November 1, 2022

Zeta Accelerates Revenue Growth in 3Q'22 to 32%

- *Delivered 3Q'22 revenue of $152M, up 32% Y/Y, up 11% Q/Q*
- *Generated US revenue of $146M, up 36%Y/Y, Scaled Customer revenue of $148M, up 34% Y/Y, and Direct Platform revenue of $113M, up 33% Y/Y*
- *Added a record 16 new Scaled Customers including 6 Super Scaled Customers Q/Q, while growing Scaled Customer ARPU 19% Y/Y*
- *Generated cash flow from operating activities of $20M, up 92% Y/Y*
- *Raising 4Q'22 and FY'22 revenue and Adjusted EBITDA guidance*

NEW YORK – Zeta Global (NYSE: ZETA), a cloud-based marketing technology company that empowers enterprises to acquire, grow, and retain customers more efficiently, today announced financial results for the third quarter ended September 30, 2022.

"Our strong third quarter results were an incredible way to celebrate our 15-year anniversary," said David A. Steinberg, Co-Founder, Chairman, and CEO of Zeta. "The acceleration in our business is reflective of the pressure on enterprises to improve their ability to acquire, grow, and retain customers. At the same time, marketing investments must be tied to measurable outcomes that deliver a strong, verifiable return on investment. By addressing the requirements for both revenue growth and cost savings, Zeta is well positioned to make sophisticated marketing simple."

"We once again extended our track record of 'beat-and-raise' execution by accelerating revenue growth while increasing profitability and cash generation," said Chris Greiner, Zeta's CFO. "The third quarter's outperformance was broad-based across industries, channels and use cases as well as throughout our Zeta 2025 KPIs, serving as an important demonstration of our business model's balance and our value proposition's durability. Based on the strong underlying fundamentals of our business, we are increasing our fourth quarter and full year 2022 guidance, putting us ahead of pace to achieve our Zeta 2025 plan."

Third Quarter 2022 Highlights

- Total revenue of $152 million, an increase of 32% Y/Y and 11% Q/Q.
- Scaled Customer count of 389 compared to 373 in 2Q'22 and 347 in 3Q'21.

- Super Scaled Customer count of 106 compared to 100 in 2Q'22 and 86 in 3Q'21.
- Scaled Customer ARPU of $382K, an increase of 19% Y/Y.
- Direct platform revenue mix of 74% of total revenue, unchanged versus 3Q'21.
- Connected TV (CTV) is the fastest growing channel, up more than 250% Y/Y.
- Lowered the cost of revenue percentage by 90 basis points to 37.8% Y/Y, or 36.8%, excluding stock-based compensation[1].
- GAAP net loss of $69 million, or 45.6% of revenue, was driven primarily by $75 million of stock-based compensation. The net loss in 3Q'21 was $69 million, or 60.0% of revenue.
- GAAP loss per share of $0.49 compared to a loss per share of $0.53 in 3Q'21.
- Cash flow from operating activities of $19.5 million, compared to $10.2 million in 3Q'21.
- Free Cash Flow[1] of $9.4 million, compared to $3.7 million in 3Q'21.
- Repurchased $4.3 million worth of shares through our share repurchase programs.
- Adjusted EBITDA[1] of $22.4 million, an increase of 40% compared to $16.0 million in 3Q'21.
- Adjusted EBITDA margin[1] of 14.7%, compared to 13.9% in 3Q'21.

Guidance

Zeta anticipates revenue and Adjusted EBITDA as follows:

Fourth Quarter 2022

- Increasing revenue guidance to a range of $158 million to $162 million, up $2 million from the prior guidance implied midpoint of $158 million. The revised guidance represents a year-over-year increase of 17% to 20%.
- Increasing Adjusted EBITDA guidance to a range of $29.2 million to $29.7 million, up $0.3 million from the prior guidance implied midpoint of $29.2 million. The revised guidance represents a year-over-year increase of 28% to 30% and an Adjusted EBITDA margin of 18.0% to 18.8%.

Full Year 2022

- Increasing and narrowing our revenue expectations to a range of $574 million to $578 million, up $13 million from the midpoint of the prior guidance range of $560 million to $566 million. Revised guidance represents a year-over-year increase of 25% to 26%.
- Increasing Adjusted EBITDA to a range of $89.0 million to $89.5 million, up $2.7 million from the midpoint of the prior guidance range of $85.8 million to $87.3 million. Revised guidance represents a year-over-year increase of 41% and an Adjusted EBITDA margin of 15.4% to 15.6%.

Investor Conference Call and Webcast

Zeta will host a conference call today, Tuesday, November 1, 2022, at 5:00 p.m. Eastern Time to discuss financial results for the third quarter 2022. A supplemental earnings presentation and

[1] Cost of revenue excluding stock-based compensation, 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.

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 Holdings Corp. is a leading data-driven, cloud-based marketing technology company that empowers enterprises to acquire, grow, and retain customers. The Company's Zeta Marketing Platform (the "ZMP") is the largest omnichannel marketing platform with identity data at its core. The ZMP analyzes billions of structured and unstructured data points to predict consumer intent by leveraging sophisticated artificial intelligence to personalize experiences at scale. Founded in 2007 by David A. Steinberg and John Sculley, the Company is headquartered in New York City. For more information, please 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 guidance and the timing of when we will achieve the Zeta 2025 plan, 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: the impact of COVID-19 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; 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; our ability to innovate and make the right investment decisions in our product offerings and platform; our ability to attract and retain customers, including our 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.

The fourth quarter and full year 2022 guidance provided herein and Zeta 2025 targets 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.

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.
- 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 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

Non-GAAP Measures

In order to assist readers of our condensed unaudited 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.
- Cost of revenue, excluding stock-based compensation is a non-GAAP financial measure defined as cost of revenue as defined above less stock-based compensation.
- 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 EBITDA, Adjusted EBITDA margin, Cost of revenue excluding stock-based compensation, 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, Cost of revenue excluding stock-based compensation, 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 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 Adjusted EBITDA and Adjusted EBITDA margin guidance and targets 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.

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Condensed Unaudited Consolidated Balance Sheets
(In thousands, except shares, per share and par values)

	As of	
	September 30, 2022	**December 31, 2021**
Assets		
Current assets:		
Cash and cash equivalents	**$ 114,808**	$ 103,859
Accounts receivable, net of allowance of $1,746 and $1,295 as of September 30, 2022 and December 31, 2021, respectively	**91,414**	83,578
Prepaid expenses	**7,600**	6,970
Other current assets	**1,893**	1,649
Total current assets	**215,715**	196,056
Non-current assets:		
Property and equipment, net	**6,235**	5,630
Website and software development costs, net	**36,863**	38,038
Intangible assets, net	**45,601**	40,963
Goodwill	**133,009**	114,509
Deferred tax assets, net	**1,253**	956
Other non-current assets	**2,059**	1,113
Total non-current assets	**$ 225,020**	$ 201,209
Total assets	**$ 440,735**	$ 397,265
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	**$ 28,400**	$ 21,711
Accrued expenses	**63,516**	63,979
Acquisition related liabilities (current)	**17,220**	8,042
Deferred revenue	**6,104**	6,866
Other current liabilities	**8,258**	5,159
Total current liabilities	**123,498**	105,757
Non-current liabilities:		
Long term borrowings	**183,868**	183,613
Acquisition related liabilities (non-current)	**22,032**	14,915
Other non-current liabilities	**2,225**	2,492
Total non-current liabilities	**208,125**	201,020
Total liabilities	**$ 331,623**	$ 306,777
Commitments and contingencies		
Stockholders' equity:		
Class A common stock $ 0.001 per share par value, up to 3,750,000,000 shares authorized, 173,957,931 and 159,974,847 shares issued and outstanding as of September 30, 2022 and December 31, 2021, respectively	**174**	160
Class B common stock $ 0.001 per share par value, up to 50,000,000 shares authorized, 32,464,430 and 37,856,095 shares issued and outstanding as of September 30, 2022 and December 31, 2021, respectively	**32**	38
Additional paid-in capital	**831,731**	584,208
Accumulated deficit	**(719,303)**	(491,817)
Accumulated other comprehensive loss	**(3,522)**	(2,101)
Total stockholders' equity	**109,112**	90,488
Total liabilities and stockholders' equity	**$ 440,735**	$ 397,265

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

	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	**2022**	2021
Revenues	**$ 152,252**	$ 115,133	**$ 415,821**	$ 323,492
Operating expenses:				
Cost of revenues (excluding depreciation and amortization)	**57,529**	44,525	**149,487**	125,709
General and administrative expenses	**53,584**	50,643	**162,598**	135,682
Selling and marketing expenses	**76,987**	60,537	**223,044**	163,952
Research and development expenses	**16,954**	13,998	**52,223**	50,285
Depreciation and amortization	**13,367**	11,783	**39,448**	33,135
Acquisition related expenses	**—**	480	**344**	1,516
Restructuring expenses	**—**	30	**-**	467
Total operating expenses	**$ 218,421**	$ 181,996	**$ 627,144**	$ 510,746
Loss from operations	**(66,169)**	(66,863)	**(211,323)**	(187,254)
Interest expense	**2,038**	1,342	**5,002**	5,705
Other expenses	**1,142**	496	**12,111**	1,031
Gain on extinguishment of debt	**—**	—	**-**	(10,000)
Change in fair value of warrants and derivative liabilities	**(805)**	—	**410**	5,000
Total other expenses	**$ 2,375**	$ 1,838	**$ 17,523**	$ 1,736
Loss before income taxes	**(68,544)**	(68,701)	**(228,846)**	(188,990)
Income tax provision / (benefit)	**896**	$ 428	**$ (1,360)**	$ (565)
Net loss	**$ (69,440)**	$ (69,129)	**$ (227,486)**	$ (188,425)
Other comprehensive loss:				
Foreign currency translation adjustment	**774**	77	**1,421**	152
Total comprehensive loss	**$ (70,214)**	$ (69,206)	**$ (228,907)**	$ (188,577)
Net loss	**$ (69,440)**	$ (69,129)	**$ (227,486)**	$ (188,425)
Cumulative redeemable convertible preferred stock dividends	—	—	—	7,060
Net loss available to common stockholders	**$ (69,440)**	$ (69,129)	**$ (227,486)**	$ (195,485)
Basic loss per share	**$ (0.49)**	$ (0.53)	**$ (1.66)**	$ (2.60)
Diluted loss per share	**$ (0.49)**	$ (0.53)	**$ (1.66)**	$ (2.60)
Weighted average number of shares used to compute net loss per share				
Basic	**140,594,128**	129,731,980	**136,793,272**	75,313,520
Diluted	**140,594,128**	129,731,980	**136,793,272**	75,313,520

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

	Three months ended September 30,		Nine months ended September 30,	
	2022	**2021**	**2022**	**2021**
Cost of revenues (excluding depreciation and amortization)	**$ 1,536**	$ 1,183	**$ 4,436**	$ 1,449
General and administrative expenses	**28,193**	28,243	**88,873**	70,868
Selling and marketing expenses	**38,868**	35,114	**117,765**	94,626
Research and development expenses	**6,621**	4,803	**20,215**	21,670
Total	**$ 75,218**	$ 69,343	**$ 231,289**	$ 188,613

Condensed Unaudited Consolidated Statements of Cash Flows
(In thousands)

	Nine months ended September 30,	
	2022	**2021**
Cash flows from operating activities:		
Net loss	**$ (227,486)**	$ (188,425)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation and amortization	**39,448**	33,135
Stock-based compensation	**231,289**	188,613
Gain on debt extinguishment	**-**	(10,000)
Deferred income taxes	**(3,114)**	(1,635)
Change in fair value of warrants and derivative liabilities	**410**	5,000
Others, net	**12,018**	2,509
Change in non-cash working capital (net of acquisitions):		
Accounts receivable	**(4,595)**	7,423
Prepaid expenses	**(489)**	(1,917)
Other current assets	**(241)**	4,316
Other non-current assets	**150**	(542)
Deferred revenue	**(765)**	(1,314)
Accounts payable	**7,253**	(17,961)
Accrued expenses and other current liabilities	**1,778**	2,762
Other non-current liabilities	**(267)**	1,402
Net cash provided by operating activities	**55,389**	23,366
Cash flows from investing activities:		
Capital expenditures	**(17,165)**	(6,883)
Website and software development costs	**(12,820)**	(13,421)
Business acquisitions, net of cash acquired	**(9,209)**	(2,159)
Net cash used for investing activities	**(39,194)**	(22,463)
Cash flows from financing activities:		
Cash paid for acquisition-related liabilities	**(2,292)**	(64)
Proceeds from credit facilities, net of issuance costs	**5,625**	183,311
Proceeds from IPO, net of issuance cost	**-**	126,538
Repurchase of shares	**(4,310)**	(64,468)
Issuance under employee stock purchase plan	**1,320**	-
Exercise of options	**165**	110
Repayments against the credit facilities	**(5,625)**	(180,745)
Net (used for) / cash provided by financing activities	**(5,117)**	64,682
Effect of exchange rate changes on cash and cash equivalents	**(129)**	(130)
Net increase in cash and cash equivalents	**10,949**	65,455
Cash and cash equivalents, beginning of period	**103,859**	50,725
Cash and cash equivalents, end of period	**$ 114,808**	$ 116,180
Supplemental cash flow disclosures including non-cash activities:		
Cash paid for interest	**$ 4,003**	$ 5,673
Cash paid for income taxes, net	**$ 1,114**	$ 1,294
Liability established in connection with acquisitions	**$ 19,773**	$ 1,795
Capitalized stock-based compensation as website and software development costs	**$ 4,131**	$ 8,830
Shares issued in connection with acquisitions and other agreements	**$ 14,936**	$ 6,650
Dividends on redeemable convertible preferred stock settled in Company's equity	**$ -**	$ 60,082
Non-cash settlement of warrants and derivative liabilities	**$ -**	$ 63,100
Non-cash consideration for website and software development costs	**$ 981**	$ 45

Unaudited Reconciliation of GAAP to Non-GAAP Financial Measures
(In thousands)

	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	2022	2021
Net loss	**$ (69,440)**	**$ (69,129)**	**$ (227,486)**	**$ (188,425)**
Net loss margin	**45.6%**	**60.0%**	**54.7%**	**58.2%**
Add back:				
Depreciation and amortization	13,367	11,783	39,448	33,135
Restructuring expenses	-	30	-	467
Acquisition related expenses	-	480	344	1,516
Stock-based compensation	75,218	69,343	231,289	188,613
Other expenses	1,142	496	12,111	1,031
Gain on extinguishment of debt	-	-	-	(10,000)
IPO related expenses	-	-	-	2,705
Change in fair value of warrants and derivative liabilities	(805)	-	410	5,000
Dispute settlement Expense	-	1,196	-	1,196
Interest expense	2,038	1,342	5,002	5,705
Income tax provision / (benefit)	896	428	(1,360)	(565)
Adjusted EBITDA	**$ 22,416**	**$ 15,969**	**$ 59,758**	**$ 40,378**
Adjusted EBITDA margin	**14.7%**	**13.9%**	**14.4%**	**12.5%**