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Q4 2023 Investor Supplement

INNOVID

February 27, 2024

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, expected growth and future market opportunity. 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 achieve and, if achieved, maintain profitability, decrease and/or changes in CTV audience viewership behavior, Innovid's failure to make the right investment decisions or to innovate and develop new solutions, inaccurate estimates or projections of future financial performance, Innovid's failure to manage growth effectively, the dependence of Innovid's revenues and business on the overall demand for advertising and a limited number of advertising agencies and advertisers, the actual or potential impacts of international conflicts and humanitarian crises on global markets, the rejection of digital advertising by consumers, future restrictions on Innovid's ability to collect, use and disclose data, market pressure resulting in a reduction of Innovid's revenues per impression, Innovid's failure to adequately scale its platform infrastructure, exposure to fines and liability if advertisers, publishers and data providers do not obtain necessary and requisite consents from consumers for Innovid to process their personal data, competition for employee talent, seasonal fluctuations in advertising activity, payment-related risks, interruptions or delays in services from third parties, errors, defects, or unintended performance problems in Innovid's platform, intense market competition, failure to comply with the terms of third party open source components, changes in tax laws or tax rulings, failure to maintain an effective system of internal controls over financial reporting, failure to comply with data privacy and data protection laws, infringement of third party intellectual property rights, difficulty in enforcing Innovid's own intellectual property rights, system failures, security breaches or cyberattacks, additional financing if required may not be available, the volatility of the price of Innovid's common stock and warrants, 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 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 percent.

We use Adjusted EBITDA and Adjusted EBITDA margin percent 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 as well as comparisons to peers as similar measures are frequently used by securities analysts, investors, ratings agencies and other interested parties to evaluate businesses in our industry. We believe 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. However, these non-GAAP financial measures should not take the place of GAAP financial measures in evaluating our business.

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.
- 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.

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 percent as Adjusted EBITDA divided by total revenue. Other companies in our industry may calculate the above described 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.

Innovid has provided a reconciliation of Adjusted EBITDA and Adjusted EBITDA margin percent to net (loss) income, the most directly comparable GAAP measure, for historical periods in the appendix hereto. We are not able to provide a reconciliation of the projected Adjusted EBITDA to expected net (loss) income attributable to Innovid for the first quarter of 2024 or the full-year 2024, without unreasonable effort. This is 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.

Q4 2023 Financial Highlights[1]

	Q4 2023	Q4 2022	Change
Revenue	$38.6 million	$33.7 million	+15%
Adjusted EBITDA[1]	$8.3 million	$3.0 million	+$5.3 million
Adjusted EBITDA Margin Percent[1]	21%	9%	+>1,200 BPS

1. Adjusted EBITDA and Adjusted EBITDA margin percent 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.

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Q4 2023 Business & Strategic Highlights

$38.6 million Q4 2023 Total Revenue	**15%** Q4 2023 Revenue Growth	**22%** Q4 2023 Measurement share of Total Revenue
16% Q4 2023 CTV Video impressions Growth	**52%** Q4 2023 CTV share of video impressions	**21%** Q4 2023 Adjusted EBITDA Margin percent [1]

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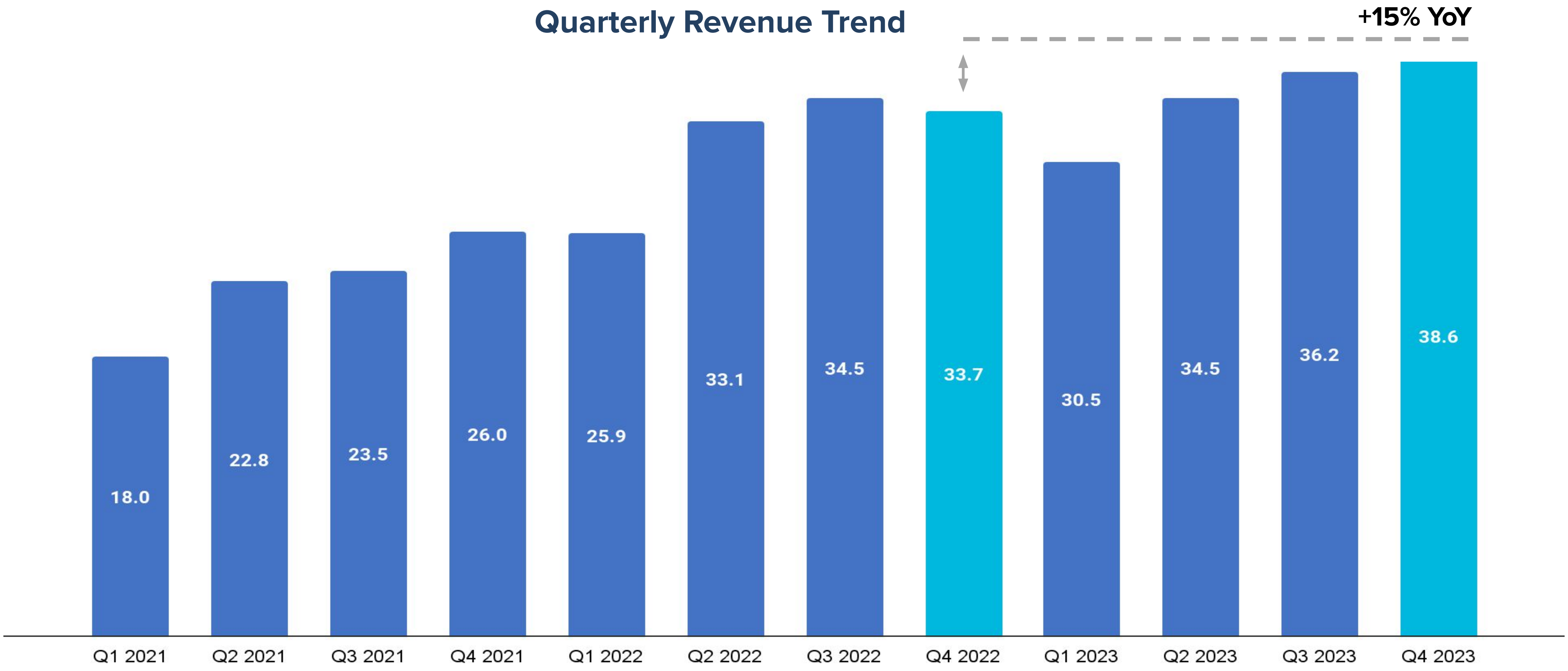
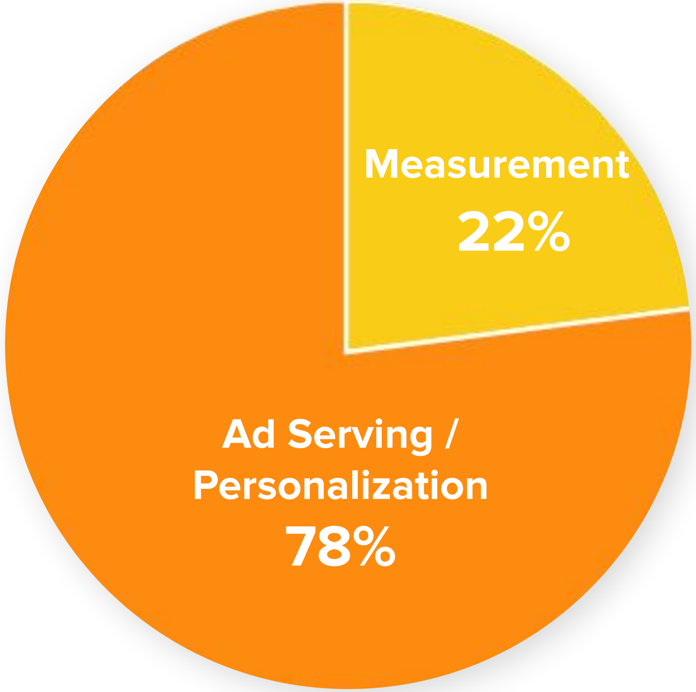
Q4 2023 Revenue and Trend

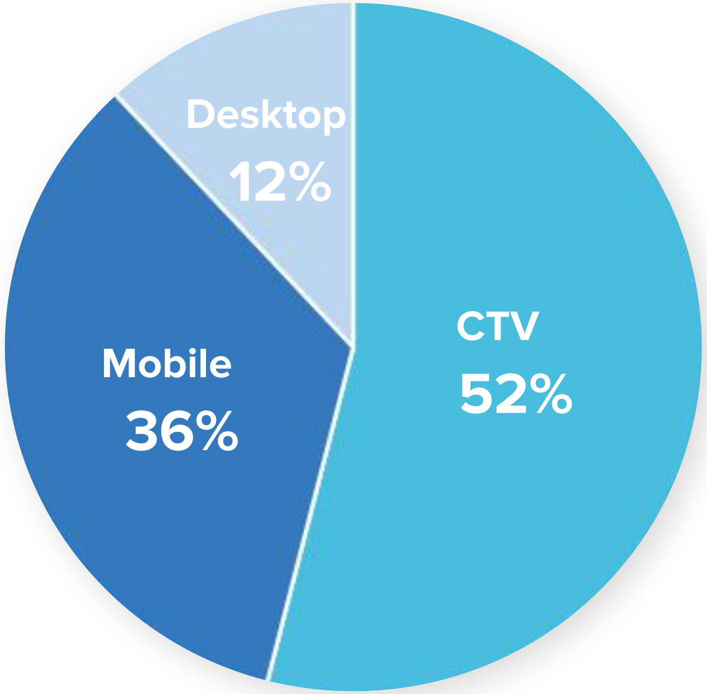


Q4 2023 Key Metrics

Total Revenue by Line of Business



Ad Serving and Personalization VIDEO/TV Impressions by Device Type



Q1 2024 and FY 2024 Outlook[1]

Q1 2024 Outlook

- Revenue: between $34 million and $36 million
- Adjusted EBITDA[1]: between $3 million and $4 million

FY 2024 Outlook

- Revenue: between $154 million and $162 million
- Adjusted EBITDA[1]: between $22 million and $28 million

1. Adjusted EBITDA and Adjusted EBITDA margin percent 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.

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Non-GAAP reconciliations

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

(in thousands)	Three months ended December 31, 2023	Three months ended December 31, 2022	Year ended December 31, 2023	Year ended December 31, 2022
Net loss	$ (1,658)	$ (3,429)	$ (31,911)	$(18,410)
Net loss margin percent	(4.0)%	(10.0)%	(22.8)%	(14.5)%
Depreciation, amortization and long-lived assets impairment	4,188	2,662	12,996	6,143
Goodwill impairment	—	—	14,503	—
Stock-based compensation	4,437	3,826	20,000	13,878
Finance income, net (a)	(407)	(2,693)	(3,420)	(13,348)
Transaction related expenses (b)	—	—	—	393
Acquisition related expenses (c)	—	—	—	4,971
Retention bonus expenses (d)	98	862	662	3,152
Legal claims	580	407	1,656	1,506
Severance cost	1,277	9	2,123	755
Other	244	—	436	168
Taxes on income	(484)	1,383	2,374	2,017
Adjusted EBITDA	$ 8,275	$ 3,027	$ 19,419	$ 1,225
Adjusted EBITDA margin percent	21.4 %	9.0 %	13.9 %	1.0 %

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 percent as Adjusted EBITDA divided by total revenue.

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