



July 31, 2024

Zeta Accelerates Revenue Growth and Achieves the “Rule of 50” in 2Q’24

- *Delivered record quarterly revenue of \$228M, up 33% Y/Y and \$16M better than guidance*
- *Grew total Scaled Customer count to 468, an increase of 8 Q/Q and 43 Y/Y*
- *Increased quarterly Scaled Customer ARPU to \$479K, up 22% Y/Y, 2x faster than 1Q’24*
- *Generated cash flow from operating activities of \$31M, an increase of 51% Y/Y, and Free Cash Flow of \$20M, an increase of 53% Y/Y*
- *Raising 2024 revenue guidance by \$25M to a midpoint of \$925M or 27% Y/Y growth*

NEW YORK – Zeta Global (NYSE: ZETA), the AI-Powered Marketing Cloud, today announced financial results for the second quarter ended June 30, 2024.

“Investments we made over the last seven years to put Artificial Intelligence and data at the core of our platform are now helping us accelerate the marketing cloud replacement cycle and our overall growth rate,” said David A. Steinberg, Co-Founder, Chairman, and CEO of Zeta. “As the use of generative AI tools has grown, there is greater acknowledgement that marketing is among the first functions to be transformed by AI. Our ability to turn AI into real-world results has enterprises looking to Zeta to improve productivity, deliver personalization at scale, and develop marketing programs with a measurable and superior return on investment.”

“High visibility into our customers and momentum across several of our growth catalysts drove an acceleration in revenue growth, Adjusted EBITDA margin expansion, and cash conversion in the second quarter,” said Chris Greiner, Zeta’s CFO. “This gives us increased confidence to once again raise guidance.”

Second Quarter 2024 Highlights

- Total revenue of \$228 million, increased 33% Y/Y.
- Scaled Customer count increased to 468 from 460 in 1Q’24 and 425 in 2Q’23.
- Super-Scaled Customer count of 144 compared to 144 in 1Q’24 and 118 in 2Q’23.
- Quarterly Scaled Customer ARPU of \$479,000, increased 22% Y/Y.
- Quarterly Super-Scaled Customer ARPU of \$1.3 million, increased 18% Y/Y.

- Direct platform revenue mix of 67% of total revenue, compared to 67% in 1Q'24, and 75% in 2Q'23.
- GAAP cost of revenue percentage of 40%, increased 50 basis points Q/Q, and increased 390 basis points Y/Y.
- GAAP net loss of \$28 million, or 12% of revenue, driven primarily by \$52 million of stock-based compensation. The net loss in 2Q'23 was \$52 million, or 30% of revenue.
- GAAP loss per share of \$0.16, compared to a loss per share of \$0.34 in 2Q'23.
- Cash flow from operating activities of \$31 million, compared to \$21 million in 2Q'23.
- Free Cash Flow¹ of \$20 million, compared to \$13 million in 2Q'23.
- Repurchased \$2.9 million worth of shares through our share repurchase program.
- Adjusted EBITDA¹ of \$38.5 million, increased 44% Y/Y compared to \$26.8 million in 2Q'23.
- Adjusted EBITDA margin¹ of 16.9%, compared to 15.6% in 2Q'23.

Zeta Live

Zeta will hold its fourth annual conference, ZETA LIVE 2024, on Thursday, September 26, in New York City. Zeta Live provides a unique opportunity to gain deep insights, discover practical strategies, and take advantage of invaluable networking connections that will help brands harness the transformative power of AI. [Register Now!](#)

Guidance*

Third Quarter 2024

- Increasing revenue guidance to a range of \$237.2 million to \$241.2 million, up \$9.2 million at the midpoint from the prior guidance of \$230 million. The revised guidance represents a year-over-year increase of 26% to 28%.
- Increasing Adjusted EBITDA guidance to a range of \$46.8 million to \$47.3 million, up \$1.8 million at the midpoint from the prior guidance of \$45.3 million. The revised guidance represents a year-over-year increase of 39% to 40% and an Adjusted EBITDA margin of 19.4% to 19.9%.

Full Year 2024

- Increasing revenue guidance to a range of \$920 million to \$930 million, up \$25 million at the midpoint from the prior guidance \$900 million. Revised guidance represents a year-over-year increase of 26% to 28%.
- Increasing Adjusted EBITDA guidance to a range of \$174.5 million to \$176.5 million, up \$4.5 million at the midpoint from the prior guidance of \$171 million. Revised guidance represents a year-over-year increase of 35% to 36% and an Adjusted EBITDA margin of 18.8% to 19.2%.

¹ Free Cash Flow, Adjusted EBITDA, and Adjusted EBITDA margin are not measures of financial performance prepared in accordance with GAAP. See "Non-GAAP Measures" for more information and, where applicable, reconciliations to the most directly comparable GAAP financial measures at the end of this release.

- Increasing Free Cash Flow guidance to a range of \$80 million to \$90 million, up \$5 million at the midpoint from the prior guidance of \$80 million.

* This press release does not include a reconciliation of forward-looking Adjusted EBITDA, Adjusted EBITDA margin, and Free Cash Flow to forward-looking GAAP net income (loss), net income (loss) margin, or cash flows from operating activities, respectively, because the Company is unable, without making unreasonable efforts, to provide a meaningful or reasonably accurate calculation or estimation of certain reconciling items which could be significant to the Company's results.

Investor Conference Call and Webcast

Zeta will host a conference call today, Wednesday, July 31, 2024, at 4:30 p.m. Eastern Time to discuss financial results for the second quarter 2024. A supplemental earnings presentation and a live webcast of the conference call can be accessed from the Company's investor relations website (<https://investors.zetaglobal.com/>) where they will remain available for one year.

About Zeta

[Zeta Global](#) (NYSE: ZETA) is the AI-Powered Marketing Cloud that leverages advanced artificial intelligence (AI) and trillions of consumer signals to make it easier for marketers to acquire, grow, and retain customers more efficiently. Through the Zeta Marketing Platform (ZMP), our vision is to make sophisticated marketing simple by unifying identity, intelligence, and omnichannel activation into a single platform – powered by one of the industry's largest proprietary databases and AI. Our enterprise customers across multiple verticals are empowered to personalize experiences with consumers at an individual level across every channel, delivering better results for marketing programs. Zeta was founded in 2007 by David A. Steinberg and John Sculley and is headquartered in New York City with offices around the world. To learn more, go to www.zetaglobal.com.

Forward-Looking Statements

This press release, 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 press release or during the earnings call that are not statements of historical fact, including statements about our third quarter and full year 2024 guidance, the Zeta Live event and timing of such event, the Zeta 2025 plan, the financial targets of Zeta 2025 and the timing of when we will achieve the Zeta 2025 plan, the impacts of our prior investments on accelerating the timing of the marketing cloud replacement cycle, our products capabilities to provide strong investment returns to our

customers, our strong competitive position, visibility of our current and new customers, expansion of existing customers, the capabilities of AI and Zeta's platform, the acceleration of the digital transformation and our business, and the growth and expansion of AI and 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. Factors that may materially affect such forward-looking statements include, but are not limited to: global supply chain disruptions; macroeconomic and industry trends and adverse developments in the debt, consumer credit and financial services markets and other macroeconomic factors beyond Zeta's control; increases in our borrowing costs as a result of changes in interest rates and other factors; the impact of inflation on us and on our customers; potential fluctuations in our operating results, which could make our future operating results difficult to predict; underlying circumstances, including cash flows, cash position, financial performance, market conditions and potential acquisitions; prevailing stock prices, general economic and market condition; the impact of future pandemics, epidemics and other health crises on the global economy, our customers, employees and business; the war in Ukraine and escalating geopolitical tensions as a result of Russia's invasion of Ukraine; the escalating conflict in Israel, Gaza and in the surrounding areas; our ability to innovate and make the right investment decisions in our product offerings and platform; the impact of new generative AI capabilities and the proliferation of AI on our business; our ability to attract and retain customers, including our scaled and super-scaled customers; our ability to manage our growth effectively; our ability to collect and use data online; the standards that private entities and inbox service providers adopt in the future to regulate the use and delivery of email may interfere with the effectiveness of our platform and our ability to conduct business; a significant inadvertent disclosure or breach of confidential and/or personal information we process, or a security breach of our or our customers', suppliers' or other partners' computer systems; and any disruption to our third-party data centers, systems and technologies. 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 press release. 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. If we update

one or more forward-looking statements, no inference should be drawn that we will make additional updates with respect to those or other forward-looking statements.

The third quarter and full year 2024 guidance provided herein are based on Zeta's current estimates and assumptions and are not a guarantee of future performance. The guidance provided is subject to significant risks and uncertainties, including the risk factors discussed in the Company's reports on file with the Securities and Exchange Commission ("SEC"), 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.

Availability of Information on Zeta's Website and Social Media Profiles

Investors and others should note that Zeta routinely announces material information to investors and the marketplace using SEC filings, press releases, public conference calls, webcasts and the Zeta investor relations website at <https://investors.zetaglobal.com> ("Investors Website"). We also intend to use the social media profiles listed below as a means of disclosing information about us to our customers, investors and the public. While not all of the information that the Company posts to the Investors Website or to social media profiles is of a material nature, some information could be deemed to be material. Accordingly, the Company encourages investors, the media, and others interested in Zeta to review the information that it shares on the Investors Website and to regularly follow our social media profile links located at the bottom of the page on www.zetaglobal.com. Users may automatically receive email alerts and other information about Zeta when enrolling an email address by visiting "Investor Email Alerts" in the "Resources" section of the Investors Website.

Social Media Profiles:

www.twitter.com/zetaglobal

www.facebook.com/ZetaGlobal/

www.linkedin.com/company/zetaglobal

www.instagram.com/zetaglobal/

The Following Definitions Apply to the Terms Used Throughout this Release, the Supplemental Earnings Presentation and Investor Conference Call

- Direct Platform and Integrated Platform: When the Company generates revenues entirely through the Company platform, the Company considers it direct platform revenue. When the Company generates revenue by leveraging its platform's integration with third parties, it is considered integrated platform revenue.
- Cost of revenue: Cost of revenue excludes depreciation and amortization and consists primarily of media and marketing costs and certain personnel costs. Media and marketing costs consist primarily of fees paid to third-party publishers, media owners or managers, and strategic partners that are directly related to a revenue-generating event. We pay these third-party publishers, media owners or managers and strategic partners on a revenue-share, a cost-per-lead, cost-per-click, or cost-per-thousand-impressions basis. Personnel costs included in cost of revenues include salaries,

bonuses, commissions, stock-based compensation and employee benefit costs primarily related to individuals directly associated with providing services to our customers.

- Rule of 50: We define the Rule of 50 as the combination of revenue growth percentage plus Adjusted EBITDA margin percentage adding up to 50 or more.
- Scaled Customers: We define scaled customers as customers from which we generated at least \$100,000 in revenue on a trailing twelve-month basis. We calculate the number of scaled customers at the end of each quarter and on an annual basis as the number of customers billed during each applicable period. We believe the scaled customers measure is both an important contributor to our revenue growth and an indicator to investors of our measurable success.
- Super-Scaled Customers: We define super-scaled customers, which is a subset of Scaled Customers, as customers from which we generated at least \$1,000,000 in revenue on a trailing twelve-month basis. We calculate the number of super-scaled customers at the end of each quarter and on an annual basis as the number of customers billed during each applicable period. We believe the super-scaled customers measure is both an important contributor to our revenue growth and an indicator to investors of our measurable success.
- Scaled Customer ARPU: 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.
- Super-Scaled Customer ARPU: We calculate the super-scaled customer 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.
- Zeta 2025: The Zeta 2025 is a long-term plan introduced by the Company in 2022, intended to drive the Company's vision to become one of the largest marketing clouds in the industry, with targets for business, product, and industry leadership. The financial targets of this plan are to generate in excess of \$1 billion in annual revenue with at least 20% Adjusted EBITDA margins by 2025. In February 2023, we added an additional financial target to the plan of Free Cash Flow with a target of at least \$110 million by 2025.

Non-GAAP Measures

In order to assist readers of our consolidated financial statements in understanding the core operating results that our management uses to evaluate the business and for financial planning purposes, we describe our non-GAAP measures 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 to forward looking GAAP net income (loss), GAAP net income (loss) margin or GAAP 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.

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Zeta Global Holdings Corp.
Condensed Unaudited Consolidated Balance Sheets
(In thousands, except shares, per share and par values)

	As of	
	June 30, 2024	December 31, 2023
Assets		
Current assets:		
Cash and cash equivalents	\$ 154,704	\$ 131,732
Accounts receivable, net of allowance of \$3,934 and \$3,564 as of June 30, 2024 and December 31, 2023, respectively	182,801	170,131
Prepaid expenses	8,603	6,269
Other current assets	1,461	1,622
Total current assets	<u>\$ 347,569</u>	<u>\$ 309,754</u>
Non-current assets:		
Property and equipment, net	\$ 7,529	\$ 7,452
Website and software development costs, net	29,936	32,124
Right-to-use asset - operating leases, net	6,770	6,603
Intangible assets, net	44,838	48,781
Goodwill	140,903	140,905
Deferred tax assets, net	794	728
Other non-current assets	5,525	4,367
Total non-current assets	<u>\$ 236,295</u>	<u>\$ 240,960</u>
Total assets	<u>\$ 583,864</u>	<u>\$ 550,714</u>
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	\$ 46,533	\$ 63,572
Accrued expenses	108,168	85,455
Acquisition-related liabilities	11,414	17,234
Deferred revenue	3,683	3,301
Other current liabilities	6,153	6,823
Total current liabilities	<u>\$ 175,951</u>	<u>\$ 176,385</u>
Non-current liabilities:		
Long-term borrowings	\$ 184,351	\$ 184,147
Acquisition-related liabilities	—	3,060
Other non-current liabilities	6,516	6,602
Total non-current liabilities	<u>\$ 190,867</u>	<u>\$ 193,809</u>
Total liabilities	<u>\$ 366,818</u>	<u>\$ 370,194</u>
Stockholders' equity:		
Class A common stock \$ 0.001 per share par value, up to 3,750,000,000 shares authorized, 191,931,933 and 188,631,432 shares issued and outstanding as of June 30, 2024 and December 31, 2023, respectively	\$ 192	\$ 189
Class B common stock \$ 0.001 per share par value, up to 50,000,000 shares authorized, 27,151,106 and 29,055,489 shares issued and outstanding as of June 30, 2024 and December 31, 2023, respectively	27	29
Additional paid-in capital	1,245,005	1,140,849
Accumulated deficit	(1,026,169)	(958,537)
Accumulated other comprehensive loss	(2,009)	(2,010)
Total stockholders' equity	<u>\$ 217,046</u>	<u>\$ 180,520</u>
Total liabilities and stockholders' equity	<u>\$ 583,864</u>	<u>\$ 550,714</u>

Condensed Unaudited Consolidated Statements of Operations and Comprehensive Loss
(In thousands, except share and per share amounts)

	Three months ended June 30,		Six months ended June 30,	
	2024	2023	2024	2023
Revenues	\$ 227,839	\$ 171,817	\$ 422,786	\$ 329,419
Operating expenses:				
Cost of revenues (excluding depreciation and amortization)	91,082	62,037	167,955	116,387
General and administrative expenses	51,159	50,715	99,965	103,316
Selling and marketing expenses	75,604	72,496	147,019	145,045
Research and development expenses	23,614	17,343	43,600	35,862
Depreciation and amortization	12,964	12,596	26,705	24,421
Acquisition-related expenses	—	—	—	203
Restructuring expenses	—	2,845	—	2,845
Total operating expenses	\$ 254,423	\$ 218,032	\$ 485,244	\$ 428,079
Loss from operations	(26,584)	(46,215)	(62,458)	(98,660)
Interest expense	2,560	2,797	5,185	5,245
Other (income) / expenses	(1,564)	2,838	(893)	4,702
Total other expenses	\$ 996	\$ 5,635	\$ 4,292	\$ 9,947
Loss before income taxes	(27,580)	(51,850)	(66,750)	(108,607)
Income tax provision	486	309	882	507
Net loss	\$ (28,066)	\$ (52,159)	\$ (67,632)	\$ (109,114)
Other comprehensive loss:				
Foreign currency translation adjustment	(51)	(58)	(1)	(205)
Total comprehensive loss	\$ (28,015)	\$ (52,101)	\$ (67,631)	\$ (108,909)
Net loss per share				
Net loss available to common stockholders	\$ (28,066)	\$ (52,159)	\$ (67,632)	\$ (109,114)
Basic loss per share	\$ (0.16)	\$ (0.34)	\$ (0.39)	\$ (0.72)
Diluted loss per share	\$ (0.16)	\$ (0.34)	\$ (0.39)	\$ (0.72)
Weighted average number of shares used to compute net loss per share				
Basic	177,870,238	154,597,506	174,475,591	152,334,247
Diluted	177,870,238	154,597,506	174,475,591	152,334,247

The Company recorded stock-based compensation under respective lines of the above condensed unaudited consolidated statements of operations and comprehensive loss:

	Three months ended June 30,		Six months ended June 30,	
	2024	2023	2024	2023
Cost of revenues (excluding depreciation and amortization)	\$ 499	\$ 694	\$ 770	\$ 1,552
General and administrative expenses	16,728	20,816	35,627	44,998
Selling and marketing expenses	26,947	30,631	53,497	63,667
Research and development expenses	7,985	5,471	14,903	11,857
Total	\$ 52,159	\$ 57,612	\$ 104,797	\$ 122,074

Condensed Unaudited Consolidated Statements of Cash Flows
(In thousands)

	Six months ended June 30,	
	2024	2023
Cash flows from operating activities:		
Net loss	\$ (67,632)	\$ (109,114)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation and amortization	26,705	24,421
Stock-based compensation	104,797	122,074
Deferred income taxes	(67)	(32)
Change in fair value of acquisition-related liabilities	(1,261)	4,265
Others, net	450	966
Change in non-cash working capital (net of acquisitions):		
Accounts receivable	(13,070)	(15,184)
Prepaid expenses	(2,352)	1,890
Other current assets	161	(196)
Other non-current assets	(1,153)	(550)
Deferred revenue	369	954
Accounts payable	(15,406)	20,088
Accrued expenses and other current liabilities	24,321	(8,945)
Other non-current liabilities	(86)	96
Net cash provided by operating activities	55,776	40,733
Cash flows from investing activities:		
Capital expenditures	(12,565)	(8,950)
Website and software development costs	(8,212)	(8,906)
Acquisitions and other investments, net of cash acquired	-	(18,246)
Net cash used for investing activities	(20,777)	(36,102)
Cash flows from financing activities:		
Cash paid for acquisition-related liabilities	(6,952)	(2,488)
Proceeds from credit facilities, net of issuance cost	11,250	11,250
Issuance under employee stock purchase plan	1,525	1,567
Exercise of options	1,841	83
Repurchase of shares	(8,363)	(7,938)
Repayments against the credit facilities	(11,250)	(11,250)
Net cash used for financing activities	(11,949)	(8,776)
Effect of exchange rate changes on cash and cash equivalents	(78)	101
Net increase / (decrease) in cash and cash equivalents	22,972	(4,044)
Cash and cash equivalents, beginning of period	131,732	121,110
Cash and cash equivalents, end of period	\$ 154,704	\$ 117,066
Supplemental cash flow disclosures including non-cash activities:		
Cash paid for interest, net	\$ 5,016	\$ 4,983
Cash paid for income taxes, net	\$ 638	\$ 752
Liability established in connection with acquisitions	\$ -	\$ 5,404
Capitalized stock-based compensation as website and software development costs	\$ 1,712	\$ 1,631
Shares issued in connection with acquisitions and other agreements	\$ 667	\$ 843
Right-to-use asset established	\$ 1,081	\$ -
Operating lease liabilities established	\$ 1,081	\$ -
Non-cash consideration for website and software development costs	\$ 402	\$ 513

Reconciliation of GAAP to Non-GAAP Financial Measures
(in thousands)

The following table reconciles adjusted EBITDA and adjusted EBITDA margin to net loss and net loss margin, the most directly comparable financial measure calculated and presented in accordance with GAAP.

	<u>Three months ended June 30,</u>		<u>Six months ended June 30,</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Net loss	\$ (28,066)	\$ (52,159)	\$ (67,632)	\$ (109,114)
Net loss margin	(12.3)%	(30.4)%	(16.0)%	(33.1)%
Add back:				
Depreciation and amortization	12,964	12,596	26,705	24,421
Restructuring expenses	—	2,845	—	2,845
Acquisition related expenses	—	—	—	203
Stock-based compensation	52,159	57,612	104,797	122,074
Other (income) / expenses	(1,564)	2,838	(893)	4,702
Interest expense	2,560	2,797	5,185	5,245
Income tax provision	486	309	882	507
Adjusted EBITDA	\$ 38,539	\$ 26,838	\$ 69,044	\$ 50,883
Adjusted EBITDA margin	16.9%	15.6%	16.3%	15.4%

The following table reconciles Cash Flows from Operating Activities in the Condensed Unaudited Consolidated Statements of Cash Flows to Free Cash Flow:

	<u>Three months ended June 30,</u>		<u>Six months ended June 30,</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Cash Flows from Operating Activities	\$ 31,110	\$ 20,629	\$ 55,776	\$ 40,733
Capital expenditures	(6,754)	(3,786)	(12,565)	(8,950)
Website and software development costs	(4,569)	(4,006)	(8,212)	(8,906)
Effect of exchange rate changes on cash and cash equivalents	35	133	(78)	101
Free Cash Flow	\$ 19,822	\$ 12,970	\$ 34,921	\$ 22,978