Supplemental 3Q’23 Earnings Presentation

November 1, 2023

ZETA

Forward-Looking Statements and Non-GAAP Measures

This presentation, together with other statements and information publicly disseminated by the Company, contains certain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. The Company intends such forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995 and includes this statement for purposes of complying with these safe harbor provisions. Any statements made in this presentation or during the earnings call that are not statements of historical fact, including statements about our fourth quarter and full year 2023 guidance, the Zeta 2025 targets, and the timing of when we will achieve the Zeta 2025 plan targets, our ability to execute on KPIs and grow our scaled customers, the capabilities of AI and Zeta's platform, and the growth and expansion of the Zeta Marketing Platform are forward-looking statements and should be evaluated as such. Forward-looking statements include information concerning our anticipated future financial performance, our market opportunities and our expectations regarding our business plan and strategies. These statements often include words such as "anticipate," "expect," "suggests," "plan," "believe," "intend," "estimates," "targets," "projects," "should," "could," "would," "may," "will," "forecast," "outlook, "guidance" and other similar expressions. We base these forward-looking statements on our current expectations, plans and assumptions that we have made in light of our experience in the industry, as well as our perceptions of historical trends, current conditions, expected future developments and other factors we believe are appropriate under the circumstances at such time. Although we believe that these forward-looking statements are based on reasonable assumptions at the time they are made, you should be aware that many factors could affect our business, results of operations and financial condition and could cause actual results to differ materially from those expressed in the forward-looking statements. These statements are not guarantees of future performance or results. The forward-looking statements are subject to and involve risks, uncertainties and assumptions, and you should not place undue reliance on these forward-looking statements. These cautionary statements should not be construed by you to be exhaustive and the forward-looking statements are made only as of the date of this presentation. We undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by applicable law.

The fourth quarter and full year 2023 guidance and Zeta 2025 targets provided herein are based on Zeta's current estimates and assumptions and are not a guarantee of future performance. The guidance provided and Zeta 2025 targets are subject to significant risks and uncertainties, including the risk factors discussed in the Company's reports on file with the Securities and Exchange Commission, that could cause actual results to differ materially. There can be no assurance that the Company will achieve the results expressed by this guidance or the targets.

This presentation contains non-GAAP financial measures such as adjusted EBITDA, adjusted EBITDA margin, and free cash flow ("FCF"). These measures are not prepared in accordance with generally accepted accounting principles in the United States of America ("GAAP") and have important limitations as analytical tools. Non-GAAP financial measures are supplemental, should only be used in conjunction with results presented in accordance with GAAP and should not be considered in isolation or as a substitute for such GAAP results. Refer to the Appendix of this presentation for (i) the definitions of the non-GAAP measures used in this presentation and (ii) a reconciliation of the non-GAAP financial measures used herein to the most directly comparable financial measures calculated and presented in accordance with GAAP.

3Q'23 Zeta Earnings Summary

1 Consistent Execution

- 9th consecutive quarter ahead of guidance
- 6 out of 10 industries growing greater than 25% Y/Y
- On track to achieve Zeta 2025 plan early[3]

2 Accelerating Profitability

- Leverage driven by top line growth from new scaled customers combined with OpEx discipline
- 11th straight quarter of expanding Adj. EBITDA margins Y/Y

3 Growing Brand Awareness

- ZETA LIVE Audience up 50% Y/Y
- Leader in IDC's Omni-channel Marketing Platforms report
- Added 15 scaled customers Q/Q translating to 45 unique brands

3Q'23 RESULTS	REVENUE	ADJ. EBITDA[1,2]	ADJ. EBITDA MARGIN[1,2]	CASH FROM OPS
	$189M	**$34M**	**17.9%**	**$23M**
	24% *Y/Y GROWTH*	**51%** *Y/Y GROWTH*	**310 BPS** *Y/Y EXPANSION*	**17%** *Y/Y GROWTH*

See slide 35 for footnote definitions

Consistent Execution with Strong Underlying Fundamentals

Scaled Customer Count

TOTAL SCALED[4]
440
+13% Y/Y

2Q'23: 425
3Q'22: 389

SUPER-SCALED[5]
124
+17% Y/Y

2Q'23: 118
3Q'22: 106

Scaled Customer ARPU

TOTAL SCALED[6]
$418K

2Q'23: $392K
3Q'22: $382K

SUPER-SCALED[7]
$1.2M

2Q'23: $1.1M
3Q'22: $1.1M

Industry Verticals

6 of the Top 10 Verticals Grew Greater Than 25%

GAAP Cost of Revenue

38.9%

2Q'23: 36.1%
3Q'22: 37.8%

Direct Revenue Mix[8]

70%

2Q'23: 75%
3Q'22: 74%

Quota Carrier Headcount

YTD 132

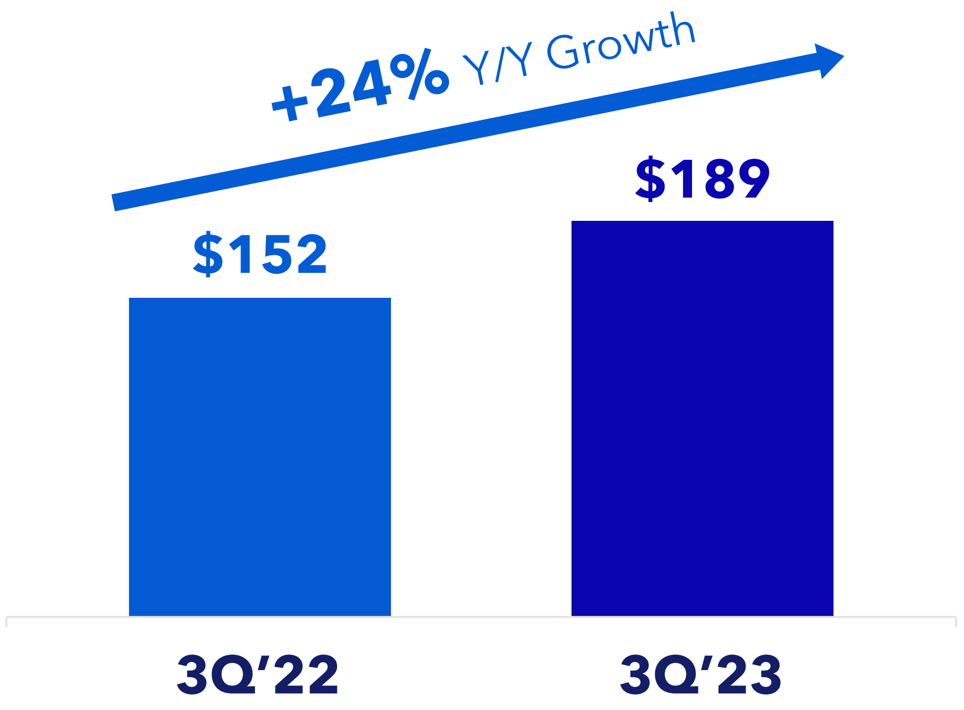
2Q'23: 130
3Q'22: 118

See slide 35 for footnote definitions

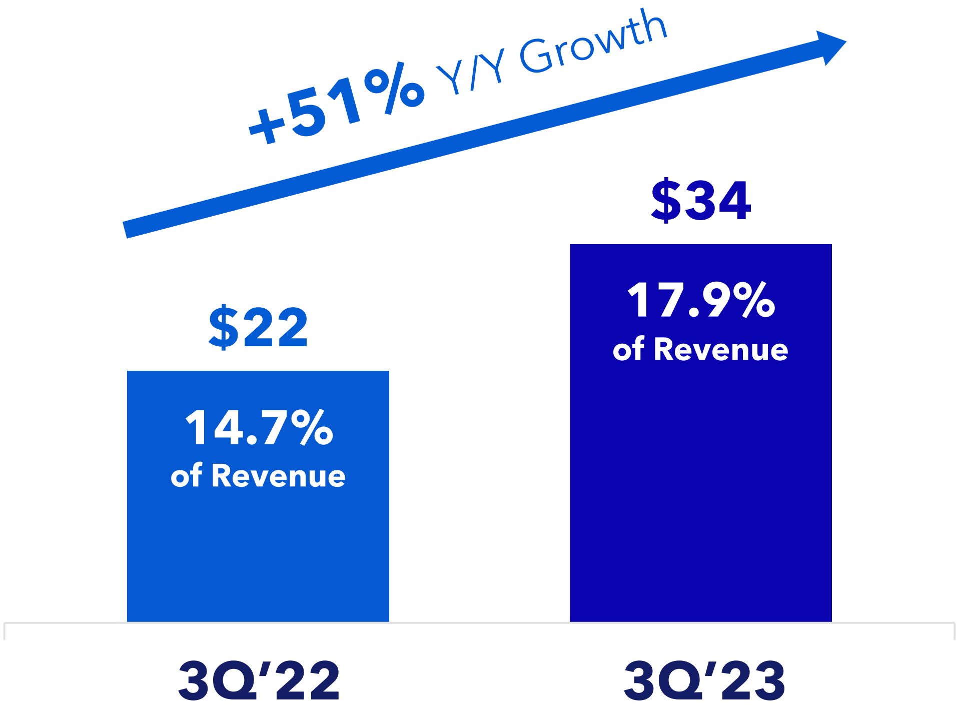
See appendix for definitions of non-GAAP metrics used herein and reconciliations to the most directly comparable GAAP metric

Adj. EBITDA Continuing to Grow Even Faster than Revenue

Revenue Growth



Adjusted EBITDA[1,2] Growth



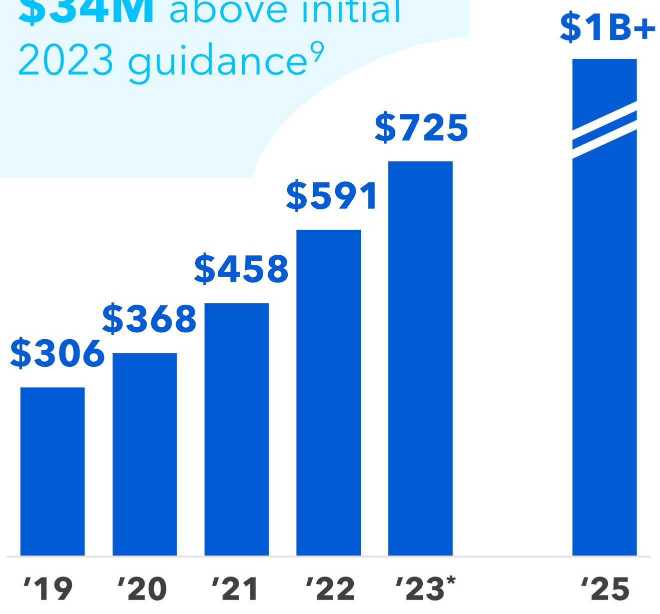
See slide 35 for footnote definitions | $ in millions unless otherwise noted

Expected to Achieve our Zeta 2025 Targets Early

2025 REVENUE TARGET

$1B+

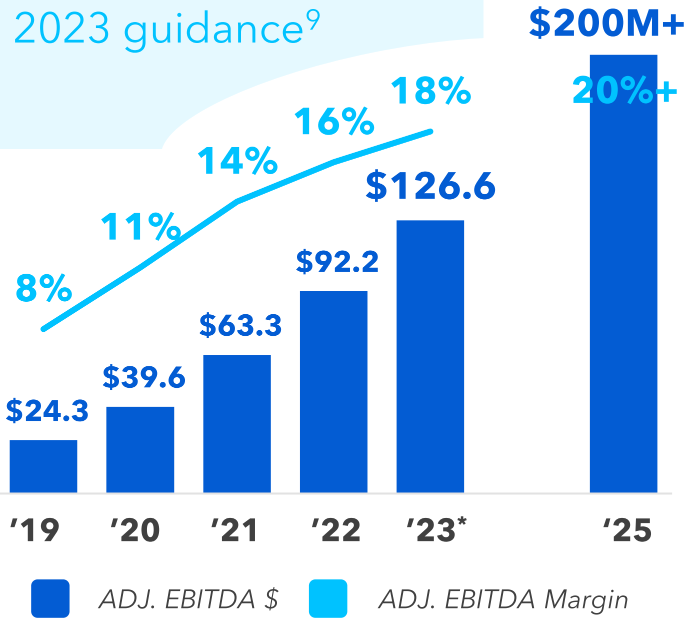
$34M above initial 2023 guidance[9]



2025 ADJ. EBITDA TARGET[1,2]

$200M+

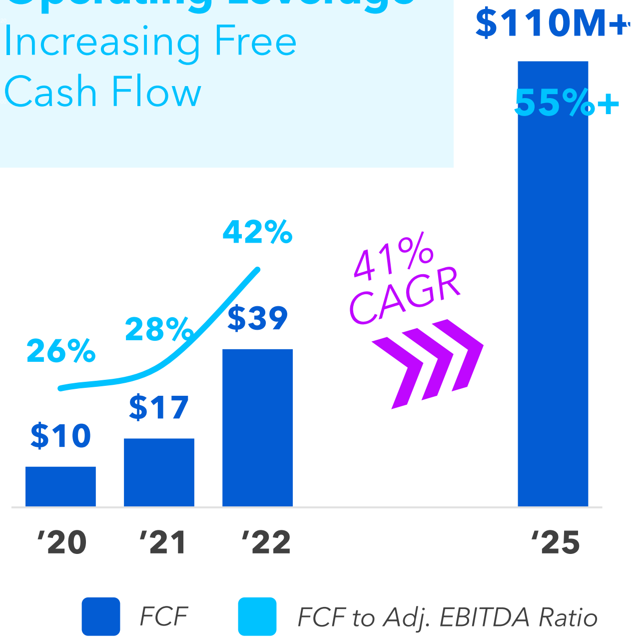
$9.2M above initial 2023 guidance[9]



FCF TARGET[2]

$110M+

Operating Leverage Increasing Free Cash Flow



See slide 35 for footnote definitions | *See FY'23 Guidance outlined on slide 13

See appendix for definitions of non-GAAP metrics used herein and reconciliations to the most directly comparable GAAP metric

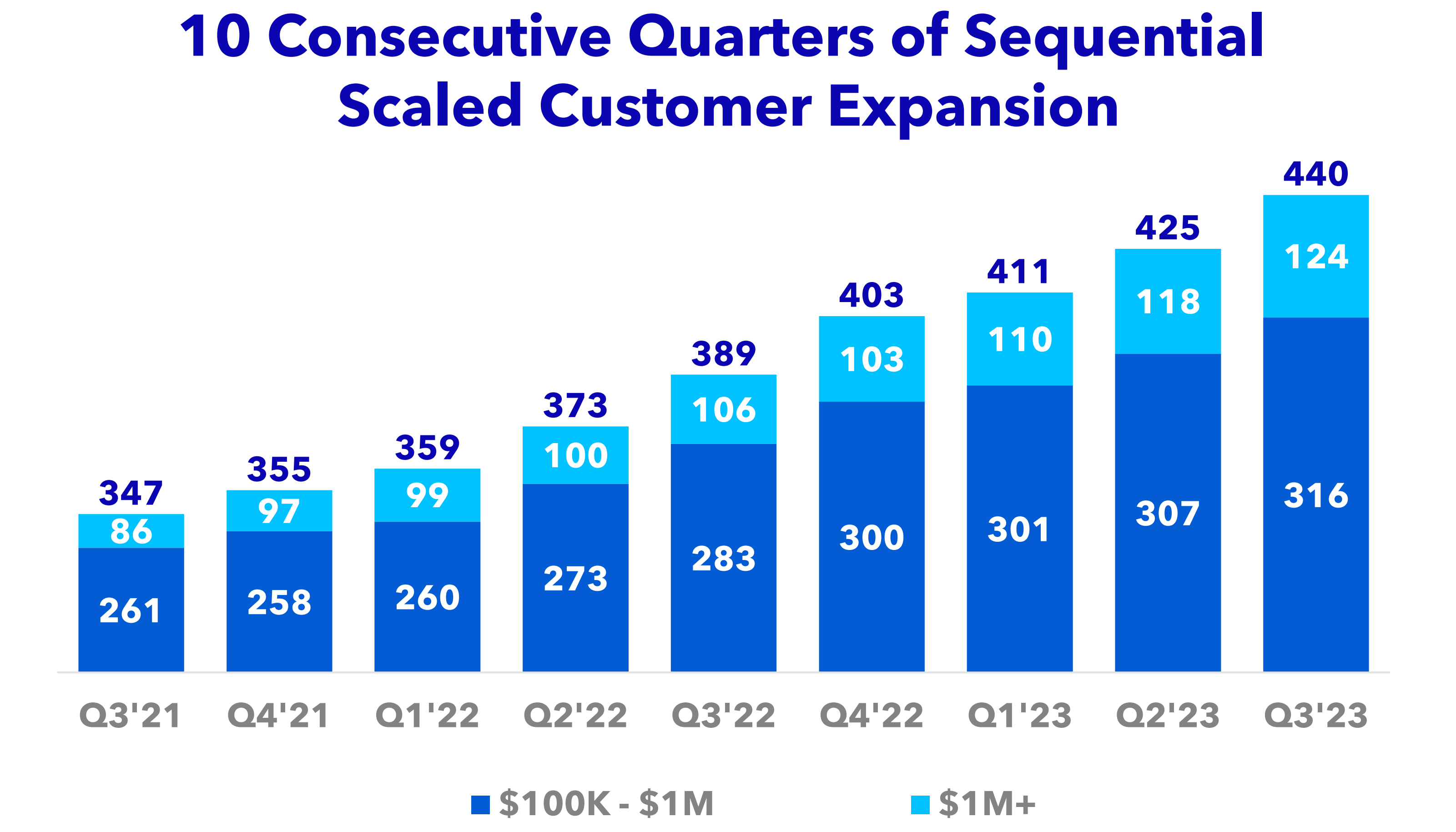
Updating the Original Zeta 2025 Model based upon the Last 6 Quarters of KPIs

	Original 2025 Model *(vintage Feb. '22)*	**TTM**	**Updated 2025 Model**
Scaled Customer Count[4]	6%	12%	**8% – 12%**
Scaled Customer ARPU[6]	14%	12%	**8% – 12%**
Direct Mix % of Revenue[8]	~80%	74%	**75% +/–**
NRR[16]	110% – 115%	112%	**110% – 115%**
Sales Headcount *% Y/Y HC Growth*	250 *~25%*	130 *Mid teens growth*	**~185 – 200** *Mid to high teens growth*

See slide 35 for footnote definitions

See appendix for definitions of non-GAAP metrics used herein and reconciliations to the most directly comparable GAAP metric

Scaled Customer Count is Tracking Ahead of the Zeta 2025 Target



3Q'23 Y/Y Growth:

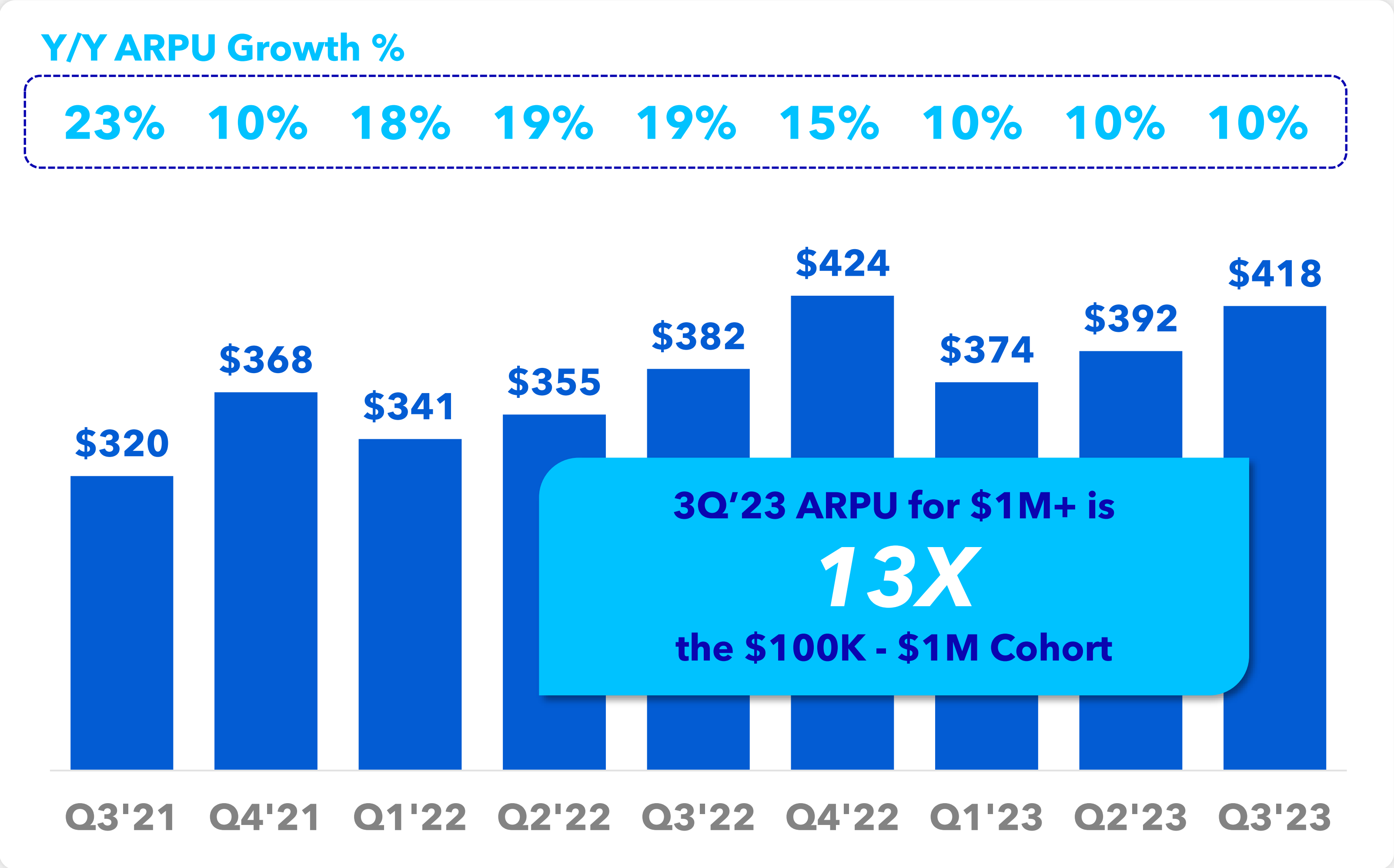
13%

ZETA 2025 MODELED CAGR:

8-12%

See slide 35 for footnote definitions

13th Consecutive Quarter of Double-digit Scaled Customer ARPU Growth



2Q'23 Y/Y Growth:

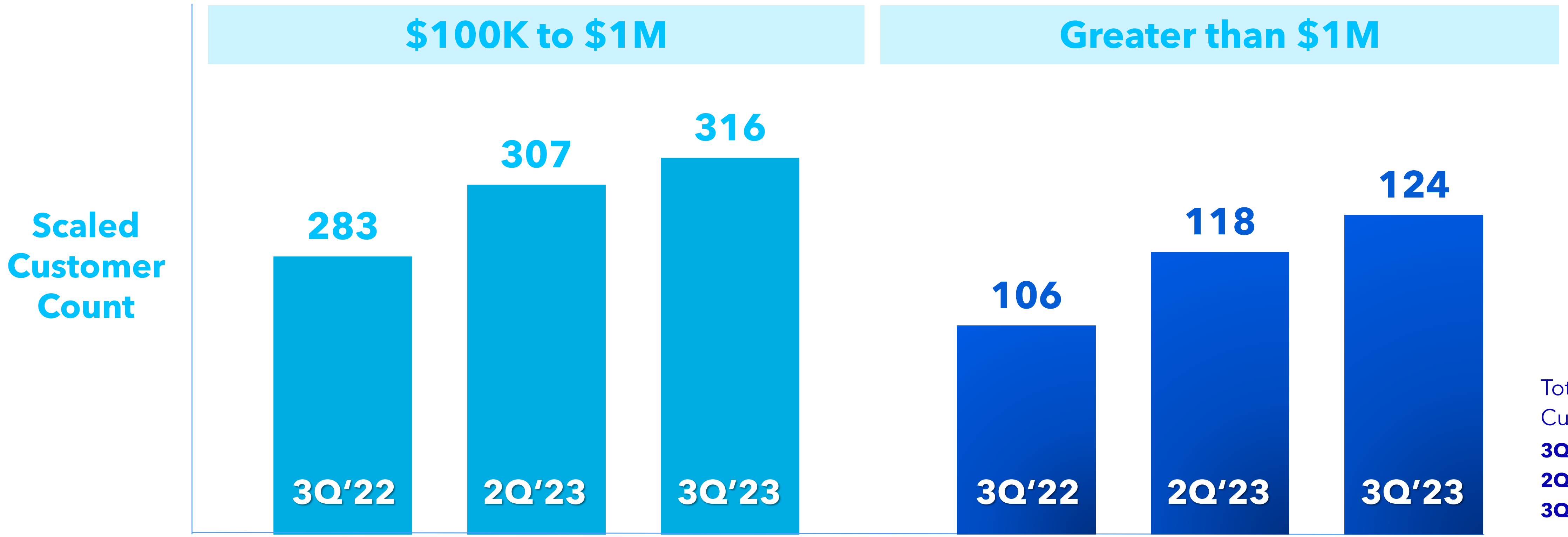
10%

ZETA 2025 MODELED CAGR:

8-12%

See slide 35 for footnote definitions | $ in thousands, unless otherwise noted

Multi-Channel Adoption by Scaled Customers is Driving ARPU Expansion



Total Scaled Customers
3Q'22: 389
2Q'23: 425
3Q'23: 440

Quarterly ARPU	**$94**	**$109**	**$95**	**$1,149**	**$1,127**	**$1,241**	***13X OPP.***
Avg. Channels Per	**1.7**	**1.7**	**1.8**	**2.6**	**2.9**	**3.0**	***~70%***

See slide 35 for footnote definitions | $ in thousands, unless otherwise noted

See appendix for definitions of non-GAAP metrics used herein and reconciliations to the most directly comparable GAAP metric

The Longer Our Customers Stay With Us, The Bigger They Become

- **~90% Revenue** driven by scaled customers who have been with Zeta >1 year
- Proven ability to **scale pilots in year 1**

FY'22 Scaled Customer ARPU

	<1 Year	1-3 Years	3+ Years
Scaled Customer Count	77	112	214
Scaled Customer Revenue	$52M	$158M	$367M

See slide 35 for footnote definitions | The data on this slide is as of 12/31/22

4Q'23 & FY'23 Guidance

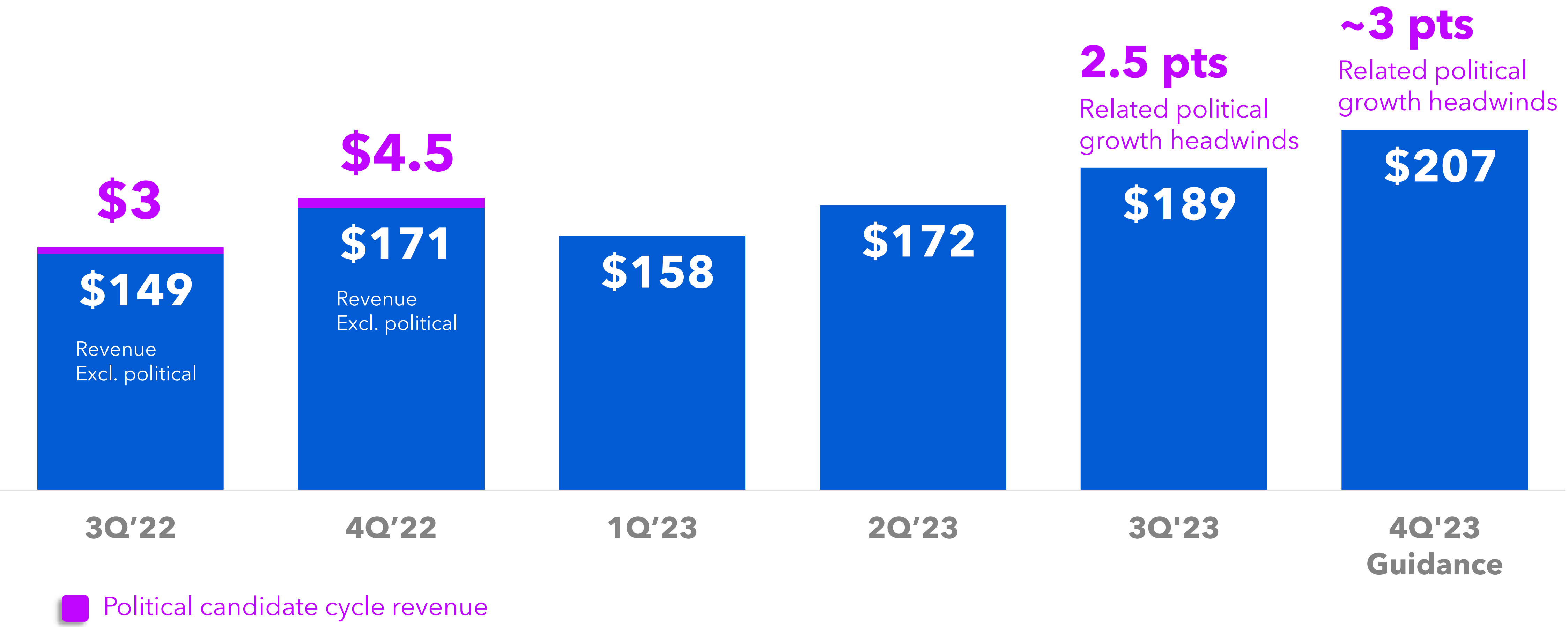
Guidance: Balanced Growth and Operating Leverage

	4Q'23 Guidance Range	FY'23 Guidance Range	4Q'23 Guidance Midpoint	FY'23 Guidance Midpoint
Prior Guidance	-	$712M - $718M	$206.5M	$715M
Total Zeta Revenue	**$205M - $209M** Includes $1.3M of M&A	**$723M – $727M** Includes $5.2M of M&A	**$207M** Includes $1.3M of M&A	**$725M** Includes $5.2M of M&A
% Growth Y/Y	*17% – 19%*	*22% – 23%*	*18%*	*23%*
Prior Guidance	-	$124.2M - $124.8M	$41.7M	$124.5M
Adj. EBITDA[1]	**$41.7M - $42.2M**	**$126.3M – $126.8M**	**$42.0M**	**$126.6M**
% Growth Y/Y	*29% – 30%*	*37% – 38%*	*29%*	*37%*
Adj. EBITDA Margin[1]	20.0% – 20.6%	17.4% – 17.5%	20.3%	17.5%
BPS Change Y/Y	150 BPS – 210 BPS	180 BPS – 190 BPS	180 BPS	190 BPS

These are not projections; they are goals/targets and are forward-looking, subject to significant business, economic, and competitive uncertainties and contingencies, many of which are beyond the control of the Company and its management and are based upon assumptions with respect to future decisions, which are subject to change. Actual results may vary, and those variations may be material. Nothing in this presentation should be regarded as a representation by any person that these goals/targets will be achieved, and the Company undertakes no duty to update its goals.
We calculate forward-looking non-GAAP Adjusted EBITDA and Adjusted EBITDA margin based on internal forecasts that omit certain amounts that would be included in forward-looking GAAP net income (loss). We do not attempt to provide a reconciliation of forward-looking non-GAAP Adjusted EBITDA and Adjusted EBITDA margin guidance to forward looking GAAP net income (loss) because forecasting the timing or amount of items that have not yet occurred and are out of our control is inherently uncertain and unavailable without unreasonable efforts. Further, we believe that such reconciliations would imply a degree of precision and certainty that could be confusing to investors. Such items could have a substantial impact on GAAP measures of financial performance.

See appendix for definitions of non-GAAP metrics used herein and reconciliations to the most directly comparable GAAP metric

Anticipating ~3 Point Growth Headwind in 4Q'23 from Prior Year Political Candidate Revenue Comparison



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Estimated Stock-based Compensation Expense

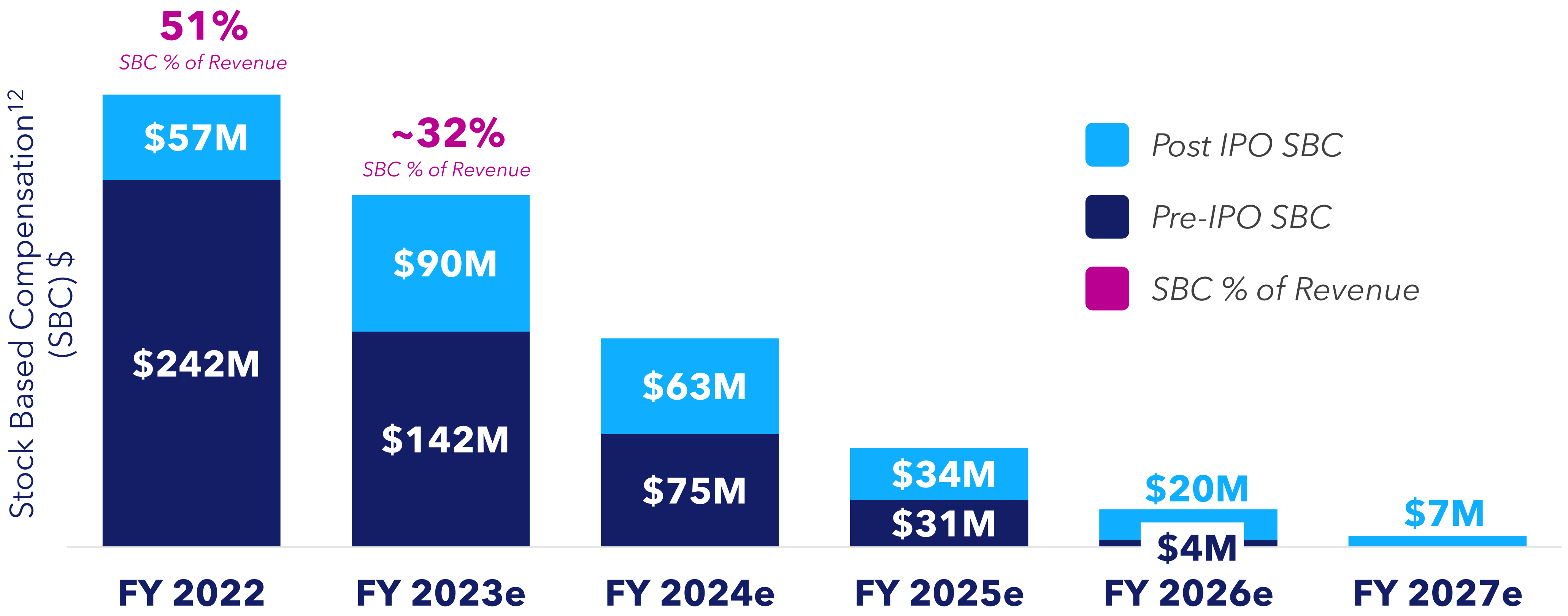
	Stock Compensation Expense ($M)	FY'22	1Q'23	2Q'23	3Q'23	FY'23E	FY'24E	FY'25E	FY'26E	FY'27E
1	Pre-IPO	$242.4	$43.0	$36.9	$32.5	$142.3	$74.6	$31.2	$4.5	$0.1
2	+ Post-IPO Grants Issued to Date	$56.5	$21.5	$20.7	$25.2	$90.2	$63.3	$34.0	$20.4	$7.3
3	+ New Grants to be Issued					**+ Expect to issue 6-8M shares annually**				
	P&L Expense	**$298.9**	**$64.5**	**$57.6**	**$57.7**	**Total = 1 + 2 + 3**				

Notes:
1) All amounts shown above are in $ millions.
2) Stock-based compensation shown above are estimates.
3) The stock-based compensation estimate presented here is based on the unvested stock as of 09/30/2023 and does not include any future grants. Further, the Company estimates to grant approximately 6M-8M restricted stock on an annual, go-forward basis.

Number of shares	3Q'23
Basic (weighted average)	158.1
Fully Diluted *	216.4

*Since the Company is in a net loss position, the diluted shares have not been considered for EPS calculations as they are anti-dilutive.

Estimated Stock-based Compensation Expense



Share Dilution % 4.6% → ~4.5% → Long-term target: Less than 3%

See slide 35 for footnote definitions
Compensation changes require Board approval.

The Market is Moving To Zeta

Being a **Sophisticated Marketer** Is Harder Than Ever

With fragmented tools, processes, and poorly integrated data, 55% of marketers cannot identify the right strategies to engage customers, impacting ROI.

Forrester, June 2023

Zeta Consolidates the Fragmented Marketing Landscape

Data Management
(CDPs)

+

Marketing Automation
(Marketing Clouds & ESPs)

+

Paid Media
(Programmatic, DSPs)

How brands create a unified customer database that can identify and create audiences

How brands effectively reach and manage customers via owned channels, like email and websites

How brands acquire new customers through paid channels, like display, CTV and social

We are Recognized as a Leader[10]

2023 RealCDP CERTIFIED

Gartner peerinsights

IDC

FORRESTER

constellation ShortList 2023

Zeta Consolidates the Fragmented Marketing Landscape

ZETA

The ***Zeta Marketing Platform*** *(ZMP) consolidates all 3*

Data Management *(CDPs)*

segment

mparticle

TREASURE DATA

MERKLE

+

salesforce

Adobe

ORACLE

Marketing Automation *(Marketing Clouds & ESPs)*

klaviyo

cordial

braze

ITERABLE

Epsilon

Paid Media *(Programmatic, DSPs)*

theTradeDesk

MiQ

CONVERSANT

Quantcast

Why does Consolidating a Fragmented Market Matter?

"Despite massive investments in data and technology, marketers still struggle to personalize more than 50% of their customer interactions, and that number is a lot lower for personalizing journeys. Personalization at scale is crucial to customer experience, loyalty, and lifetime value. As a result, ***we're seeing an uptick in replacement of older mar-tech solutions in favor of modern platforms with deeper engagement, intelligence, and data capabilities****."*

- Gerry Murray, Research Director, Enterprise Marketing Technology at IDC

The Personalization Gap:

71% Of consumers expect companies to deliver **personalization**

15% Companies that think they do it well

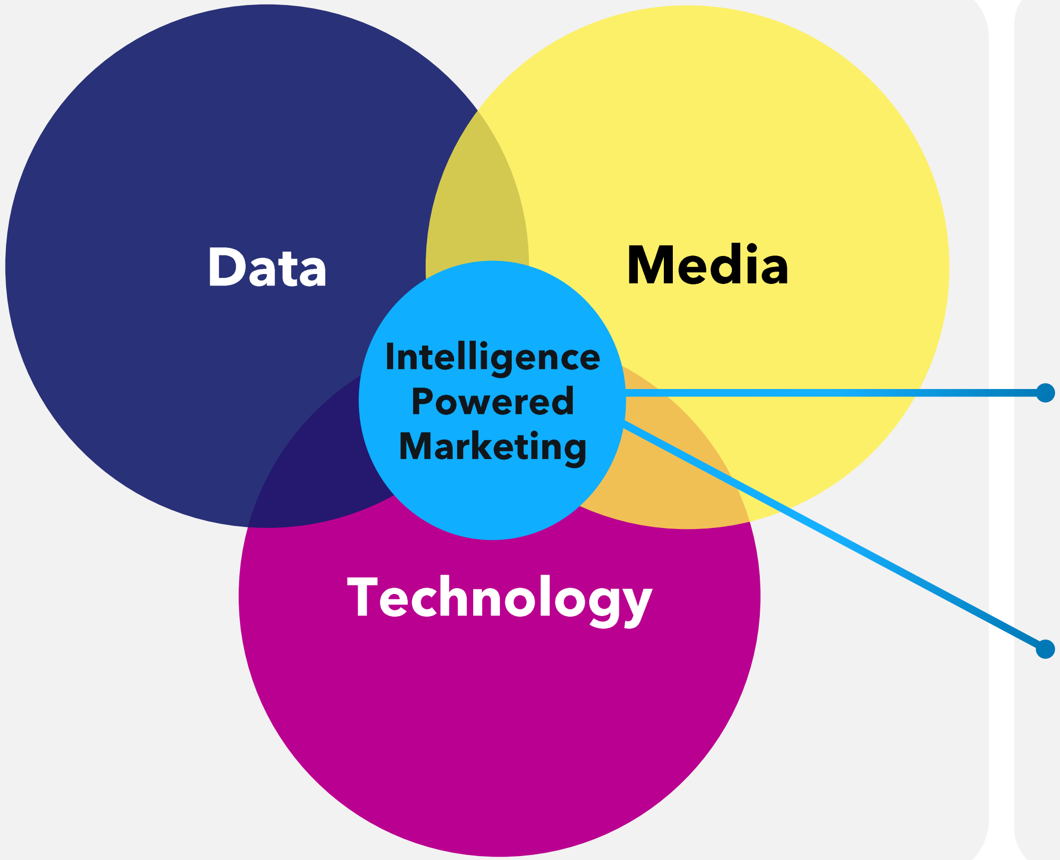
Zeta addresses the gap left by legacy systems and vendors, all while delivering a lower TCO and higher ROI

The Intelligence Powered Era is Breaking Boundaries

OMNI-CHANNEL ENGAGEMENT

SIGNALS

IDENTITY



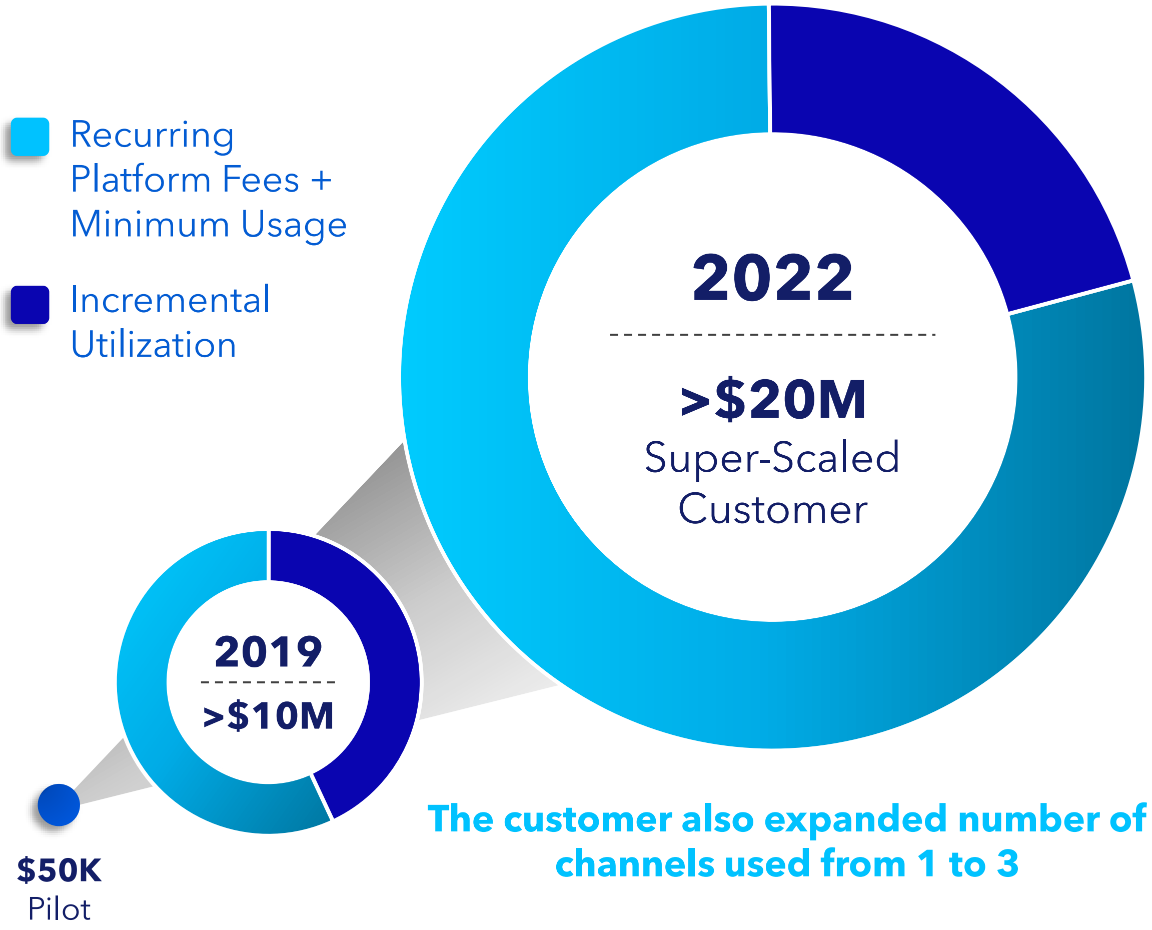
	U.S. TAM[13] 2023	CAGR[13] '23 – '25
	MarTech $19B	14%
	IPM Intelligence Powered Media $64B	12%

See slide 35 for footnote definitions

CASE STUDY:
ACQUIRE
Insurance Customer

ZMP Helps Customers Realize A Strong ROI

Zeta's Revenue Scales With Platform Expansion



The customer also expanded number of channels used from 1 to 3

LAND

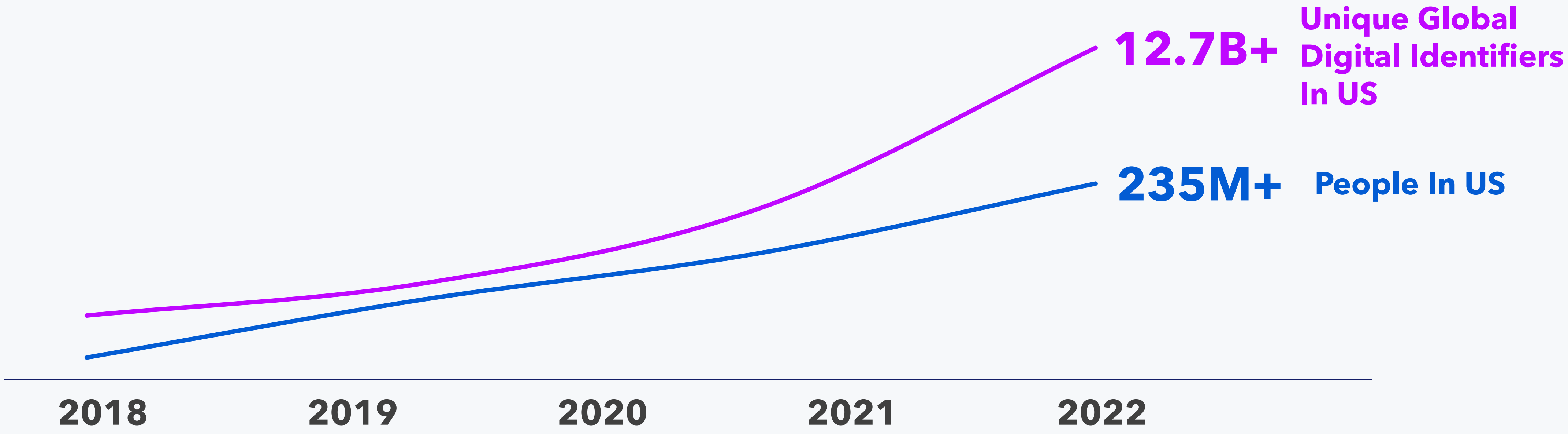
- Started as **$50k pilot**
- Started with **1 channel & 1 use case**
- **Started as a spoke** in the customer's $2B+ marketing ecosystem

EXPAND

- **Reduced** Customer Acquisition Cost **(CAC) by >150%**
- Expanded into **3 channels**
- Committed to **larger annual spend**

Our Data Is Durable

In an Evolving Data Privacy Environment, Zeta's Proprietary Identity Data Set has Consistently Grown



Data Privacy Regulation & Browser Updates

GDPR

Apple ITP 2.1/2.2

TCF 2.0

Google SameSite

CCPA

Apple IDFA

The data on this slide is as of 12/31/22

3 Pillars of Zeta's Data Cloud

IDENTITY

Create a real-time 360-degree view of an individual using durable identifiers from multiple sources

SIGNALS

Capture interest and intent through Artificial Intelligence to enrich customer data sets

CONNECTIVITY

Attach identity to an individual and activate to deliver personalized experiences at scale

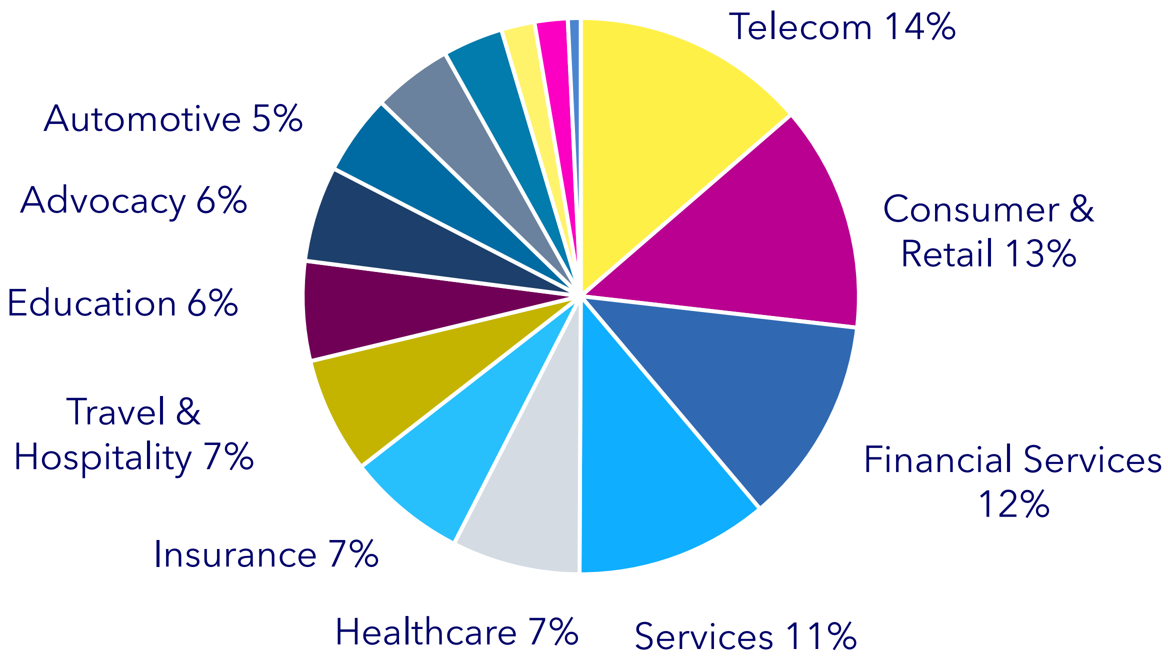
Click Here for a Video Series of Commonly Asked Questions About the Zeta Data Cloud Including Use Cases

Selected
Investor Day Slides

As of September 27, 2023

We benefit from serving a diverse set of industry verticals...

2Q'23 TTM[11] Revenue by Vertical



Well Diversified Customer Set

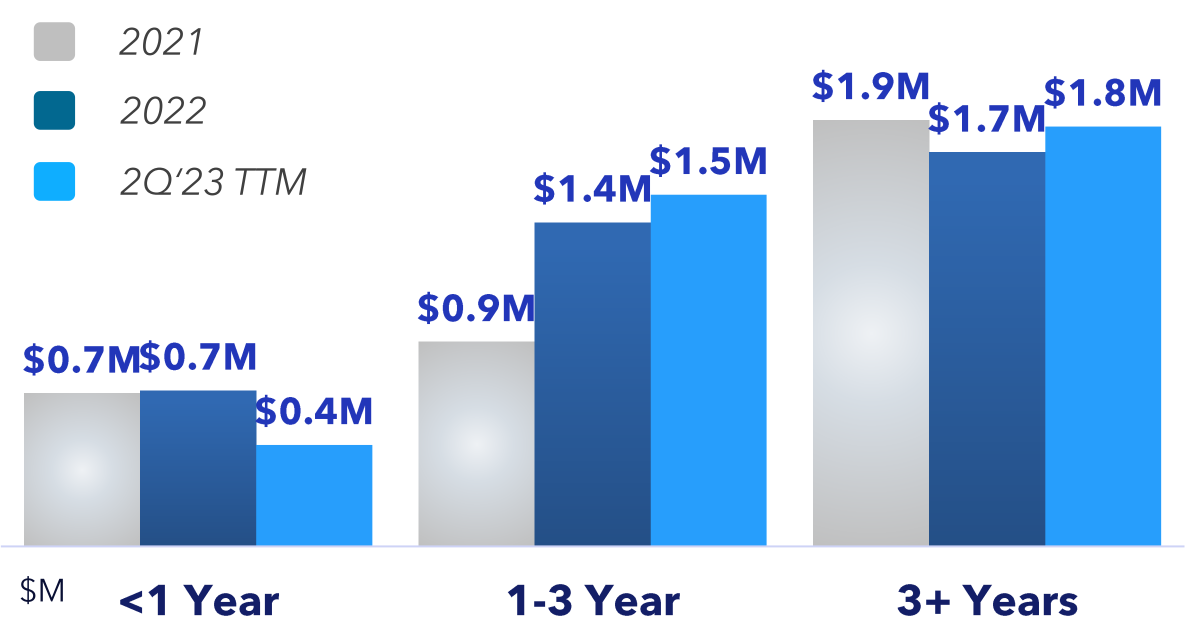
- Low concentration
- 15 different industry verticals served
- 6 of top 10 verticals growing greater than 20% on a TTM basis; 11 out of 15 up over prior TTM
- Insurance and Automotive still the most challenged.

See slide 35 for footnote definitions

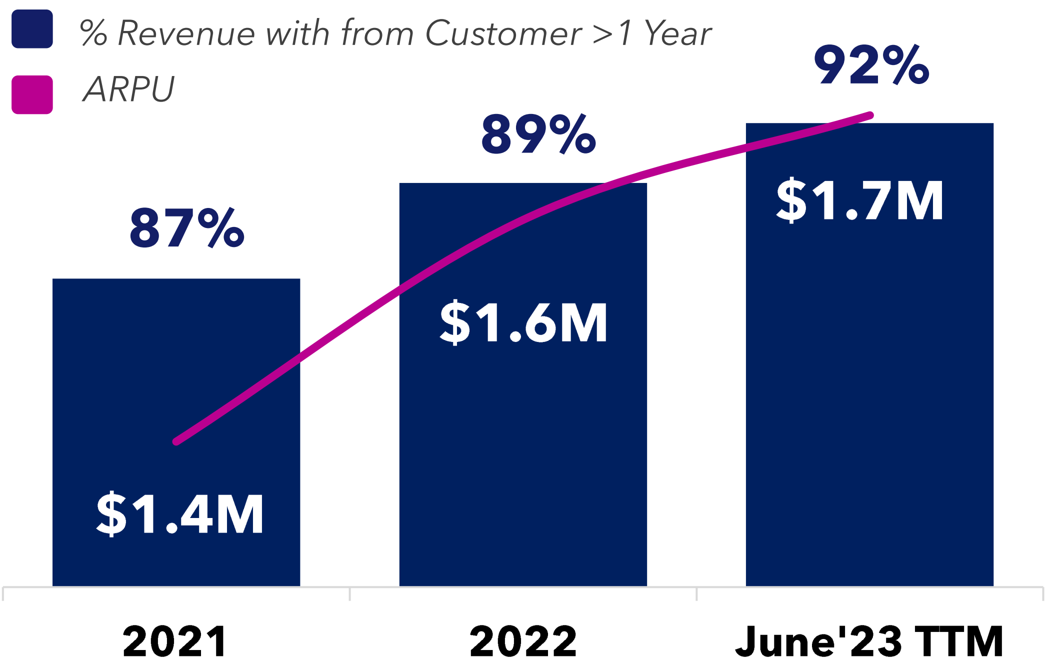
As of September 27, 2023

Our flywheel of better intelligence leading to better ROI increases spend & stickiness

Scaled Customer Cohort ARPU[6] by Tenure



% of Revenue from Customers > 1 Year



See slide 35 for footnote definitions

As of September 27, 2023

As of September 27, 2023

There's more to our scaled customer count than meets the eye...

2Q'23 Total Scaled Customers[4]: **425**

+ 352

of the 425 are **single brands**

+ 55

of the 425 are with customers who work with **2-3 brands**

+ 18

of the 425 are with customers who work with **4+ brands**

See slide 35 for footnote definitions

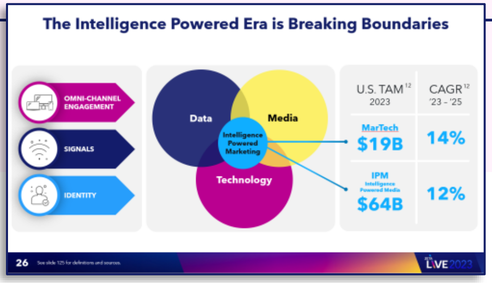
~590 Zeta supported unique brands

Today, each agency and multi-brand enterprise Zeta works with **counts as 1 scaled customer**

Within those customer relationships, **Zeta works with ~148 additional brands** who all have the power to grow

Strong growth in recurring and reoccurring revenue, both well ahead of the market

	1H'21 Mix %	1H'21 Revenue	1H'23 Mix %	1H'23 Revenue	2-year Rev CAGR	Annual Market Growth Forecast[13]
Recurring[14]	46%	$95	47%	$155	**28%**	**14%**
Reoccurring[15]	54%	$113	53%	$174	**24%**	**12%**
Total Zeta	100%	$208	100%	$329	**26%**	

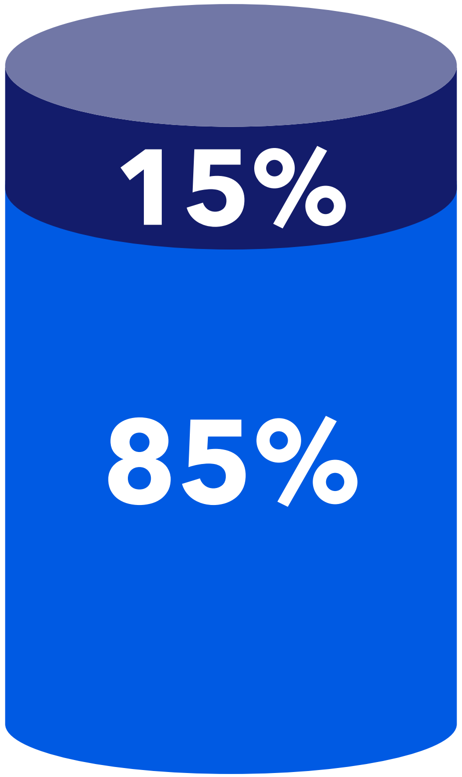


 See slide 35 for footnote definitions

As of September 27, 2023

High degree of revenue visibility resulting from a track record of loyal customers

100%



425 total scaled customers

or **74 of 425 scaled customers** have Remaining Performance Obligations (RPO)

or **351 of 425 Scaled Customers** have termination for convenience clauses

T4C clauses make the **contracting process faster and easier for our customers.** However, it prevents the reporting of a higher RPO.

Two

# of times a scaled customer invoked the termination for convenience clause **in the last 12 months**

As of September 27, 2023

The path to higher FCF[1,2] conversion has multiple drivers to LT target above 55%

1H'23 FCF CONVERSION	ZETA 2025 MODEL	LONG-TERM TARGET
45%	55%+	65%+

SHORT-TERM HEADWINDS

- Interest rate environment uncertainty
- As growth with new Agency customers scale, we expect a short-term Working Capital headwind driven by longer agency DSOs

MID TO LONG-TERM TAILWINDS

- Restructure or eliminate long term debt
- SW capitalization E:R continues down trend
- Data capitalization E:R continues down trend

Agency DSOs and DPOs are substantially longer than what Zeta experiences. Because we are considered mission critical, we are paid faster than most other vendors. Never-the-less ***this will create a short-term drop in cash conversion but we believe this is a prudent way to leverage our balance sheet.***

See slide 35 for footnote definitions
See appendix for definitions of non-GAAP metrics used herein and reconciliations to the most directly comparable GAAP metric.

As of September 27, 2023

We are on track to **achieve our Zeta 2025 targets early**

And have a lot to look forward to **on the horizon**

Appendix

Footnotes

1 | 3Q'23 GAAP net loss of $43M, or 23% of revenue, includes $58M of stock-based compensation. See the graded vesting schedule on slide 15.

2 | Adjusted EBITDA, Adjusted EBITDA Margin, and Free Cash Flow are non-GAAP metrics, see reconciliations in the Appendix.

3 | The financial targets of the Zeta 2025 Plan include generating in excess of $1 billion in annual revenue with at least $200 million in Adjusted EBITDA and FCF of $110 million by 2025. These are based on a number of assumptions that are subject to change and many of which are outside the control of the Company. If actual results vary from these assumptions, the Company's expectations may change. There can be no assurance that the Company will achieve these results.

4 | We define scaled customers as customers from which we generate at least $100,000 of revenue on a trailing twelve-month (TTM) basis.

5 | We define super scaled customers, which is a subset of scaled customers, as customers from which we generate at least $1,000,000 of revenue on a trailing twelve-month (TTM) basis.

6 | We calculate the scaled customer average revenue per user ("ARPU") as revenue for the corresponding period divided by the average number of scaled customers during that period. We believe that scaled customer ARPU is useful for investors because it is an indicator of our ability to increase revenue and scale our business.

7 | We calculate the super-scaled customer average revenue per user ("ARPU") as revenue for the corresponding period divided by the average number of super-scaled customers during that period. We believe that super-scaled customer ARPU is useful for investors because it is an indicator of our ability to increase revenue and scale our business.

8 | Direct Platform Revenue Mix: Percent of revenue generated by the ZMP comprised of subscription software and utilization fees generated by channels owned and operated by Zeta, resulting in stronger operating leverage.

9 | Calculations are based on initial guidance considerations given on February 23, 2023; At that time, FY Revenue and Adjusted EBITDA were guided to $691M and $117.4 respectively.

10 | Recognition includes: 1) Forrester Now Tech: Customer Data Platforms, Q1 2022, 2) Leader in The Forrester Wave™ in Q1 2022; The Forrester Wave™ is copyrighted by Forrester Research, Inc. Forrester and Forrester Wave™ are trademarks of Forrester Research, Inc. The Forrester Wave™ is a graphical representation of Forrester's call on a market and is plotted using a detailed spreadsheet with exposed scores, weightings, and comments. Forrester does not endorse any vendor, product, or service depicted in the Forrester Wave™. Information is based on best available resources. Opinions reflect judgment at the time and are subject to change 3) RealCDP Certificate granted upon completion of a comprehensive evaluation that met all qualifications set forth by the CDP Institute in Q3 2023, 4) IDC MarketScape for Omni-Channel-Marketing Platforms for B2C Enterprises, Q3 2023, 5) Gartner Peer Insights 2023, Strong Performer in both Email Marketing and Multi-Channel Marketing Hub Voice of Customer reports, 6) Constellation ShortList 2023, named to top CDP Shortlist

11 | TTM = Trailing Twelve-Months (3Q'22 through 2Q'23)

12 | The stock-based compensation estimate presented here is based on the unvested stock as of 09/30/2023 and does not include any future grants. Further, the Company estimates to grant approximately 6M-8M restricted stock on an annual, go-forward basis

13 | Source: Gartner, ISBA, InsiderIntelligence, Statista. Compound Annual Growth Rate ("CAGR") is for 2023 through 2025.

14 | We define recurring revenue as revenue that includes fixed fees associated with platform licensing, and recurring consumption-based revenues governed by master service agreements and insertion orders. Recurring consumption-based revenues are the minimum quarterly amounts that customers have spent on our platform over the trailing four quarters.

15 | We define reoccurring revenue as usage revenue generated from pilots and channels linked to shorter term contracts where customers have a multiyear history of replenishing budgets, but are not recurring revenue (as defined above).

16 | Net Revenue Retention ("NRR"): We use an annual NRR rate as a measure of our ability to retain and expand business generated from our existing customer base. We calculate our NRR rate by dividing current year revenue earned from customers from which we also earned revenue in the prior year, by the prior year revenue from those same customers. We exclude political and advocacy customers from our calculation of NRR rate because of the biennial nature of these customers.

Non-GAAP Measures

In order to assist readers in understanding the core operating results that our management uses to evaluate the business, we describe our non-GAAP measures referenced in this presentation below. We believe these non-GAAP measures are useful to investors in evaluating our performance by providing an additional tool for investors to use in comparing our financial performance over multiple periods.

Adjusted EBITDA: is a non-GAAP financial measure defined as net loss adjusted for interest expense, depreciation and amortization, stock-based compensation, income tax (benefit) / provision, acquisition related expenses, restructuring expenses, change in fair value of warrants and derivative liabilities, certain dispute settlement expenses, gain on extinguishment of debt, certain non-recurring IPO related expenses, including the payroll taxes related to vesting of restricted stock and restricted stock units upon the completion of the IPO, and other expenses. Acquisition related expenses and restructuring expenses primarily consist of severance and other employee-related costs which we do not expect to incur in the future as acquisitions of businesses may distort the comparability of the results of operations. Change in fair value of warrants and derivative liabilities is a non-cash expense related to periodically recording "mark-to-market" changes in the valuation of derivatives and warrants. Other expenses consist of non-cash expenses such as changes in fair value of acquisition related liabilities, gains and losses on extinguishment of acquisition related liabilities, gains and losses on sales of assets and foreign exchange gains and losses. In particular, we believe that the exclusion of stock-based compensation, certain dispute settlement expenses and non-recurring IPO related expenses that are not related to our core operations provides measures for period-to-period comparisons of our business and provides additional insight into our core controllable costs. We exclude these charges because these expenses are not reflective of ongoing business and operating results.

Adjusted EBITDA margin: is a non-GAAP financial measure defined as Adjusted EBITDA divided by the total revenues for the same period.

Free Cash Flow: is a non-GAAP financial measure defined as cash from operating activities, less capital expenditures and website and software development costs, adjusted for the effect of exchange rates on cash and cash equivalents.

Adjusted EBITDA, Adjusted EBITDA margin, and Free Cash Flow provide us with useful measures for period-to-period comparisons of our business as well as comparison to our peers. We believe that these non-GAAP financial measures are useful to investors in analyzing our financial and operational performance. Nevertheless our use of Adjusted EBITDA, Adjusted EBITDA margin, and Free Cash Flow has limitations as an analytical tool, and you should not consider these measures in isolation or as a substitute for analysis of our financial results as reported under GAAP. Other companies may calculate similarly-titled non-GAAP financial measures differently than us, thereby limiting the usefulness of these non-GAAP financial measures as a comparative tool. Because of these and other limitations, you should consider our non-GAAP measures only as supplemental to other GAAP-based financial performance measures, including revenues and net loss.

We calculate forward-looking Adjusted EBITDA, Adjusted EBITDA margin, and Free Cash Flow based on internal forecasts that omit certain amounts that would be included in forward-looking GAAP net income (loss). We do not attempt to provide a reconciliation of forward-looking Adjusted EBITDA, Adjusted EBITDA margin, and Free Cash Flow guidance and targets to forward looking GAAP net income (loss), GAAP net income (loss) margin or cash flows from operating activities, respectively, because forecasting the timing or amount of items that have not yet occurred and are out of our control is inherently uncertain and unavailable without unreasonable efforts. Further, we believe that such reconciliations would imply a degree of precision and certainty that could be confusing to investors. Such items could have a substantial impact on GAAP measures of financial performance.

Bridge To Adjusted EBITDA And Adjusted EBITDA Margin

$ in '000s, unless otherwise noted

	3Q'23	3Q'22	YTD'23	YTD'22
Net loss	**$(43,086)**	**$(69,440)**	**$(152,200)**	**$(227,486)**
Net loss margin	**22.8%**	**45.6%**	**29.4%**	**54.7%**
Depreciation and amortization	13,233	13,367	37,654	39,448
Stock-based compensation	57,672	75,218	179,746	231,289
Other expenses	2,436	1,142	7,138	12,111
Restructuring expenses	-	-	2,845	-
Acquisition related expenses	-	-	203	344
Interest expense	2,894	2,038	8,139	5,002
Change in fair value of warrants and derivative liabilities	-	(805)	-	410
Income tax provision / (benefit)	590	896	1,097	(1,360)
Adjusted EBITDA	**$33,739**	**$22,416**	**$84,622**	**$59,758**
Adjusted EBITDA margin	**17.9%**	**14.7%**	**16.3%**	**14.4%**

Free Cash Flow Reconciliation

$ in '000s, unless otherwise noted

	3Q'23	3Q'22	YTD'23	YTD'22
Cash Flows from Operating Activities	**$22,828**	**$19,539**	**$63,561**	**$55,389**
Capital expenditures	(5,936)	(5,654)	(14,886)	(17,165)
Website and software development costs	(3,438)	(4,234)	(12,344)	(12,820)
Effect of exchange rate changes on cash and cash equivalents	(94)	(295)	7	(129)
Free Cash Flow	**$13,360**	**$9,356**	**$36,338**	**$25,275**