articles or bylaws or any directors' and officers' liability insurance coverage which may be in effect from time to time and/or any indemnification agreement between such individual and the Company.

(e) Foreign Award Recipients. Notwithstanding any provision of the Plan to the contrary, in order to comply with the laws in other countries in which the Company and its Subsidiaries operate or have employees or other individuals eligible for Awards, the Administrator, in its sole discretion, shall have the power and authority to: (i) determine which Subsidiaries shall be covered by the Plan; (ii) determine which individuals outside the United States are eligible to participate in the Plan; (iii) modify the terms and conditions of any Award granted to individuals outside the United States to comply with applicable foreign laws; (iv) establish subplans and modify exercise procedures and other terms and procedures, to the extent the Administrator determines such actions to be necessary or advisable (and such subplans and/or modifications shall be attached to this Plan as appendices); provided, however, that no such subplans and/or modifications shall increase the share limitations contained in Section 3(a) hereof; and (v) take any action, before or after an Award is made, that the Administrator determines to be necessary or advisable to obtain approval or comply with any local governmental regulatory exemptions or approvals. Notwithstanding the foregoing, the Administrator may not take any actions hereunder, and no Awards shall be granted, that would violate the Exchange Act or any other applicable United States securities law, the Code or any other applicable United States governing statute or law.

SECTION 3. STOCK ISSUABLE UNDER THE PLAN; MERGERS; SUBSTITUTION

(a) Stock Issuable. The maximum number of shares of Stock (subject to adjustment as provided in Section 3(c) hereof) reserved and available for issuance under the Plan shall be equal to the sum of (i) 33,365,000, plus (ii) the number of shares of Stock available for grant on the Adoption Date under the Progress Software Corporation 1992 Incentive and Nonqualified Stock Option Plan, the Progress Software Corporation 1994 Stock Incentive Plan and the Progress Software Corporation 1997 Stock Incentive Plan, as amended and restated March 22, 2007 (together, the "Old Stock Plans"), plus (iii) the number of shares of Stock underlying any grants pursuant to the Old Stock Plans that are forfeited, canceled, repurchased or are terminated (other than by exercise) from and after the Adoption Date, plus (iv) the number of shares of Stock underlying any grants pursuant to this Plan that are forfeited, canceled, repurchased or are terminated (other than by exercise). Shares tendered or held back upon exercise of an Option or a Stock Appreciation Right to cover the exercise price or tax withholding shall not be available for future issuance under the Plan. Shares tendered or held back upon settlement of any full value Award (i.e., an Award other than an Option or a Stock Appreciation Right) to cover the purchase price or tax withholding shall be available for future issuance under the Plan. Shares repurchased by the Company on the open market with the proceeds of an Option or Stock Appreciation Right exercise price shall no longer be available for issuance under the Plan. In addition, upon exercise of Stock Appreciation Rights, the gross number of shares exercised shall be deducted from the total number of shares remaining available for issuance under the Plan. Subject to such overall limitations, shares of Stock may be issued up to such maximum number pursuant to any type or types of Award. The maximum number of shares of Stock that may be issued in the form of Incentive Stock Options may not exceed 19,365,000 (subject to adjustment as provided in Section 3(c) hereof). The shares available for issuance under the Plan may be authorized but unissued shares of Stock or shares of Stock reacquired by the Company.

(b) Effect of Awards. The grant of any full value Award (i.e., an Award other than an Option or a Stock Appreciation Right) made prior to May 9, 2024, shall be deemed, for purposes of determining the number of shares of Stock available for issuance under Section 3(a), as an Award of 2.25 shares of Stock for each such share of Stock subject to the Award; provided, however, any such Award granted on or after May 9, 2024, will be deemed as an Award of 1.5 shares of Stock for each such share of Stock subject to the Award. To the extent there is a share of Stock issuable pursuant to a full value Award under the Plan granted prior to May 9, 2024, and such share of Stock again becomes available for issuance under the Plan pursuant to Section 3(a), then the number of shares of Stock available for issuance under the Plan shall increase by 2.25 shares; provided, however, to the extent there is a share of Stock issuable pursuant to a full value Award under the Plan granted on or after May 9, 2024, and such share of Stock again becomes available for issuance under the Plan pursuant to Section 3(a), then the number of shares of Stock available for issuance under the Plan shall increase by 1.5 shares. The grant of an Option or a Stock Appreciation Right shall be deemed, for purposes of determining the number of shares of Stock available for issuance under Section 3(a), as an Award for one share of Stock for each such share of Stock subject to the Award.

(c) Changes in Stock. Subject to Section 3(d) hereof, if, as a result of any reorganization, recapitalization, reclassification, stock dividend, stock split, reverse stock split or other similar change in the Company's capital stock, the outstanding shares of Stock are increased or decreased or are exchanged for a different number or kind of shares or other securities of the Company, or additional shares or new or different shares or other securities of the Company or other non-cash

assets are distributed with respect to such shares of Stock or other securities, or, if, as a result of any merger or consolidation, sale of all or substantially all of the assets of the Company, the outstanding shares of Stock are converted into or exchanged for securities of the Company or any successor entity (or a parent or subsidiary thereof), the Administrator shall make an appropriate or proportionate adjustment in (i) the maximum number of shares reserved for issuance under the Plan, including the maximum number of shares that may be issued in the form of Incentive Stock Options, (ii) the number and kind of shares or other securities subject to any then outstanding Awards under the Plan, (iii) the repurchase price, if any, per share subject to each outstanding Restricted Stock Award, and (iv) the price for each share subject to any then outstanding Stock Options and Stock Appreciation Rights under the Plan, without changing the aggregate exercise price (i.e., the exercise price multiplied by the number of Stock Options and Stock Appreciation Rights) as to which such Stock Options and Stock Appreciation Rights remain exercisable. The Administrator shall also make equitable or proportionate adjustments in the number of shares subject to outstanding Awards and the exercise price and the terms of outstanding Awards to take into consideration cash dividends paid other than in the ordinary course or any other extraordinary corporate event. The adjustment by the Administrator shall be final, binding and conclusive. No fractional shares of Stock shall be issued under the Plan resulting from any such adjustment, but the Administrator in its discretion may make a cash payment in lieu of fractional shares.

(d) Sale Event. Upon the effective time of the Sale Event, the Plan and all outstanding Awards granted hereunder shall terminate, unless provision is made in connection with the Sale Event in the sole discretion of the parties thereto for the assumption or continuation of Awards theretofore granted by the successor entity, or the substitution of such Awards with new Awards of the successor entity or parent thereof, with appropriate adjustment as to the number and kind of shares and, if appropriate, the per share exercise prices, as such parties shall agree (after taking into account any acceleration hereunder). In the event the Awards are not assumed, continued or otherwise substituted in connection with a Sale Event, the Administrator shall accelerate the exercisability and vesting of all outstanding Awards. The Administrator shall have the option to (i) make or provide for a cash payment to the grantees holding Options and Stock Appreciation Rights, in exchange for the cancellation thereof, in an amount equal to the difference between (A) the sale price multiplied by the number of shares of Stock subject to all outstanding Options and Stock Appreciation Rights at exercise prices not in excess of the sale price and (B) the aggregate exercise price of all such outstanding Options and Stock Appreciation Rights; or (ii) permit each grantee, within a specified period of time prior to the consummation of the Sale Event as determined by the Administrator, to exercise all outstanding Options and Stock Appreciation Rights held by such grantee.

(e) Substitute Awards. The Administrator may grant Awards under the Plan in substitution for stock and stock based awards held by employees, directors or other key persons of another corporation in connection with the merger or consolidation of the employing corporation with the Company or a Subsidiary or the acquisition by the Company or a Subsidiary of property or stock of the employing corporation. The Administrator may direct that the substitute awards be granted on such terms and conditions as the Administrator considers appropriate in the circumstances. Any substitute Awards granted under the Plan shall not count against the share limitation set forth in Section 3(a).

SECTION 4. ELIGIBILITY

Grantees under the Plan will be such officers and other employees, Non-Employee Directors and key persons (including consultants and prospective employees) of the Company and its Subsidiaries as are selected from time to time by the Administrator in its sole discretion.

SECTION 5. STOCK OPTIONS

(a) Grant of Stock Options. Any Stock Option granted under the Plan shall be in such form as the Administrator may from time to time approve.

Stock Options granted under the Plan may be either Incentive Stock Options or Non-Qualified Stock Options. Incentive Stock Options may be granted only to employees of the Company or any Subsidiary that is a "subsidiary corporation" within the meaning of Section 424(f) of the Code. To the extent that any Option does not qualify as an Incentive Stock Option, it shall be deemed a Non-Qualified Stock Option.

Stock Options granted pursuant to this Section 5 shall be subject to the following terms and conditions and shall contain such additional terms and conditions, not inconsistent with the terms of the Plan, as the Administrator shall deem desirable.

(b) Exercise Price. The exercise price per share for the Stock covered by a Stock Option granted pursuant to this Section 5 shall be determined by the Administrator at the time of grant but shall not be less than 100 percent of the Fair Market Value on the date of grant. In the case of an Incentive Stock Option that is granted to a Ten Percent Owner, the option price of such Incentive Stock Option shall be not less than 110 percent of the Fair Market Value on the grant date.

(c) Option Term. The term of each Stock Option shall be fixed by the Administrator, but no Stock Option shall be exercisable more than ten years after the date the Stock Option is granted. In the case of an Incentive Stock Option that is granted to a Ten Percent Owner, the term of such Stock Option shall be no more than five years from the date of grant.

(d) Exercisability; Rights of a Shareholder. Stock Options shall become exercisable at such time or times, whether or not in installments, as shall be determined by the Administrator at or after the grant date. The Administrator may at any time accelerate the exercisability of all or any portion of any Stock Option. An optionee shall have the rights of a shareholder only as to shares acquired upon the exercise of a Stock Option and not as to unexercised Stock Options.

(e) Method of Exercise. Stock Options may be exercised in whole or in part, by giving written or electronic notice of exercise to the Company, specifying the number of shares to be purchased. Payment of the purchase price may be made by one or more of the following methods to the extent provided in the Option Award Document:

(i) in cash, by certified or bank check or other instrument acceptable to the Administrator;

(ii) through the delivery (or attestation to the ownership) of shares of Stock that have been purchased by the optionee on the open market or that have been beneficially owned by the optionee for at least six months and are not then subject to restrictions under any Company plan. Such surrendered shares shall be valued at Fair Market Value on the exercise date;

(iii) by the Company reducing the number of shares otherwise issuable to optionee upon the exercise of the Stock Option by the largest whole number of shares having a Fair Market Value that does not exceed the aggregate purchase price for the shares for which the Stock Option is exercised, and optionee paying to the Company in cash the remaining balance of the aggregate Exercise Price;

(iv) a combination of (i), (ii), and (iii); or

(v) by the optionee delivering to the Company a properly executed exercise notice together with irrevocable instructions to a broker to promptly deliver to the Company cash or a check payable and acceptable to the Company for the purchase price; provided that in the event the optionee chooses to pay the purchase price as so provided, the optionee and the broker shall comply with such procedures and enter into such agreements of indemnity and other agreements as the Administrator shall prescribe as a condition of such payment procedure.

Payment instruments will be received subject to collection. The transfer to the optionee on the records of the Company or of the transfer agent of the shares of Stock to be purchased pursuant to the exercise of a Stock Option will be contingent upon receipt from the optionee (or a purchaser acting in his stead in accordance with the provisions of the Stock Option) by the Company of the full purchase price for such shares and the fulfillment of any other requirements contained in the Option Award Document or applicable provisions of laws (including the satisfaction of any withholding taxes that the Company is obligated to withhold with respect to the optionee). In the event an optionee chooses to pay the purchase price by previously-owned shares of Stock through the attestation method, the number of shares of Stock transferred to the optionee upon the exercise of the Stock Option shall be net of the number of attested shares. In the event that the Company establishes, for itself or using the services of a third party, an automated system for the exercise of Stock Options, such as a system using an internet website or interactive voice response, then the paperless exercise of Stock Options may be permitted through the use of such an automated system.

(f) Annual Limit on Incentive Stock Options. To the extent required for "incentive stock option" treatment under Section 422 of the Code, the aggregate Fair Market Value (determined as of the time of grant) of the shares of Stock with respect to which Incentive Stock Options granted under this Plan and any other plan of the Company or its parent and subsidiary corporations become exercisable for the first time by an optionee during any calendar year shall not exceed \$100,000. To the extent that any Stock Option exceeds this limit, it shall constitute a Non-Qualified Stock Option.

SECTION 6. STOCK APPRECIATION RIGHTS

(a) Grant of Stock Appreciation Rights. The Administrator in its discretion may grant Stock Appreciation Rights to any grantee (i) alone, (ii) simultaneously with the grant of a Stock Option and in conjunction therewith or in the alternative thereto or (iii) subsequent to the grant of a Non-Qualified option and in conjunction therewith or in the alternative thereto.

(b) Exercise Price of Stock Appreciation Rights. The exercise price per share of a Stock Appreciation Right granted alone shall be determined by the Administrator, but shall not be less than 100% of Fair Market Value on the date of grant of such Stock Appreciation Right. A Stock Appreciation Right granted simultaneously with or subsequent to the grant of a Stock Option and in conjunction therewith or in the alternative thereto shall have the same exercise price as the related Stock Option, shall be transferable only upon the same terms and conditions as the related Stock Option and shall be exercisable only to the same extent as the related Stock Option; provided, however, that a Stock Appreciation Right, by its terms, shall be exercisable only when the Fair Market Value per share of Stock exceeds the exercise price per share thereof.

(c) Terms and Conditions. Upon any exercise of a Stock Appreciation Right, the number of shares of Stock for which any related Stock Option shall be exercisable shall be reduced by the number of shares for which the Stock Appreciation Right shall have been exercised. The number of shares of Stock with respect to which a Stock Appreciation Right shall be exercisable shall be reduced upon any exercise of any related Stock Option by the number of shares for which such Option shall have been exercised. Any Stock Appreciation Right shall be exercisable upon such additional terms and conditions as may from time to time be prescribed by the Administrator.

(d) Settlement in Shares. A Stock Appreciation Right shall entitle the grantee upon exercise thereof to receive from the Company, upon written request to the Company at its principal offices (the "Request"), a number of shares of Stock (with or without restrictions as to substantial risk of forfeiture and transferability, as determined by the Administrator in its sole discretion), having an aggregate Fair Market Value equal to the product of (i) the excess of Fair Market Value, on the date of such Request, over the exercise price per share of Stock specified in such Stock Appreciation Right or its related Option, multiplied by (ii) the number of shares of Stock for which such Stock Appreciation Right shall be exercised.

(e) Deemed Exercise. A Stock Appreciation Right shall be deemed exercised on the last day of its term, if not otherwise exercised by the holder thereof, provided that the Fair Market Value of the Stock subject to the Stock Appreciation Right exceeds the exercise price thereof on such date.

(f) Term. The term of a Stock Appreciation Right shall not exceed seven years.

SECTION 7. RESTRICTED STOCK AWARDS

(a) Nature of Restricted Stock Awards. The Administrator shall determine the restrictions and conditions applicable to each Restricted Stock Award at the time of grant. Conditions may be based on continuing employment (or other service relationship) and/or achievement of pre-established performance goals and objectives. The grant of a Restricted Stock Award is contingent on the grantee executing the Restricted Stock Award Document. The terms and conditions of each such Award

Document shall be determined by the Administrator, and such terms and conditions may differ among individual Awards and grantees.

(b) Rights as a Shareholder. Upon execution of the Restricted Stock Award Document and payment of any applicable purchase price, a grantee shall have the rights of a shareholder with respect to the voting of the Restricted Stock, subject to such conditions contained in the Restricted Stock Award Document. Unless the Administrator shall otherwise determine, (i) uncertificated Restricted Stock shall be accompanied by a notation on the records of the Company or the transfer agent to the effect that they are subject to forfeiture until such Restricted Stock are vested as provided in Section 7(d) below, and (ii) certificated Restricted Stock shall remain in the possession of the Company until such Restricted Stock is vested as provided in Section 7(d) below, and the grantee shall be required, as a condition of the grant, to deliver to the Company such instruments of transfer as the Administrator may prescribe.

(c) Restrictions. Restricted Stock may not be sold, assigned, transferred, pledged or otherwise encumbered or disposed of except as specifically provided herein or in the Restricted Stock Award Document. Except as may otherwise be provided by the Administrator either in the Award Document or, subject to Section 18 below, in writing after the Award Document is issued if a grantee's employment (or other service relationship) with the Company and its Subsidiaries terminates for any reason, any Restricted Stock that has not vested at the time of termination shall automatically and without any requirement of notice to such grantee from or other action by or on behalf of, the Company be deemed to have been reacquired by the Company at its original purchase price (if any) from such grantee or such grantee's legal representative simultaneously with such termination of employment (or other service relationship), and thereafter shall cease to represent any ownership of the Company by the grantee or rights of the grantee as a shareholder. Following such deemed reacquisition of unvested Restricted Stock that are represented by physical certificates, a grantee shall surrender such certificates to the Company upon request without consideration.

(d) Vesting of Restricted Stock. The Administrator at the time of grant shall specify the date or dates and/or the attainment of pre-established performance goals, objectives and other conditions on which the non-transferability of the Restricted Stock and the Company's right of repurchase or forfeiture shall lapse. Notwithstanding the foregoing, in the event that any such Restricted Stock granted to employees shall have a performance-based goal, the restriction period with respect to such shares shall not be less than one year, and in the event any such Restricted Stock granted to employees shall have a time-based restriction, the total restriction period with respect to such shares shall not be less than three years; provided, however, that Restricted Stock with a time-based restriction may become vested incrementally over such three-year period. Subsequent to such date or dates and/or the attainment of such pre-established performance goals, objectives and other conditions, the shares on which all restrictions have lapsed shall no longer be Restricted Stock and shall be deemed "vested." Except as may otherwise be provided by the Administrator either in the Award Document or, subject to Section 18 below, in writing after the Award Document is issued, a grantee's rights in any shares of Restricted Stock that have not vested shall automatically terminate upon the grantee's termination of employment (or other service relationship) with the Company and its Subsidiaries and such shares shall be subject to the provisions of Section 7(c) above.

SECTION 8. DEFERRED STOCK AWARDS

(a) Nature of Deferred Stock Awards. The Administrator shall determine the restrictions and conditions applicable to each Deferred Stock Award at the time of grant. Conditions may be based on continuing employment (or other service relationship) and/or achievement of pre-established performance goals and objectives. The grant of a Deferred Stock Award is contingent on the grantee executing the Deferred Stock Award Document. The terms and conditions of each such Award Document shall be determined by the Administrator, and such terms and conditions may differ among individual Awards and grantees. Notwithstanding the foregoing, in the event that any such Deferred Stock Award granted to employees shall have a performance-based goal, the restriction period with respect to such Award shall not be less than one year, and in the event any such Deferred Stock Award granted to employees shall have a time-based restriction, the total restriction period with respect to such Award shall not be less than one year; provided, however, that any Deferred Stock Award with a time-based restriction may become vested incrementally over the vesting period. At the end of the deferral period, the Deferred Stock Award, to the extent vested, shall be settled in the form of shares of Stock. To the extent that a Deferred Stock Award is subject to Section 409A, it may contain such additional terms and conditions as the Administrator shall determine in its sole discretion in order for such Award to comply with the requirements of Section 409A.

(b) Election to Receive Deferred Stock Awards in Lieu of Compensation. The Administrator may, in its sole discretion, permit a grantee to elect to receive a portion of future cash compensation otherwise due to such grantee in the form of a Deferred Stock Award. Any such election shall be made in writing and shall be delivered to the Company no later than the date specified by the Administrator and in accordance with Section 409A and such other rules and procedures established by the Administrator. Any such future cash compensation that the grantee elects to defer shall be converted to a fixed number of phantom stock units based on the Fair Market Value of Stock on the date the compensation would otherwise have been paid to the grantee if such payment had not been deferred as provided herein. The Administrator shall have the sole right to determine whether and under what circumstances to permit such elections and to impose such limitations and other terms and conditions thereon as the Administrator deems appropriate.

(c) Rights as a Shareholder. A grantee shall have the rights as a shareholder only as to shares of Stock acquired by the grantee upon settlement of a Deferred Stock Award.

(d) Termination. Except as may otherwise be provided by the Administrator either in the Award Document or, subject to Section 18 below, in writing after the Award Document is issued, a grantee's right in all Deferred Stock Awards that have not vested shall automatically terminate upon the grantee's termination of employment (or cessation of service relationship) with the Company and its Subsidiaries for any reason.

SECTION 9. UNRESTRICTED STOCK AWARDS

(a) Grant or Sale of Unrestricted Stock. The Administrator may, in its sole discretion, grant (or sell at par value or such higher purchase price determined by the Administrator) an Unrestricted Stock Award under the Plan. Unrestricted Stock Awards may be granted in respect of past services or other valid consideration, or in lieu of cash compensation due to such grantee.

(b) Elections to Receive Unrestricted Stock In Lieu of Compensation. Upon the request of a grantee and with the consent of the Administrator, each grantee may, pursuant to an irrevocable written election delivered to the Company no later than the date or dates specified by the Administrator, receive a portion of the cash compensation otherwise due to him in Unrestricted Stock (valued at Fair Market Value on the date or dates the cash compensation would otherwise be paid). Such Unrestricted Stock shall be paid to the grantee at the same time as the cash compensation would otherwise be paid.

SECTION 10. CASH-BASED AWARDS

Grant of Cash-Based Awards. The Administrator may, in its sole discretion, grant Cash-Based Awards to any grantee in such number or amount and upon such terms, and subject to such conditions, as the Administrator shall determine at the time of grant. The Administrator shall determine the maximum duration of the Cash-Based Award, the amount of cash to which the Cash-Based Award pertains, the conditions upon which the Cash-Based Award shall become vested or payable, and such other provisions as the Administrator shall determine. Each Cash-Based Award shall specify a cash-denominated payment amount, formula or payment ranges as determined by the Administrator. Payment, if any, with respect to a Cash-Based Award shall be made in accordance with the terms of the Award and may be made in cash or in shares of Stock, as the Administrator determines.

SECTION 11. PERFORMANCE SHARE AWARDS

(a) Nature of Performance Share Awards. The Administrator may, in its sole discretion, grant Performance Share Awards independent of, or in connection with, the granting of any other Award under the Plan. The Administrator shall determine whether and to whom Performance Share Awards shall be granted, the Performance Goals, the periods during which performance is to be measured, which may not be less than one year, and such other limitations and conditions as the Administrator shall determine.

(b) Rights as a Shareholder. A grantee shall have the rights as a shareholder only as to shares of Stock acquired by the grantee upon settlement of a Deferred Stock Award.

(c) Termination. Except as may otherwise be provided by the Administrator either in the Award Document or, subject to Section 18 below, in writing after the Award Document is issued, a grantee's right in all Deferred Stock Awards that have not vested shall automatically terminate upon the grantee's termination of employment (or cessation of service relationship) with the Company and its Subsidiaries for any reason.

SECTION 12. DIVIDEND EQUIVALENT RIGHTS

(a) Dividend Equivalent Rights. A Dividend Equivalent Right may be granted hereunder to any grantee as a component of a Deferred Stock Award, Restricted Stock Award or Performance Share Award or as a freestanding award. The terms and conditions of Dividend Equivalent Rights shall be specified in the Award Document. Dividend equivalents credited to the holder of a Dividend Equivalent Right may be paid currently or may be deemed to be reinvested in additional shares of Stock, which may thereafter accrue additional equivalents. Any such reinvestment shall be at Fair Market Value on the date of reinvestment or such other price as may then apply under a dividend reinvestment plan sponsored by the Company, if any. Dividend Equivalent Rights may be settled in cash or shares of Stock or a combination thereof, in a single installment or installments. A Dividend Equivalent Right granted as a component of a Deferred Stock Award, Restricted Stock Award or Performance Share Award must provide that such Dividend Equivalent Right shall be subject to all of the same terms and conditions and settled upon settlement or payment of, or lapse of restrictions on, such other Award, and that such Dividend Equivalent Right shall expire or be forfeited or annulled under the same conditions as such other Award. A Dividend Equivalent Right granted as a component of a Deferred Stock Award, Restricted Stock Award or Performance Share Award may also contain terms and conditions different from such other Award. Further, the payment of dividends or dividend equivalents on unvested awards for all equity award types is prohibited.

(b) Interest Equivalents. Any Award under this Plan that is settled in whole or in part in cash on a deferred basis may provide in the grant for interest equivalents to be credited with respect to such cash payment. Interest equivalents may be compounded and shall be paid upon such terms and conditions as may be specified by the grant.

(c) Termination. Except as may otherwise be provided by the Administrator either in the Award Document or, subject to Section 18 below, in writing after the Award Document is issued, a grantee's rights in all Dividend Equivalent Rights or interest equivalents granted as a component of a Deferred Stock Award, Restricted Stock Award or Performance Share Award that has not vested shall automatically terminate upon the grantee's termination of employment (or cessation of service relationship) with the Company and its Subsidiaries for any reason.

SECTION 13. PERFORMANCE-BASED AWARDS

(a) Performance-Based Awards. Any employee or other key person providing services to the Company and who is selected by the Administrator may be granted one or more Performance-Based Awards in the form of a Restricted Stock Award, Deferred Stock Award, Performance Share Awards or Cash-Based Award payable upon the attainment of Performance Goals that are established by the Administrator and relate to one or more of the Performance Criteria, in each case on a specified date or dates or over any period or periods determined by the Administrator. The Administrator shall define in an objective fashion the manner of calculating the Performance Criteria it selects to use for any

Performance Period. Depending on the Performance Criteria used to establish such Performance Goals, the Performance Goals may be expressed in terms of overall Company performance or the performance of a division, business unit or an individual. The Administrator, in its discretion, may adjust or modify the calculation of Performance Goals for such Performance Period in order to prevent the dilution or enlargement of the rights of an individual (i) in the event of, or in anticipation of, any unusual or extraordinary corporate item, transaction, event or development, (ii) in recognition of, or in anticipation of, any other unusual or nonrecurring events affecting the Company, or the financial statements of the Company, or (iii) in response to, or in anticipation of, changes in applicable laws, regulations, accounting principles or business conditions.

(b) Payment of Performance-Based Awards. Following the completion of a Performance Cycle, the Administrator shall meet to review and certify in writing whether, and to what extent, the Performance Goals for the Performance Cycle have been achieved and, if so, to also calculate and certify in writing the amount of the Performance-Based Awards earned for the Performance Cycle. The Administrator shall then determine the actual size of each Performance-Based Award, and, in doing so, may reduce or eliminate the amount of the Performance-Based Award if, in its sole judgment, such reduction or elimination is appropriate.

SECTION 14. TRANSFERABILITY OF AWARDS

(a) Transferability. Except as provided in Section 14(b) below, during a grantee's lifetime, his or her Awards shall be exercisable only by the grantee, or by the grantee's legal representative or guardian in the event of the grantee's incapacity. No Awards shall be sold, assigned, transferred or otherwise encumbered or disposed of by a grantee other than by will or by the laws of descent and distribution or pursuant to a qualified domestic relations order. No Awards shall be subject, in whole or in part, to attachment, execution or levy of any kind, and any purported transfer in violation hereof shall be null and void.

(b) Administrator Action. Notwithstanding Section 14(a), the Administrator, in its discretion, may provide either in the Award Document regarding a given Award or by subsequent written approval that the grantee (who is an employee or director) may transfer his or her Awards (other than any Incentive Stock Options or Deferred Stock Awards) to his or her immediate family members, to trusts for the benefit of such family members, or to partnerships in which such family members are the only partners, provided that the transferee agrees in writing with the Company to be bound by all of the terms and conditions of this Plan and the applicable Award.

(c) Family Member. For purposes of Section 14(b), "family member" shall mean a grantee's child, stepchild, grandchild, parent, stepparent, grandparent, spouse, former spouse, sibling, niece, nephew, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law or sister-in-law, including adoptive relationships, any person sharing the grantee's household (other than a tenant of the grantee), a trust in which these persons (or the grantee) have more than 50 percent of the beneficial interest, a foundation in which these persons (or the grantee) control the management of assets, and any other entity in which these persons (or the grantee) own more than 50 percent of the voting interests.

(d) Designation of Beneficiary. Each grantee to whom an Award has been made under the Plan may designate a beneficiary or beneficiaries to exercise any Award or receive any payment under any Award payable on or after the grantee's death. Any such designation shall be on a form provided for that purpose by the Administrator and shall not be effective until received by the Administrator. If no beneficiary has been designated by a deceased grantee, or if the designated beneficiaries have predeceased the grantee, the beneficiary shall be the grantee's estate.

SECTION 15. TAX WITHHOLDING

(a) Payment by Grantee. Each grantee shall, no later than the date as of which the value of an Award or of any Stock or other amounts received thereunder first becomes includable in the gross income of the grantee for Federal income tax purposes, pay to the Company, or make arrangements satisfactory to the Administrator regarding payment of, any Federal, state or local taxes of any kind required by law to be withheld by the Company with respect to such income. The Company and its Subsidiaries shall, to the extent permitted by law, have the right to deduct any such taxes from any payment of any kind otherwise due to the grantee. The Company's obligation to deliver evidence of book entry (or stock certificates) to any grantee is subject to and conditioned on tax withholding obligations being satisfied by the grantee.

(b) Payment in Stock. Subject to approval by the Administrator, a grantee may elect to have the Company's minimum required tax withholding obligation satisfied, in whole or in part, by authorizing the Company to withhold from shares of Stock to be issued pursuant to any Award a number of shares with an aggregate Fair Market Value (as of the date the withholding is effected) that would satisfy the withholding amount due.

SECTION 16. SECTION 409A AWARDS

To the extent that any Award is determined to constitute "nonqualified deferred compensation" within the meaning of Section 409A (a "409A Award"), the Award shall be subject to such additional rules and requirements as specified by the Administrator from time to time in order to comply with Section 409A. In this regard, if any amount under a 409A Award is payable upon a "separation from service" (within the meaning of Section 409A) to a grantee who is then considered a "specified employee" (within the meaning of Section 409A), then no such payment shall be made prior to the date that is the earlier of (i) six months and one day after the grantee's separation from service, or (ii) the grantee's death, but only to the extent such delay is necessary to prevent such payment from being subject to interest, penalties and/or additional tax imposed pursuant to Section 409A. Further, the settlement of any such Award may not be accelerated except to the extent permitted by Section 409A.

SECTION 17. TRANSFER, LEAVE OF ABSENCE, ETC.

For purposes of the Plan, the following events shall not be deemed a termination of employment:

(a) a transfer to the employment of the Company from a Subsidiary or from the Company to a Subsidiary, or from one Subsidiary to another; or

(b) an approved leave of absence for military service or sickness, or for any other purpose approved by the Company, if the employee's right to re-employment is guaranteed either by a statute or by contract or under the policy pursuant to which the leave of absence was granted or if the Administrator otherwise so provides in writing.

SECTION 18. AMENDMENTS AND TERMINATION

The Board may, at any time, amend or discontinue the Plan and the Administrator may, at any time, amend or cancel any outstanding Award for the purpose of satisfying changes in law or for any other lawful purpose, but no such action shall adversely affect rights under any outstanding Award without the holder's consent. Except as provided in Section 3(c) or 3(d), without prior shareholder approval, in no event may the Administrator exercise its discretion to (i) reduce the exercise price of outstanding Stock Options or Stock Appreciation Rights or (ii) cancel any outstanding Option or Stock Appreciation Right that has an exercise price greater than the then current Fair Market Value of the Stock in exchange for cash or other Awards under the Plan. To the extent required under the rules of any securities exchange or market system on which the Stock is listed, to the extent determined by the Administrator to be required by the Code to ensure that Incentive Stock Options granted under the Plan are qualified under Section 422 of the Code, Plan amendments shall be subject to approval by the Company shareholders entitled to vote at a meeting of shareholders. Nothing in this Section 18 shall limit the Administrator's authority to take any action permitted pursuant to Section 3(d).

SECTION 19. STATUS OF PLAN

With respect to the portion of any Award that has not been exercised and any payments in cash, Stock or other consideration not received by a grantee, a grantee shall have no rights greater than those of a general creditor of the Company unless the Administrator shall otherwise expressly determine in connection with any Award or Awards. In its sole discretion, the Administrator may authorize the creation of trusts or other arrangements to meet the Company's obligations to deliver Stock or make payments with respect to Awards hereunder, provided that the existence of such trusts or other arrangements is consistent with the foregoing sentence.

SECTION 20. GENERAL PROVISIONS

(a) No Distribution. The Administrator may require each person acquiring Stock pursuant to an Award to represent to and agree with the Company in writing that such person is acquiring the shares without a view to distribution thereof.

(b) Delivery of Stock Certificates. Stock certificates to grantees under this Plan shall be deemed delivered for all purposes when the Company or a stock transfer agent of the Company shall have mailed such certificates in the United States mail, addressed to the grantee, at the grantee's last known address on file with the Company. Uncertificated Stock shall be deemed delivered for all purposes when the Company or a Stock transfer agent of the Company shall have given to the grantee by electronic mail (with proof of receipt) or by United States mail, addressed to the grantee, at the grantee's last known address on file with the Company, notice of issuance and recorded the issuance in its records (which may include electronic "book entry" records). Notwithstanding anything herein to the contrary, the Company shall not be required to issue or deliver any certificates evidencing shares of Stock pursuant to the exercise of any Award, unless and until the Administrator has determined, with advice of counsel (to the extent the Administrator deems such advice necessary or advisable), that the issuance and delivery of such certificates is in compliance with all applicable laws, regulations of governmental authorities and, if applicable, the requirements of any exchange on which the shares of Stock are listed, quoted or traded. All Stock certificates delivered pursuant to the Plan shall be subject to any stop-transfer orders and other restrictions as the Administrator deems necessary or advisable to comply with federal, state or foreign jurisdiction, securities or other laws, rules and quotation system on which the Stock is listed, quoted or traded. The Administrator may place legends on any Stock certificate to reference restrictions applicable to the Stock. In addition to the terms and conditions provided herein, the Administrator may require that an individual make such reasonable covenants, agreements, and representations as the Administrator, in its discretion, deems necessary or advisable in order to comply with any such laws, regulations or requirements. The Administrator shall have the right to require any individual to comply with any timing or other restrictions with respect to the settlement or exercise of any Award, including a window-period limitation, as may be imposed in the discretion of the Administrator.

(c) Shareholder Rights. Until Stock is deemed delivered in accordance with Section 20(b), no right to vote or receive dividends or any other rights of a shareholder will exist with respect to shares of Stock to be issued in connection with an Award, notwithstanding the exercise of a Stock Option or any other action by the grantee with respect to an Award.

(d) Other Compensation Arrangements; No Employment Rights. Nothing contained in this Plan shall prevent the Board from adopting other or additional compensation arrangements, including trusts, and such arrangements may be either generally applicable or applicable only in specific cases. The adoption of this Plan and the grant of Awards do not confer upon any employee any right to continued employment with the Company or any Subsidiary.

(e) Trading Policy Restrictions. Option exercises and other Awards under the Plan shall be subject to the Company's insider trading policies and procedures, as in effect from time to time.

(f) Forfeiture or Recoupment of Awards. A grantee's rights with respect to any Award under this Plan shall in all events be subject to (a) all rights that the Company may have under any Company written clawback or recoupment policy or other written agreement or arrangement with the grantee and (b) all rights and obligations that the Company may have regarding the clawback of "incentive-based compensation" under Section 10D of the Exchange Act, the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 and any applicable rules and regulations promulgated thereunder from time to time by the U.S. Securities and Exchange Commission in effect on the grant date or thereafter.

SECTION 21. EFFECTIVE DATE OF PLAN

This Plan shall become effective upon approval by Company shareholders at which a quorum is present (the "Effective Date"). No grants of Stock Options and other Awards may be made hereunder after the date that is the tenth anniversary of the Effective Date.

SECTION 22. GOVERNING LAW

This Plan and all Awards and actions taken thereunder shall be governed by, and construed in accordance with, the laws of the Commonwealth of Massachusetts, applied without regard to conflict of law principles.

CERTIFICATION

I, Yogesh K. Gupta, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Progress Software Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure control and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: June 30, 2026

/s/ YOGESH K. GUPTA

Yogesh K. Gupta
President and Chief Executive Officer
(Principal Executive Officer)

CERTIFICATION

I, Anthony Folger, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Progress Software Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure control and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: June 30, 2026

/s/ ANTHONY FOLGER

Anthony Folger

Executive Vice President and Chief Financial Officer
(Principal Financial Officer)

Certification Pursuant To 18 U.S.C. Section 1350, As Adopted Pursuant To Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Quarterly Report on Form 10-Q of Progress Software Corporation (the "Company") for the three months ended May 31, 2026, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), each of the undersigned, Yogesh K. Gupta, President and Chief Executive Officer, and Anthony Folger, Executive Vice President and Chief Financial Officer, of the Company, certifies, to the best knowledge and belief of the signatory, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ YOGESH K. GUPTA

President and Chief Executive Officer

Date: June 30, 2026

/s/ ANTHONY FOLGER

Executive Vice President and Chief Financial Officer

Date: June 30, 2026