CTV
LISTED
NYSE

Q3 2023 Investor Supplement

INNOVID

November 8, 2023

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 unaudited interim condensed consolidated 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 goodwill impairment;

they do not reflect severance costs;

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 and amortization of software development costs, 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.

Adjusted EBITDA is defined as net (loss) income attributable to Innovid, excluding (1) depreciation and amortization, (2) goodwill impairment, (3) stock-based compensation, (4) finance income, net, (5) transaction related expenses, (6) acquisition related expenses, (7) retention bonus expenses, (8) legal claims, (9) severance cost, (9) other, 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 and Adjusted EBITDA margin to net (loss) income, 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 or Adjusted EBITDA margin to expected net (loss) income attributable to Innovid for the fourth 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.

Q3 2023 Financial Highlights[1]

	Q3 2023	Q3 2022	Change
Revenue	$36.2 million	$34.5 million	+5%
Adjusted EBITDA[1]	$6.5 million	$2.9 million	+$3.6 million
Adjusted EBITDA Margin[1]	18%	8%	+1,000 BPS

1. 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 these non-GAAP measures to the nearest financial measures reported under GAAP.

INNOVID

Q3 2023 Business & Strategic Highlights

$36.2 million
Q3 2023
Total Revenue

5%
Q3 2023
Revenue Growth

23%
Q3 2023
Measurement share of Total Revenue

7%
Q3 2023
CTV Video impressions Growth

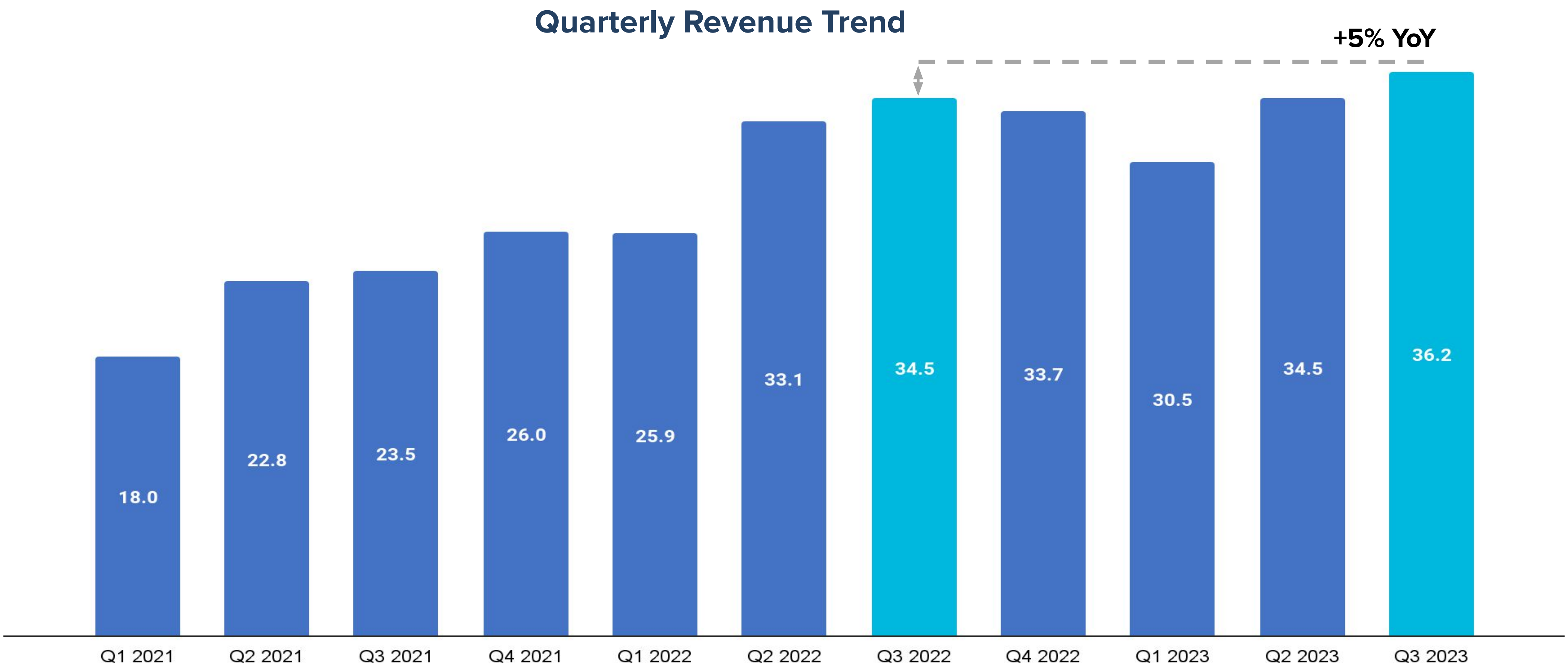
55%
Q3 2023
CTV share of video impressions

18%
Q3 2023
Adjusted EBITDA Margin[1]

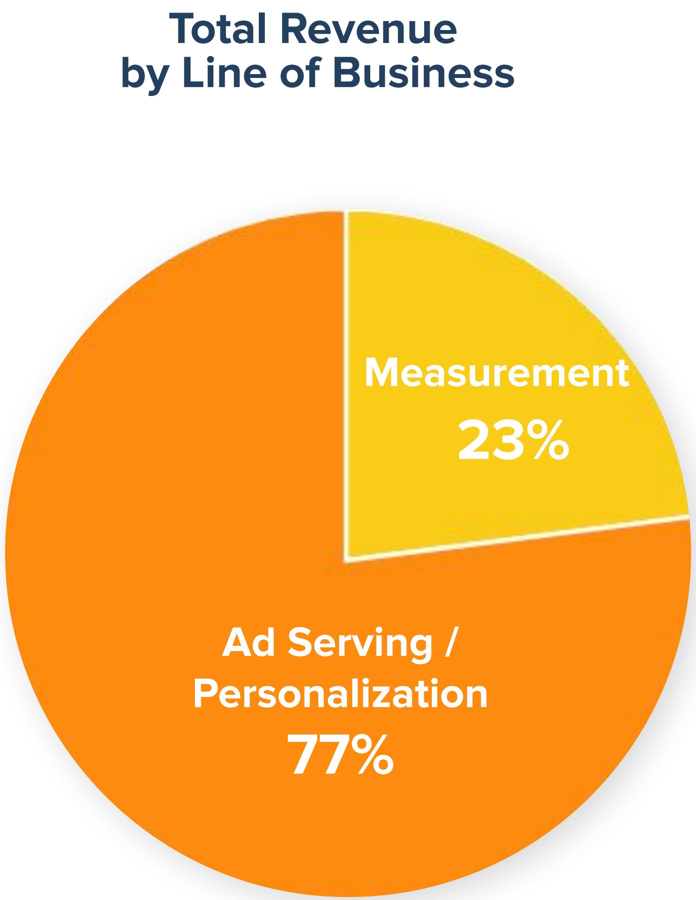
1. Adjusted EBITDA and Adjusted EBITDA margin are non-GAAP financial measures. Non-GAAP measures have limitations as analytical tools and should not be considered in isolation or as substitute for an analysis of results as reported under GAAP. See Appendix for a reconciliation of Adjusted EBITDA to the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

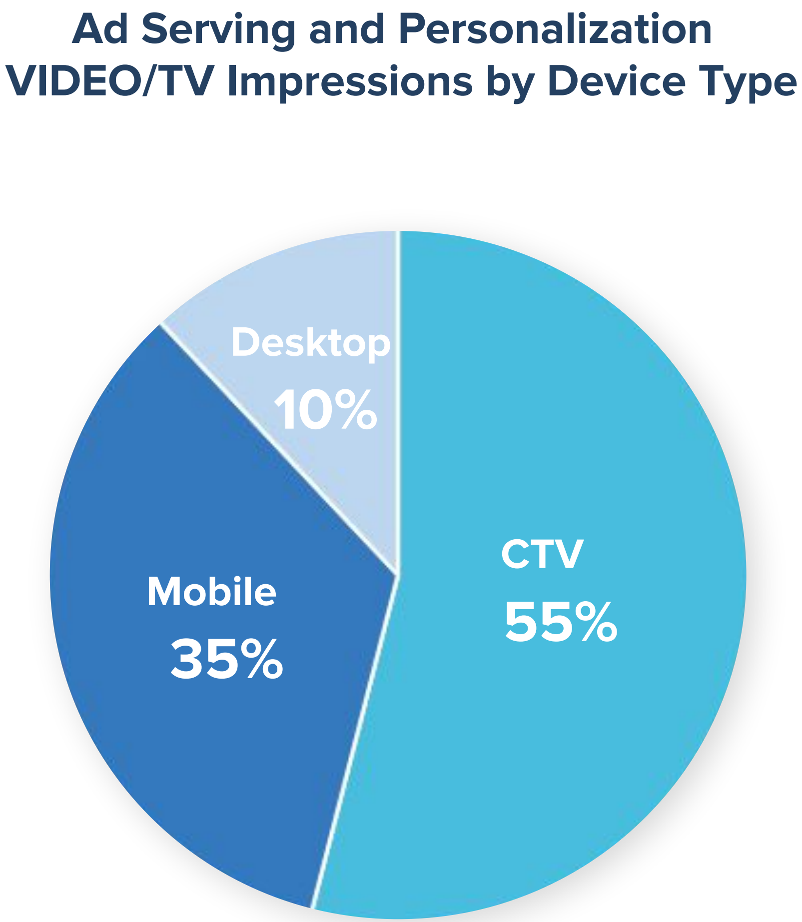
INNOVID

Q3 2023 Revenue and Trend



Q3 2023 Key Metrics





Q4 2023 and FY 2023 Outlook[1]

Q4 2023 Outlook

- Revenue: between $35 million and $37 million
- Adjusted EBITDA[1]: between $5.5 million and $7.5 million

FY 2023 Outlook

- Revenue: between $136 million and $138 million
- Adjusted EBITDA[1]: between $16.6 million and $18.6million
- Adjusted EBITDA Margin[1]: at least 12% for the full year

1. 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.

CTV
LISTED
NYSE

Appendix

INNOVID

Non-GAAP reconciliations

Reconciliation of Adjusted EBITDA[1] and Adjusted EBITDA margin[1]

(in thousands)	Three months ended September 30, 2023	Three months ended September 30, 2022	Nine months ended September 30, 2023	Nine months ended September 30, 2022
Net loss	$(2,731)	$(11,832)	$ (30,253)	$(14,981)
Net loss margin	(8)%	(34)%	(30)%	(16)%
Depreciation, amortization and long-lived assets impairment	4,714	1,882	8,808	3,481
Goodwill impairment	—	—	14,503	—
Stock-based compensation	5,605	4,322	15,563	10,052
Finance (income) expenses, net (a)	(290)	4,962	(3,013)	(10,655)
Transaction related expenses (b)	—	—	—	392
Acquisition related expenses (c)	—	—	—	4,971
Retention bonus expenses (d)	119	1,290	564	2,290
Legal claims	420	664	1,076	1,099
Severance cost (e)	—	—	845	—
Other	(80)	739	192	915
Taxes on income	(1,301)	839	2,858	634
Adjusted EBITDA	$6,456	$2,866	$ 11,143	$ (1,802)
Adjusted EBITDA margin	17.8 %	8.3 %	11.0 %	(1.9)%

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

INNOVID

CTV
LISTED
NYSE

INNOVID

Contact us:
IR@innovid.com