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Q1 2023 Investor Supplement

May 9, 2023

INNOVID

Disclaimers

Forward-Looking Statements

This presentation includes “forward-looking statements” within the meaning of the “safe harbor” provisions of the Private Securities Litigation Reform Act of 1996. The Company’s actual results may differ from its expectations, estimates and projections and consequently, you should not rely on these forward-looking statements as predictions of future events. Words such as “expect,” “estimate,” “project,” “budget,” “forecast,” “anticipate,” “intend,” “plan,” “may,” “will,” “could,” “should,” “believes,” “predicts,” “potential,” “continue,” “aim,” and similar expressions are intended to identify such forward-looking statements. These forward-looking statements include, without limitation, the Company’s expectations regarding its future financial results and expected growth. These forward-looking statements involve significant risks and uncertainties that could cause the actual results to differ materially from the expected results, including Innovid’s ability to raise financing in the future, success in retaining or recruiting officers, key employees or directors, changes in applicable laws or regulations, Innovid’s ability to maintain and expand relationships with advertisers, decreases and/or changes in CTV audience viewership behavior, Innovid’s ability to make the right investment decisions and to innovate and develop new solutions, the accuracy of Innovid’s estimates of market opportunity, forecasts of market growth and projections of future financial performance, the extent of investment required in Innovid’s sales and marketing efforts, Innovid’s ability to effectively manage its growth, the impact of the coronavirus pandemic, acquisition related risks, and other important factors discussed under the caption “Risk Factors” in Innovid’s Annual Report on Form 10-K filed with the SEC on March 3, 2023, as such factors may be updated from time to time in its other filings with the SEC, accessible on the SEC’s website at www.sec.gov and the Investors Relations section of Innovid’s website at investors.innovid.com. You should carefully consider the risks and uncertainties described in the documents filed by the Company from time to time with the U.S. Securities and Exchange Commission. These filings identify and address other important risks and uncertainties that could cause actual events and results to differ materially from those contained in the forward-looking statements. Most of these factors are outside the Company’s control and are difficult to predict. The Company cautions not to place undue reliance upon any forward-looking statements, including projections, which speak only as of the date made. The Company does not undertake or accept any obligation to release publicly any updates or revisions to any forward-looking statements to reflect any change in its expectations or any change in events, conditions or circumstances on which any such statement is based.

Non-GAAP Measures

Innovid prepares audited financial statements in accordance with U.S. generally accepted accounting principles (“GAAP”). Innovid also discloses and discusses non-GAAP financial measures such as Adjusted EBITDA and Adjusted EBITDA margin. We use Adjusted EBITDA and Adjusted EBITDA margin as measures of operational efficiency to understand and evaluate our core business operations. We believe that these non-GAAP financial measures are also useful to investors for period-to-period comparisons of our core business. Additionally, these figures provide an understanding and evaluation of our trends when comparing our operating results, on a consistent basis, by excluding items that we do not believe are indicative of our core operating performance. These non-GAAP financial measures have limitations as analytical tools and should not be considered in isolation or as substitutes for an analysis of our results as reported under GAAP. Some of the limitations of these measures are: they do not reflect changes in, or cash requirements for, our working capital needs; Adjusted EBITDA does not reflect our capital expenditures or future requirements for capital expenditures or contractual commitments; they do not reflect costs of acquiring and integrating businesses, which will continue to be a part of our growth strategy; they do not reflect one-time, non-recurring, bonus costs and third party costs associated with the SPAC merger transaction and regulatory filings; they do not reflect income tax expense or the cash requirements to pay income taxes; they do not reflect our interest expense or the cash requirements necessary to service interest or principal payments on our debt; and although depreciation and amortization are non-cash charges related mainly to intangible assets, certain assets being depreciated and amortized will have to be replaced in the future, and Adjusted EBITDA does not reflect any cash requirements for such replacements; Other companies in our industry may calculate these non-GAAP financial measures differently than we do, limiting their usefulness as a comparative measure. You should compensate for these limitations by relying primarily on our US GAAP results and using the non-GAAP financial measures only supplementally; and Adjusted EBITDA is defined as net income (loss) attributable to Innovid, excluding (1) depreciation and amortization, (2) stock-based compensation, (3) finance income, net, (4) transaction related expenses, (5) acquisition related expenses, (6) retention bonus expenses, (7) legal claims, (8) severance cost, (9) other taxes, and (10) taxes on income. We calculate adjusted EBITDA margin as adjusted EBITDA divided by total revenue. Innovid has provided a reconciliation of adjusted EBITDA to net loss, the most directly comparable GAAP measure, for historical period in the appendix hereto but is not able to provide a reconciliation of the projected adjusted EBITDA to expected net income (loss) attributable to Innovid for the second quarter of 2023 or the full-year 2023, without unreasonable effort, due to the unknown effect, timing, and potential significance of the effects of taxes on income in multiple jurisdictions, finance (income)/expenses including valuations, among others. These items have in the past, and may in the future, significantly affect GAAP results in a particular period. We define a core client as an advertiser or publisher that generates at least \$100,000 of annual revenue.

Q1 2023 Financial Highlights¹

	Q1 2023	Q1 2022	% change
Revenue (GAAP) ²	\$30.5 million	\$25.9 million	+18%
Adjusted EBITDA ³	\$0.1 million	\$(3.0) million	NM
Adjusted EBITDA margin ³	0.5%	(12)%	NM

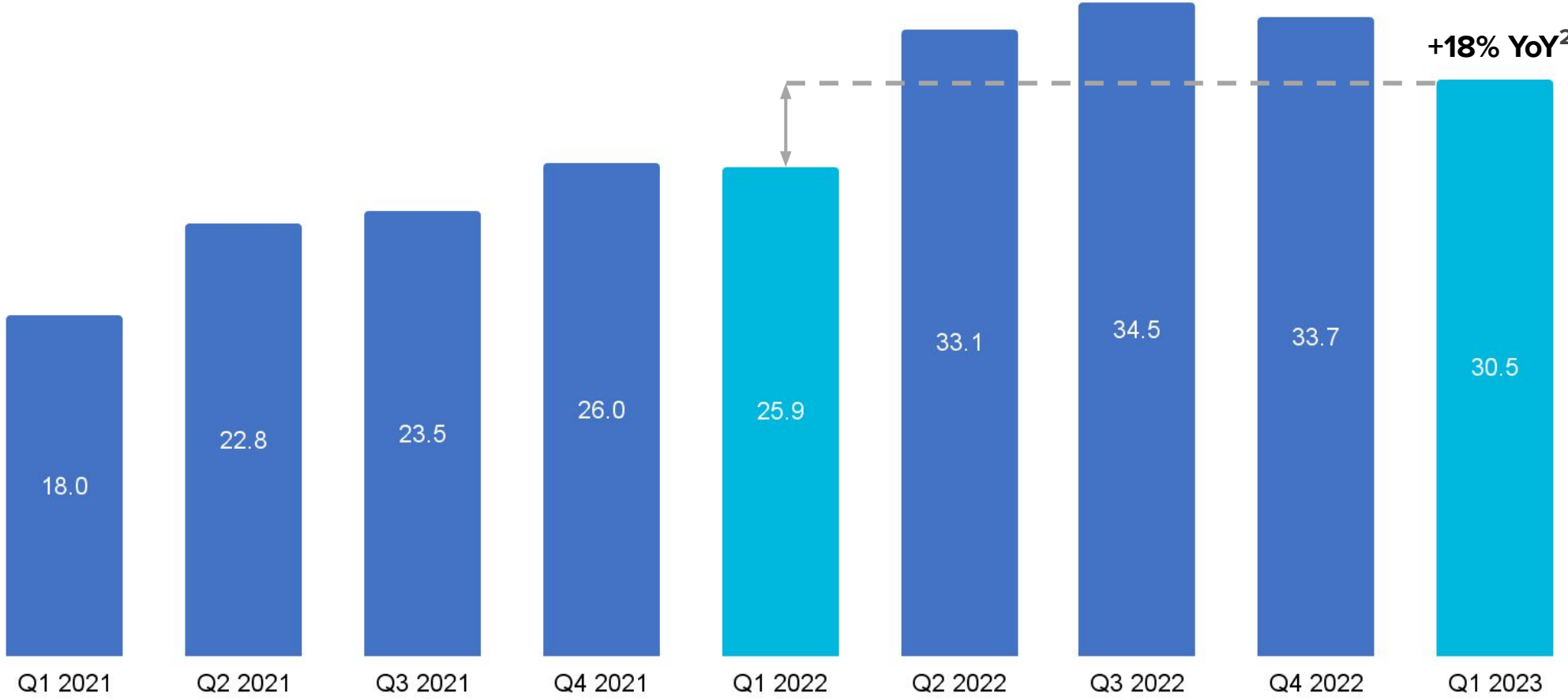
1. Financial results represent the combined performance of Innovid Corp. and TVSquared (the "combined business"), which was acquired on February 28, 2022.

2. Q1 2023 revenue grew 1% YoY on a pro forma basis.

3. Adjusted EBITDA and Adjusted EBITDA margin are non-GAAP financial measures. Non-GAAP measures have limitations as analytical tools and should not be considered in isolation or as substitute for an analysis of results as reported under GAAP. See Appendix for a reconciliation of Adjusted EBITDA to the nearest financial measures reported under GAAP.

Q1 2023 Revenue and Trend¹

Quarterly GAAP Revenue Trend



1. Financial results represent the combined performance of Innovid Corp. and TVSquared (the "combined business"), which was acquired on February 28, 2022. As such, all periods prior to February 28, 2022 exclude the results of TVSquared.
2. Q1 2023 revenue grew 1% YoY on a pro forma basis.

Q1 2023 Business & Strategic Highlights¹

\$30.5 million

Q1 2023
Total Revenue
(GAAP)

18%

Q1 2023
Revenue Growth
(GAAP)²

23%

Q1 2023
Measurement share
of Total Revenue

13%

Q1 2023
CTV Video impressions Growth

54%

Q1 2023
CTV share of
video impressions

0.5%

Q1 2023
Adjusted EBITDA Margin³

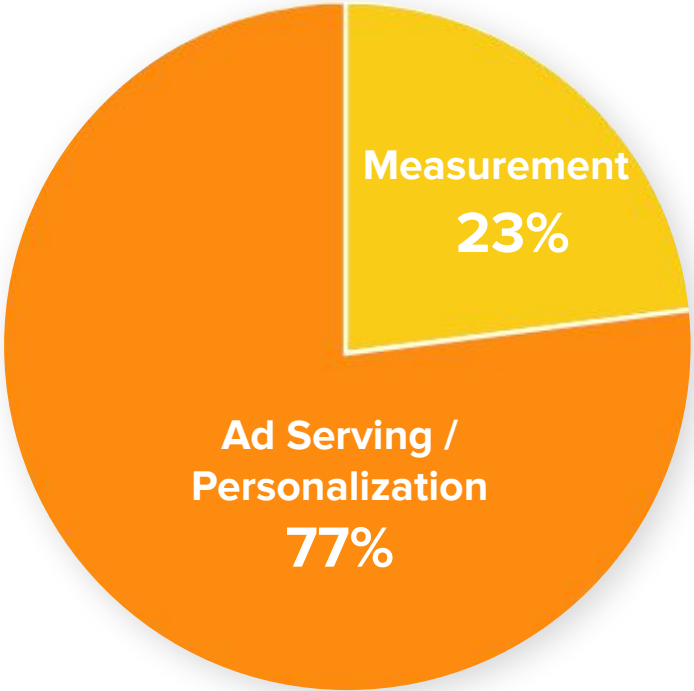
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2. Q1 2023 revenue grew 1% YoY on a pro forma basis.

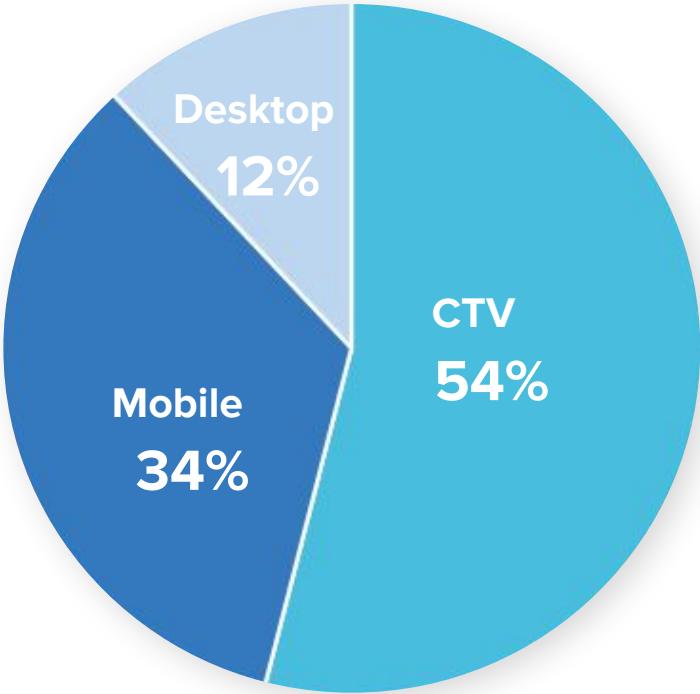
3. Adjusted EBITDA margin is a non-GAAP financial measure. Non-GAAP measures have limitations as analytical tools and should not be considered in isolation or as substitute for an analysis of results as reported under GAAP. See Appendix for a reconciliation of Adjusted EBITDA to the nearest financial measures reported under GAAP.

Q1 2023 Key Metrics¹

**Total Revenue
by Line of Business**



**Ad Serving and Personalization
Video Impressions by Device Type**



1. Financial results of the represent the combined performance of Innovid Corp. and TVSquared (the "combined business"), which was acquired on February 28, 2022.

Q2 2023 and FY 2023 Outlook¹

Q2 2023 Outlook

- Revenue: \$31 million – \$33 million
- Adjusted EBITDA²: between \$0 and \$2 million

FY 2023 Outlook

- Revenue: slightly higher than FY 2022
- Adjusted EBITDA² positive for the full year, Adjusted EBITDA margin² at least 5% for the full year

1. Financial results of the represent the combined performance of Innovid Corp. and TVSquared (the "combined business"), which was acquired on February 28, 2022.

2. Adjusted EBITDA and Adjusted EBITDA margin are non-GAAP financial measures. Non-GAAP measures have limitations as analytical tools and should not be considered in isolation or as substitute for an analysis of results as reported under GAAP. See Appendix for a reconciliation of Adjusted EBITDA to the nearest financial measures reported under GAAP.

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Appendix

Non-GAAP reconciliations

Reconciliation of Adjusted EBITDA¹ and Adjusted EBITDA margin¹

(in thousands)	Three months ended March 31,	
	2023	2022
Net loss	(8,563)	(7,449)
Net loss margin	(28) %	(29) %
Depreciation and amortization	2,030	673
Stock-based compensation	4,625	1,592
Finance income, net (a)	(2,475)	(2,311)
Transaction related expenses (b)	—	228
Acquisition related expenses (c)	—	4,203
Retention bonus expenses (d)	297	—
Legal claims	314	—
Severance cost (e)	821	92
Other	272	—
Taxes on income	2,824	(37)
Adjusted EBITDA	\$ 145	(3,009)
Adjusted EBITDA margin	0.5 %	(11.6) %

- (a) Finance income, net consists mostly of remeasurement related to revaluation of our warrants, remeasurement of our foreign subsidiary's monetary assets, liabilities and operating results, and our interest expense.
- (b) Transaction related expenses consist of costs related to the SPAC merger transaction.
- (c) Acquisition related expenses consists of professional fees associated with the acquisition of TVS.
- (d) Retention bonus expenses consists of retention bonuses for TVS employees.
- (e) Severance cost in 2023 is related to personnel reductions that occurred during the first quarter of 2023. In 2022, severance cost related to exit costs for TVS employees.

1. Adjusted EBITDA is defined as net income (loss) attributable to Innovid, excluding (1) depreciation and amortization, (2) stock-based compensation, (3) finance income, net, (4) transaction related expenses, (5) acquisition related expenses, (6) retention bonus expenses, (7) legal claims, (8) severance cost, (9) other taxes, and (10) taxes on income. We calculate adjusted EBITDA margin as adjusted EBITDA divided by total revenue.

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