# Supplemental 4Q'22 Earnings Presentation

February 23, 2023

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# Forward-Looking Statements and Non-GAAP Measures

This presentation, 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 presentation or during the earnings call that are not statements of historical fact, including statements about our guidance, the Zeta 2025 targets, and the timing of when we will achieve the Zeta 2025 plan targets, 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. 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 presentation. 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 first quarter and full year 2023 guidance and Zeta 2025 targets provided herein 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.

This presentation contains non-GAAP financial measures such as adjusted EBITDA, adjusted EBITDA margin, cost of revenue excluding stock-based compensation, and free cash flow ("FCF"). These measures are not prepared in accordance with generally accepted accounting principles in the United States of America ("GAAP") and have important limitations as analytical tools. Non-GAAP financial measures are supplemental, should only be used in conjunction with results presented in accordance with GAAP and should not be considered in isolation or as a substitute for such GAAP results. Refer to the Appendix of this presentation for (i) the definitions of the non-GAAP measures used in this presentation and (ii) a reconciliation of the non-GAAP financial measures used herein to the most directly comparable financial measures calculated and presented in accordance with GAAP .

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# 4Q & FY 2022 Earnings Summary

## KEY THEMES

### 1 THE MARKET IS MOVING TO ZETA

- Explosion of AI & data, which are foundational to the Zeta Marketing Platform ("ZMP")
- Enterprises require better outcomes at a lower TCO
- Strong competitive differentiation unifying identity, intelligence, and activation in a single platform

### 2 DELIVERING BEYOND OUR COMMITMENTS

- Six straight quarters of beat & raise execution
- Ahead or in-line on all Zeta 2025 KPIs
- Purposely conservative guidance

### 3 SUSTAINABLE GROWTH & INCREASING PROFITABILITY

- Ahead of Zeta 2025 Revenue growth & Adj. EBITDA margin targets[1,2]
- Adding Free Cash Flow target to Zeta 2025 long-term model
- Growing in-line with core software peers while achieving higher levels of profitability and cash generation

## RESULTS

| | 4Q'22 RESULTS | FY'22 RESULTS | Zeta '25 Pacing Vs. Model |
|---|---|---|---|
| **Revenue**<br>*Y/Y Growth* | **$175M**<br>*30%* | **$591M**<br>*29%* |  |
| **Cash from Operations**<br>*Y/Y Growth* | **$23M**<br>*10%* | **$78M**<br>*77%* | N/A |
| **Adjusted EBITDA[1]**<br>*Y/Y Growth* | **$32M**<br>*42%* | **$92M**<br>*46%* |  |
| **Adjusted EBITDA Margin %[1]**<br>*Y/Y Growth* | **18.5%**<br>*150 bps* | **15.6%**<br>*180 bps* |  |

4Q'22 GAAP net loss of $52M, or 30% of revenue, includes $68M of stock-based compensation. 2022 GAAP net loss of $279M, or 47% of revenue, includes $299M of stock-based compensation. See the graded vesting schedule on slide 19.

1. Adjusted EBITDA, Adjusted EBITDA Margin, and Free Cash Flow are non-GAAP metrics, see reconciliation in Appendix.
2. The Company's targets are based on a number of assumptions that are subject to change and many of which are outside the control of the Company. If actual results vary from these assumptions, the Company's expectations may change. There can be no assurance that the Company will achieve these results.

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# Consistent Execution and Strong Underlying Fundamentals

## Increasing Scaled Customer Count[1]

2022

**403**

3Q'22: 389
4Q'21: 355

## Growing Scaled Customer ARPU

| 4Q'22 | 2022 |
|---|---|
| **$424K** | **$1.4M** |
| +15% Y/Y<br>+11% QtQ | +15% Y/Y |

## Broad Industry Vertical Contribution

**6 Of The Top 10 Verticals Grew Greater Than 25%**

## Increasing Sales Headcount

2022

**123**

FY'21: 100

## Driving Direct Platform Mix Shift[2]

| 4Q'22 | 2022 |
|---|---|
| **75%** | **77%** |
| 3Q'22: 74%<br>4Q'21: 77% | FY'21: 76% |

## Reducing Cost of Revenue Y/Y

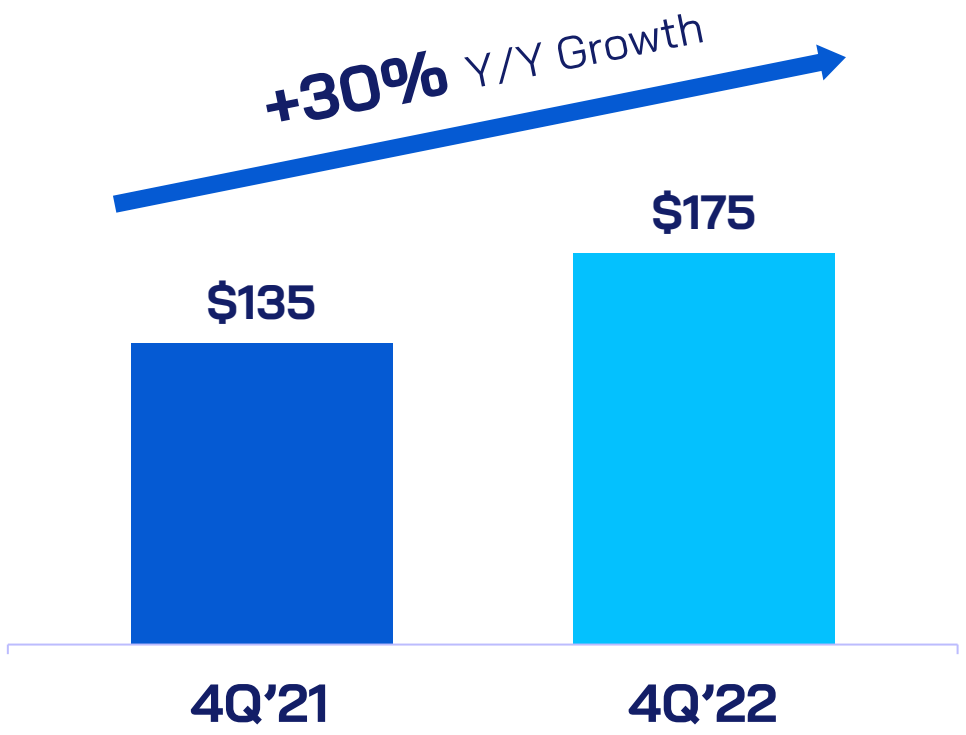
| 4Q'22 | 2022 |
|---|---|
| **37.7%** | **36.5%** |
| 130 bps Y/Y<br>(10) bps QtQ | (170) bps Y/Y |

1. We define scaled customers as customers from which we generate at least $100,000 of revenue on a trailing twelve-month (TTM) basis.
2. Direct Platform Revenue Mix: Percent of revenue generated by the ZMP comprised of subscription software and utilization fees generated by channels owned and operated by Zeta, resulting in stronger operating leverage.

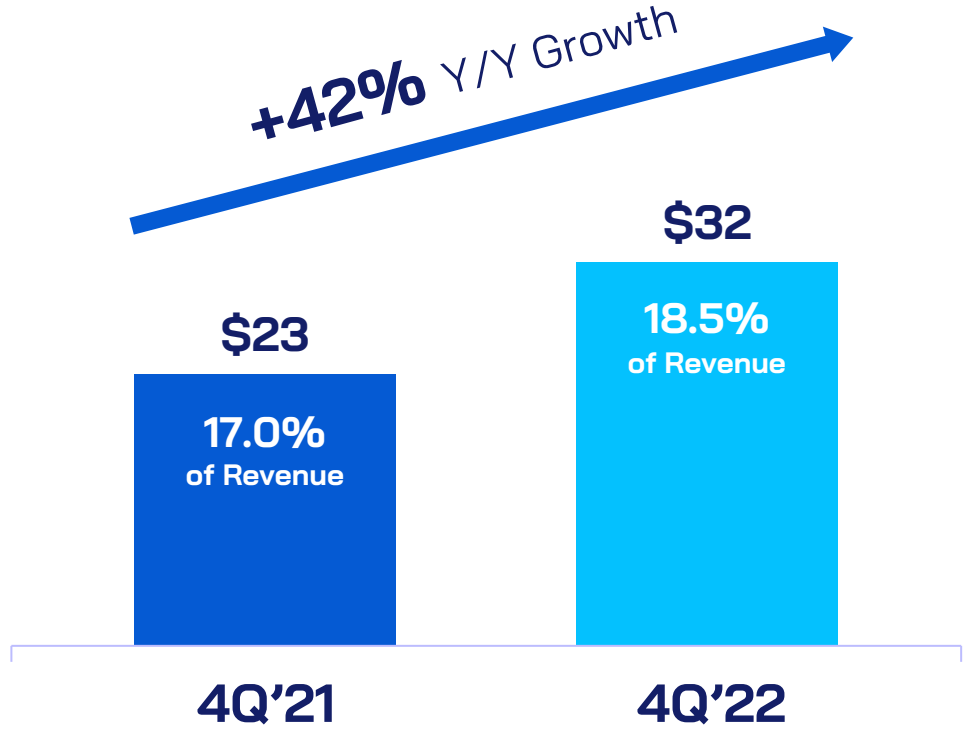
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# Accelerating Revenue and Adjusted EBITDA Growth While Driving Margin Expansion, Beyond Rule of 40

## Revenue Growth




## Adjusted EBITDA[1] Growth

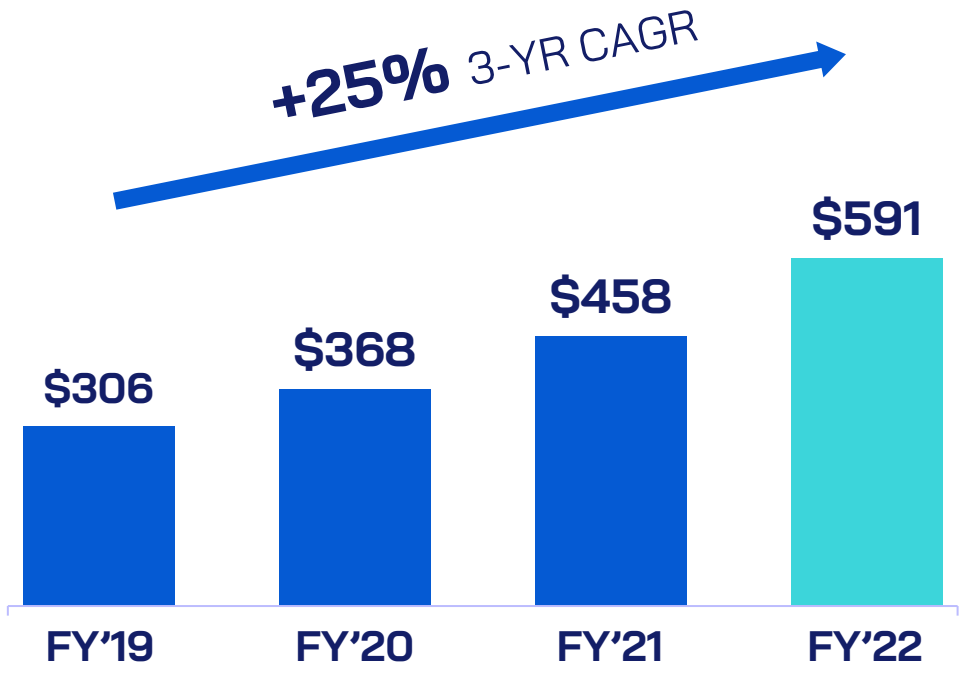



4Q'21 GAAP net loss of $61M, or 45% of revenue, includes $71M of stock-based compensation.
4Q'22 GAAP net loss of $52M, or 30% of revenue, includes $68M of stock-based compensation.
1. Adjusted EBITDA and Adjusted EBITDA Margin are non-GAAP metrics, see reconciliation in Appendix.

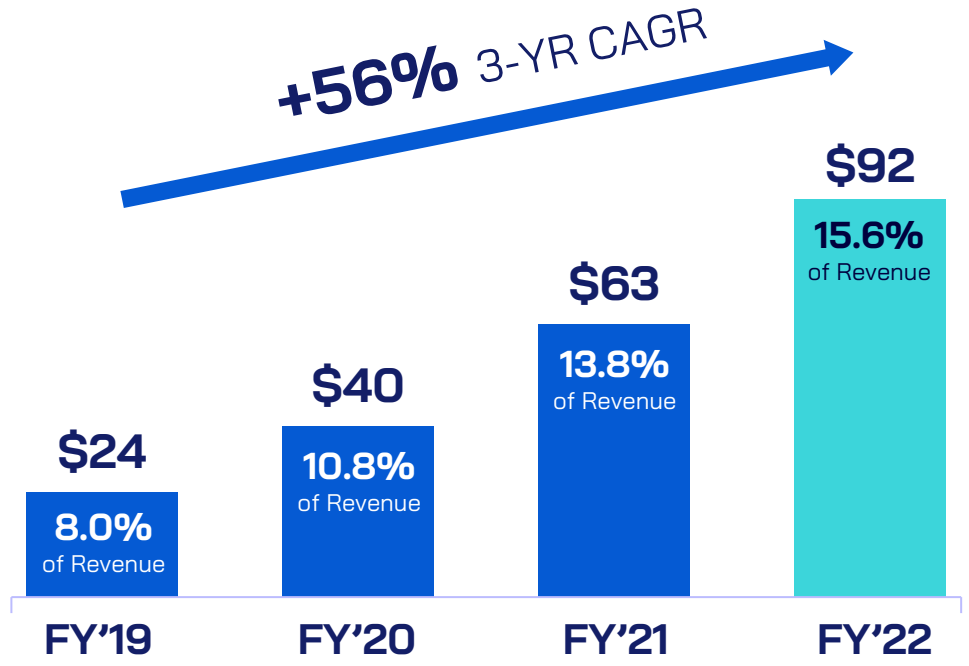
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# Accelerating Growth and Margin Expansion

## Revenue Growth




## Adjusted EBITDA[1] Growth




GAAP net loss in 2019, 2020, 2021, and 2022 was: $38M, $53M, $250M, and $279M, respectively

1. Adjusted EBITDA and Adjusted EBITDA Margin are non-GAAP metrics, see reconciliation in Appendix.

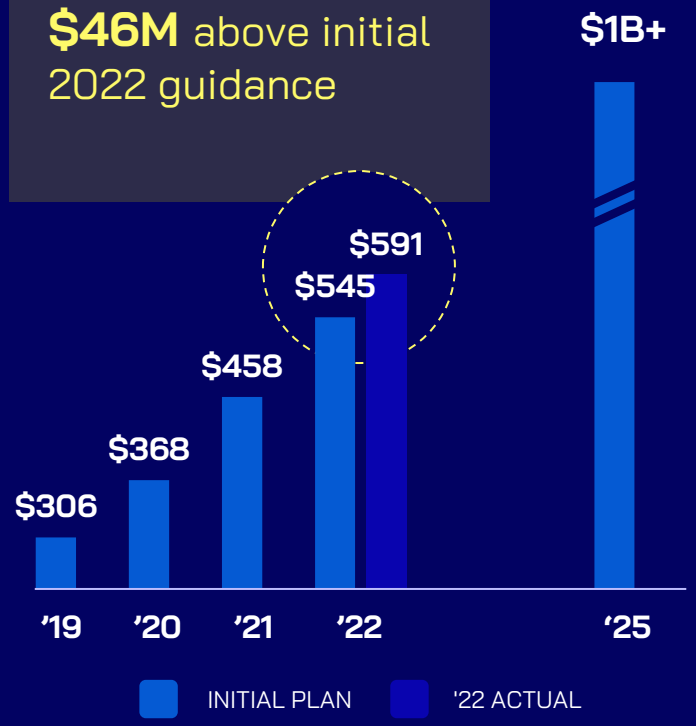
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# Pacing Ahead of Zeta 2025 Targets; Adding Free Cash Flow

## 2025 REVENUE TARGET

**$1B+**

**$46M** above initial 2022 guidance




## 2025 ADJ. EBITDA[1] TARGET

**20%+**

**$10M** above initial 2022 guidance

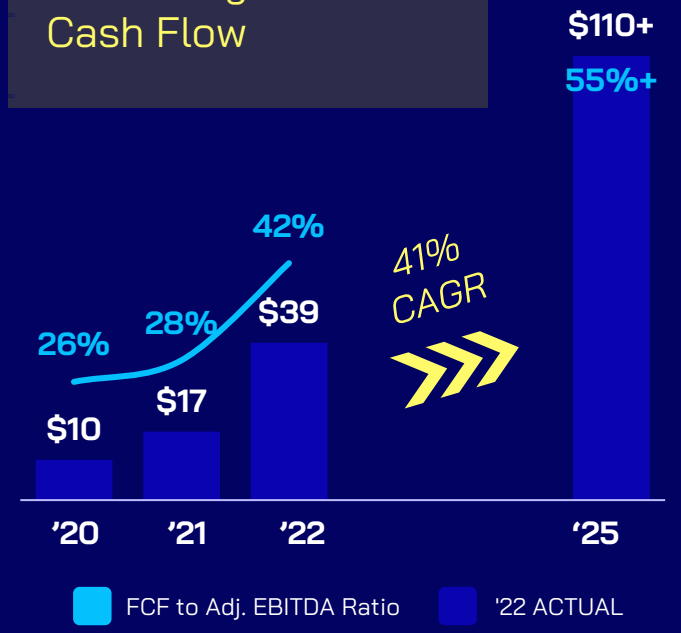



## FCF TARGET[1]

New

**$110M+**

**Operating Leverage** Increasing Free Cash Flow




GAAP net loss in 2019, 2020, 2021, and 2022 was: $38M, $53M, $250M, and $279M, respectively

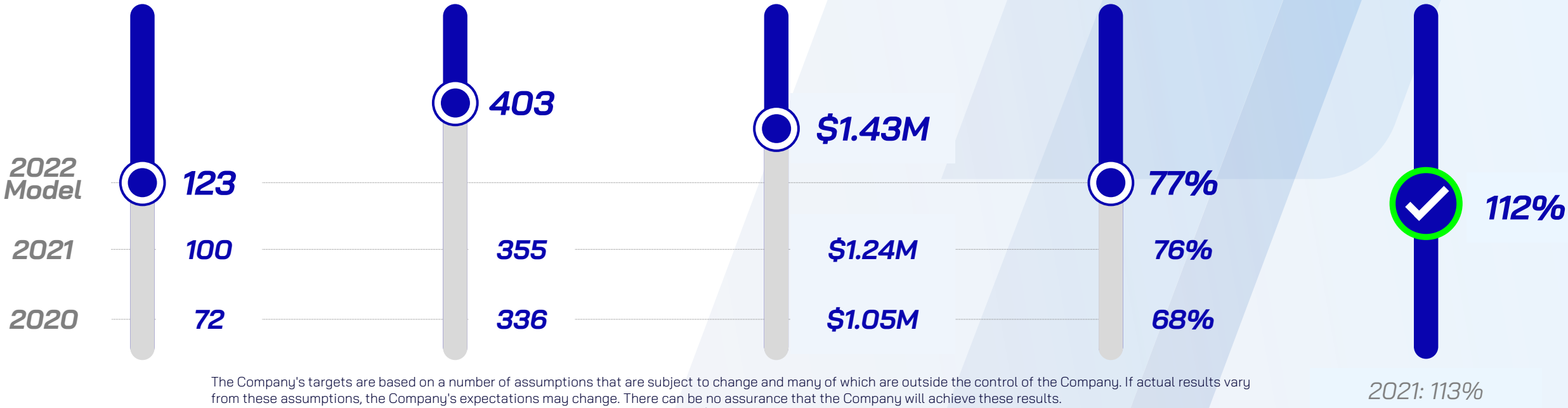
The Company's targets are based on a number of assumptions that are subject to change and many of which are outside the control of the Company. If actual results vary from these assumptions, the Company's expectations may change. There can be no assurance that the Company will achieve these results.

1. Adjusted EBITDA, Adjusted EBITDA Margin, and Free Cash Flow are non-GAAP metrics, see reconciliation in Appendix.

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# Zeta 2025 KPIs In Line or Ahead of Long-term Target

| SALES HEADCOUNT | SCALED CUSTOMER COUNT[1] | SCALED CUSTOMER ARPU | DIRECT PLATFORM REVENUE MIX[2] | NET REVENUE RETENTION[3] |
|---|---|---|---|---|
| ~250 | 500+ *Up from 450* | ~$2.1M | ~80% | 110-115% |




The Company's targets are based on a number of assumptions that are subject to change and many of which are outside the control of the Company. If actual results vary from these assumptions, the Company's expectations may change. There can be no assurance that the Company will achieve these results.

1. We define scaled customers as customers from which we generate at least $100,000 of revenue on a trailing twelve-month (TTM) basis.
2. Direct Platform Revenue Mix: Percent of revenue generated by the ZMP comprised of subscription software and utilization fees generated by channels owned and operated by Zeta, resulting in stronger operating leverage.
3. We calculate Net Revenue Retention (NRR) by dividing current year revenue earned from customers from which we also earned revenue in the prior year, by the prior year revenue. We exclude political and advocacy customers, which represented 6.3% and 1.5% of revenue for 2022 and 2021, respectively, from our calculation of NRR rate because of the biennial nature of these customers.


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# Scaled Customer Count is Tracking Ahead of the Zeta 2025 Target

## 7 Consecutive Quarters of Sequential Scaled Customer Expansion




**2022 GROWTH:**

**14%**

**INITIAL ZETA 2025 REQUIRED CAGR:**

**6%**

1. We define super scaled customers, which is a subset of scaled customers, as customers from which we generate at least $1,000,000 of revenue on a trailing twelve-month (TTM) basis.
2. We define scaled customers as customers from which we generate at least $100,000 of revenue on a trailing twelve-month (TTM) basis.

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# Consistently Delivering Scaled Customer ARPU Growth Ahead of the Zeta 2025 Target




**2022 GROWTH:**

**15%**

**ZETA 2025 REQUIRED CAGR:**

**14%**

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# Increasing Channel Expansion Across Scaled Customer Cohorts Is Driving ARPU Expansion




| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Quarterly ARPU | $109 | $94 | $113 | → | $1,058 | $1,149 | $1,331 | 11X OPP. |
| Avg. Channels Per | 1.72 | 1.70 | 1.75 | | 2.34 | 2.57 | 2.77 | |

*($ in '000s, unless otherwise noted)*

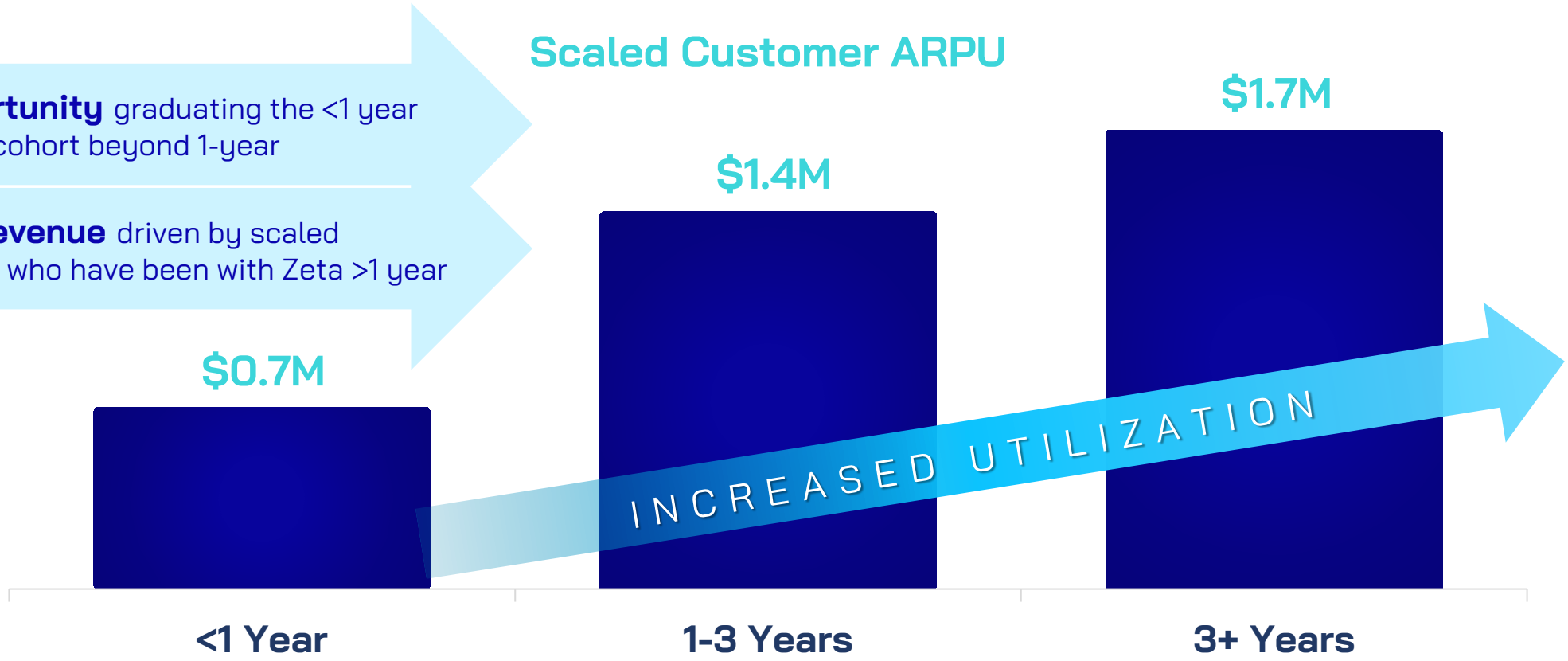
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# The Longer Our Customers Stay With Us, The Bigger They Become[1]

**2X Opportunity** graduating the <1 year customer cohort beyond 1-year

**~90% Revenue** driven by scaled customers who have been with Zeta >1 year



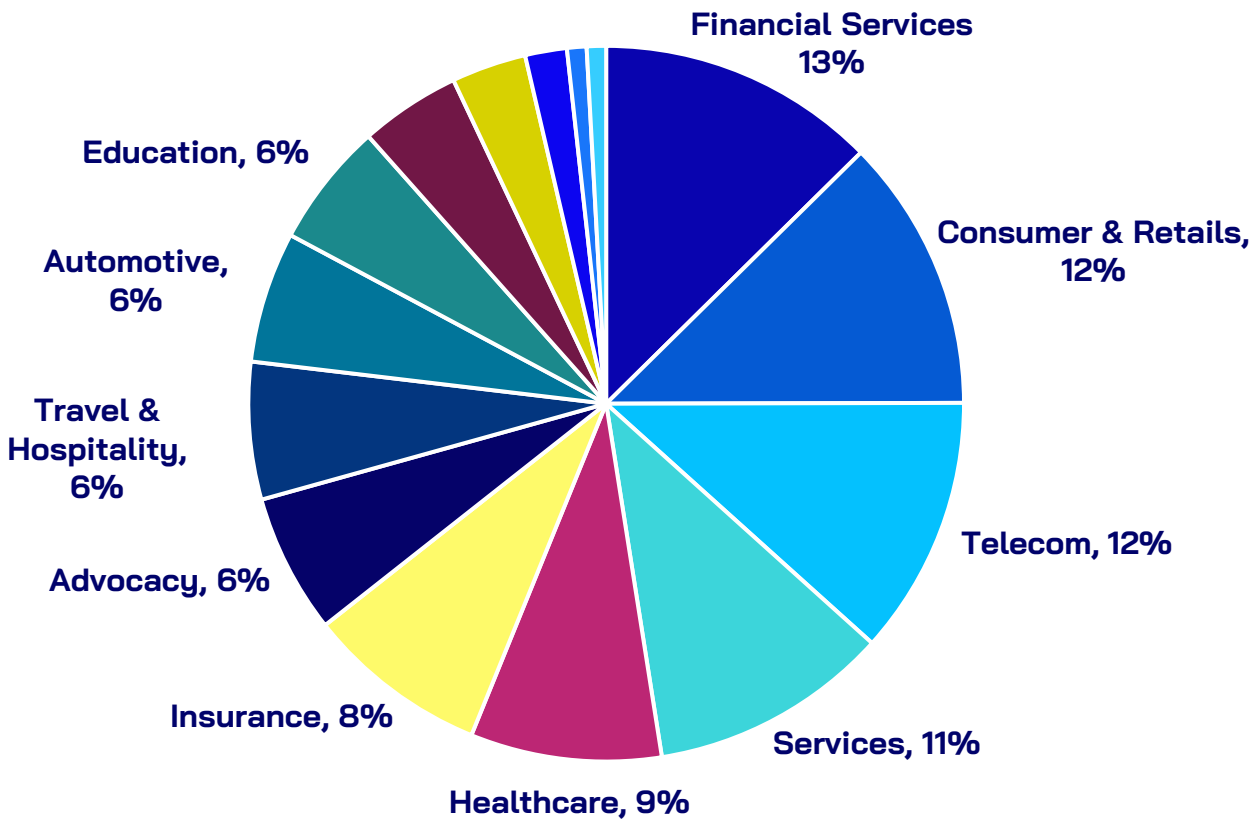

| | <1 Year | 1-3 Years | 3+ Years |
|---|---|---|---|
| Scaled Customer Count | 77 | 112 | 214 |
| Scaled Customer Revenue | $52M | $158M | $367M |

1. The data on this slide is as of 12/31/22

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# Zeta Is Well-diversified Across A Wide Range Of Verticals

## FY 2022 Revenue by Vertical[1]




## Well Diversified Customer Set

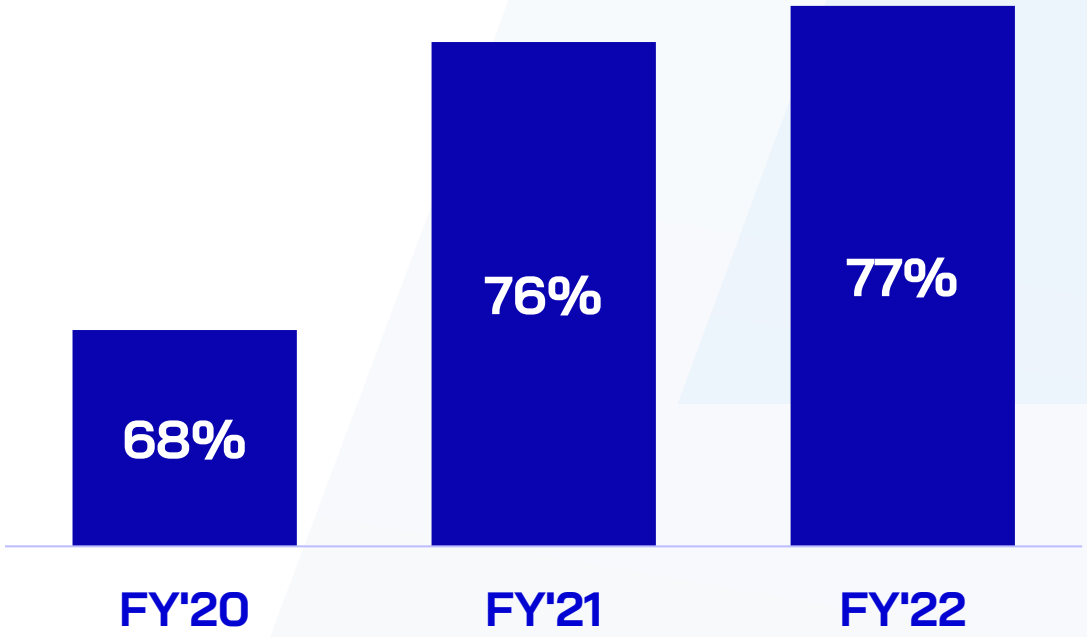
- Broad coverage across verticals
- 6 of top 10 verticals grew greater than 25% in 2022
- Largest customer accounts for ~5% of revenue
- The majority of the 48 scaled customers added in 2022 came from Consumer & Retail, Healthcare, Advertising & Marketing, and Technology & Media

1. The data on this slide is as of 12/31/22

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# Increased Direct Platform Revenue Mix Leads to Improved Operating Leverage

## Continued Increase in Direct Platform Revenue Mix




## Revenue Model[1]

### DIRECT PLATFORM

Revenue generated by the ZMP comprised of subscription software and utilization fees generated by channels owned and operated by Zeta, resulting in stronger operating leverage.

### INTEGRATED PLATFORM

Revenue generated from 3rd party partner platforms integrated into the ZMP via indirect channels (e.g. Facebook, Google).

1. Revenue as of 12/31/2022

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# 1Q'23 & FY'23 Guidance


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# Guidance: Balanced Growth and Operating Leverage

| | 1Q'23 Guidance Range | FY'23 Guidance Range | 1Q'23 Guidance Midpoint | FY'23 Guidance Midpoint |
|---|---|---|---|---|
| **Total Zeta Revenue** | **$149M – $151M** | **$686M – $696M** | **$150M** | **$691M** |
| *% Growth Y/Y* | 18% – 20% | 16% – 18% | 19% | 17% |
| **Adj. EBITDA[1]** | **$22.4M – $22.7M** | **$116.5M – $118.3M** | **$22.6M** | **$117.4M** |
| *% Growth Y/Y* | 19% – 21% | 26% – 28% | 20% | 27% |
| Adj. EBITDA Margin[1] | 14.8% – 15.2% | 16.7% – 17.3% | 15.0% | 17.0% |
| BPS Change Y/Y | (10) – 30 BPS | 110 BPS – 170 BPS | 10 BPS | 140 BPS |

These are not projections; they are goals/targets and are forward-looking, subject to significant business, economic, and competitive uncertainties and contingencies, many of which are beyond the control of the Company and its management and are based upon assumptions with respect to future decisions, which are subject to change. Actual results may vary, and those variations may be material. Nothing in this presentation should be regarded as a representation by any person that these goals/targets will be achieved, and the Company undertakes no duty to update its goals.

1. We calculate forward-looking non-GAAP 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 non-GAAP Adjusted EBITDA and Adjusted EBITDA margin guidance 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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# We Expect the Approximate % of FY'23 Revenue To Follow the 3-Year Historical Pattern

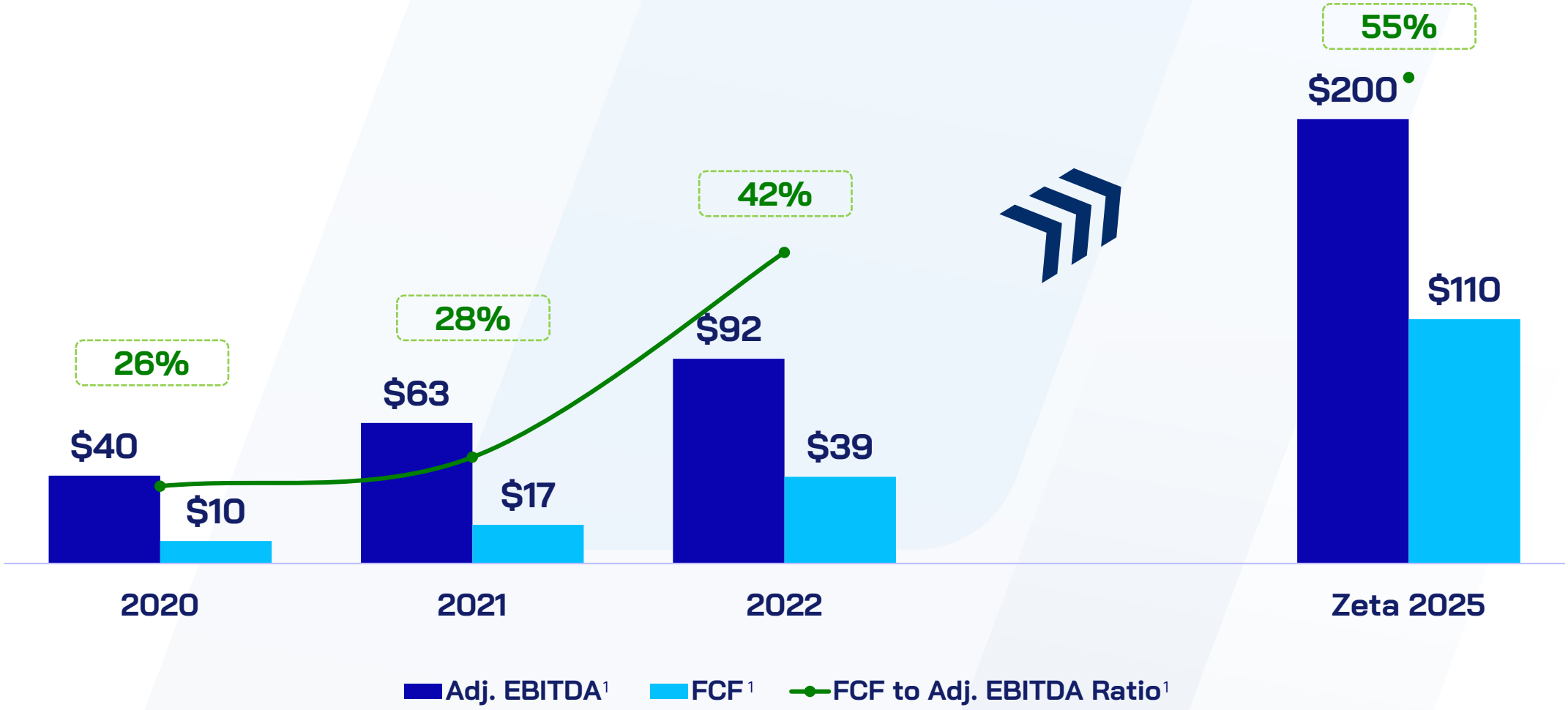
| | 1Q'23 | 2Q'23 | 3Q'23 | 4Q'23 | 2023 |
|---|---|---|---|---|---|
| **Quarterly 3-year average % of full year revenue** | **~22%** | **~23%** | **~26%** | **~29%** | **100%** |
| 2023 Revenue Guidance | Guidance $149 – 151M | $160M | $176M | $205M | $691M |
| *Y/Y Growth %* | *18% – 20%* | *16%* | *16%* | *17%* | *17%* |
| Adjusted EBITDA[1] | Guidance $22.4 – $22.7M | $23.6M | $30.0M | $41.2M | $117.4M |
| *Adj. EBITDA Margin %[1]* | *14.8% – 15.2%* | *14.8%* | *17.0%* | *20.0%* | *17.0%* |
| *BPS Change Y/Y* | *(10) – 30 BPS* | *130 BPS* | *230 BPS* | *150 BPS* | *140 BPS* |

These are not projections; they are goals/targets and are forward-looking, subject to significant business, economic, and competitive uncertainties and contingencies, many of which are beyond the control of the Company and its management and are based upon assumptions with respect to future decisions, which are subject to change. Actual results may vary, and those variations may be material. Nothing in this presentation should be regarded as a representation by any person that these goals/targets will be achieved, and the Company undertakes no duty to update its goals.

1. Excludes the impact of political candidate revenue in 2020 and 2022
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# Introducing a Zeta 2025 Free Cash Flow[1] Target of at least $110M




GAAP net loss in 2020, 2021, and 2022 was: $53M, $250M, and $279M

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# Estimated Stock-based Compensation Expense

| Stock Compensation Expense ($M) | 1Q'22 | 2Q'22 | 3Q'22 | 4Q'22 | FY'22 | FY'23 | FY'24 | FY'25 | FY'26 |
|---|---|---|---|---|---|---|---|---|---|
| Pre-IPO | $64.8 | $66.4 | $58.7 | $52.5 | $242.4 | $144.8 | $75.2 | $31.4 | $4.5 |
| Post-IPO Grants | $8.9 | $15.9 | $16.5 | $15.2 | $56.5 | $53.5 | $26.1 | $15.1 | $8.7 |
| New Grants to be Issued | | | | | | *Expect to issue 6-8M shares annually* | | | |
| **P&L Expense Total** | **$73.7** | **$82.3** | **$75.2** | **$67.7** | **$298.9** | | | | |

Notes:
1) All amounts shown above are in $ millions.
2) Stock-based compensation shown above are estimates.
3) The stock-based compensation estimate presented here is based on the unvested stock as of 12/31/2022 and does not include any future grants. Further, the Company estimates to grant approximately 6M-8M restricted stock on an annual, go-forward basis.

| Number of shares | 4Q'22 |
|---|---|
| Basic (weighted average) | 145.5 |
| Fully Diluted * | 209.1 |

*Since the Company is in a net loss position, the diluted shares have not been considered for EPS calculations as they are anti-dilutive.

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# The Market's Moving To Zeta


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# The Zeta Value Proposition is Resonating in the Market

## Enabling Enterprises to Identify, Reach, and Engage Consumers Across Channels

| WHAT MARKETERS NEED | WHAT ZETA DELIVERS |
| --- | --- |
| EASIER | All-in One Platform |
| FASTER | Rapid Time-to-Value |
| BETTER | 50% Greater ROI [1] |



Proprietary Data Cloud

+



Patented Software & AI

+



Omnichannel Activation

Solving for 3 Primary Use Cases: **Acquire, Grow, and Retain Customers**

1. 2021 Forrester Consulting Total Economic Impact study

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# Marketing Cloud Competitive Landscape

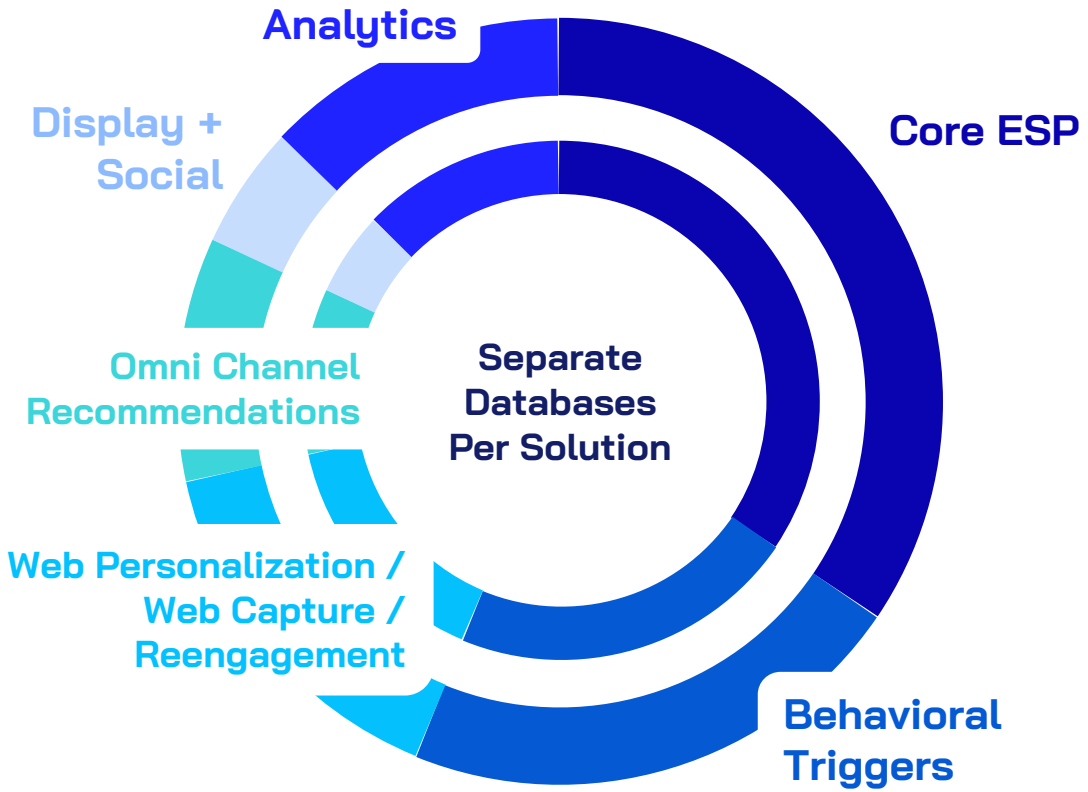
## Zeta Has Proprietary Data, Patented Software and AI, and Omnichannel Activation Capabilities All In A Single Platform

| | Software, Data & Activation | Software | | |
|---|---|---|---|---|
| | ZETA | Adobe / neolane / Marketo | ORACLE / responsys | salesforce / ExactTarget |
| Proprietary Identity Data | ● | ○ | ◔ | ○ |
| Marketing Automation Software and AI | ● | ● | ● | ● |
| Omnichannel Activation Capabilities | ● | ◔ | ◕ | ◔ |


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# The Zeta Marketing Platform Consolidates the Ad-tech and Mar-tech Stack, Allowing for a Greater Share of Wallet

## Typical Brand AdTech and MarTech Stack




## Zeta Marketing Platform

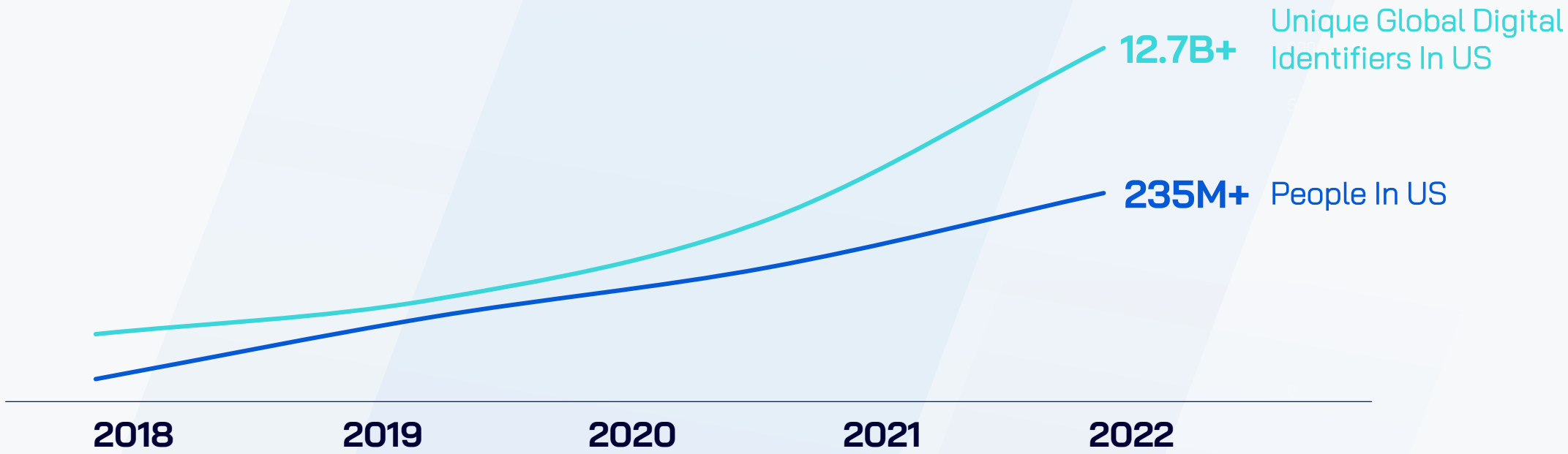




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# Our Data Is Durable

## In an Evolving Data Privacy Environment, Zeta's Proprietary Identity Data Set has Consistently Grown




***Data Privacy Regulation & Browser Updates***

- GDPR
- Apple ITP 2.1/2.2
- TCF 2.0
- Google SameSite
- CCPA
- Apple IDFA


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# 3 Pillars of Zeta's Data Cloud



## IDENTITY

Create a real-time 360-degree view of an individual using durable identifiers from multiple sources



## SIGNALS

Capture interest and intent through Artificial Intelligence to enrich customer data sets



## CONNECTIVITY

Attach identity to an individual and activate to deliver personalized experiences at scale



**Click Here for a Video Series of Commonly Asked Questions About the Zeta Data Cloud Including Use Cases**

ZETA

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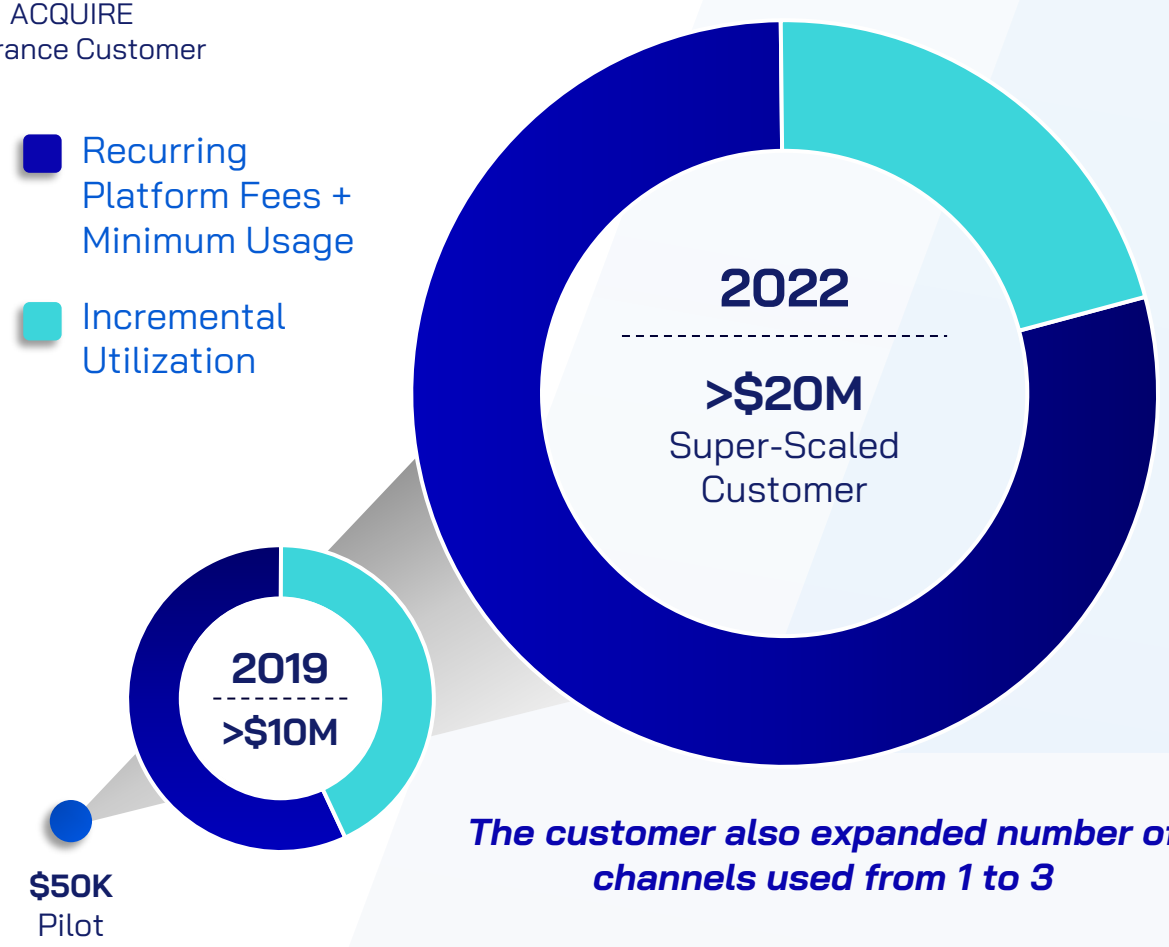
CASE STUDY:
ACQUIRE
Insurance Customer

# ZMP Helps Customers Realize A Strong ROI

## Zeta's Revenue Scales With Platform Expansion

Recurring Platform Fees + Minimum Usage

Incremental Utilization




***The customer also expanded number of channels used from 1 to 3***

### LAND

- Started as **$50k pilot**
- Started with **1 channel & 1 use case**
- **Started as a spoke** in the customer's $2B+ marketing ecosystem

### EXPAND

- **Reduced** Customer Acquisition Cost **(CAC) by >150%**
- Expanded into **3 channels**
- Committed to **larger annual spend**


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# A Leading Marketing Platform Provider

## ANALYST ACCOLADES

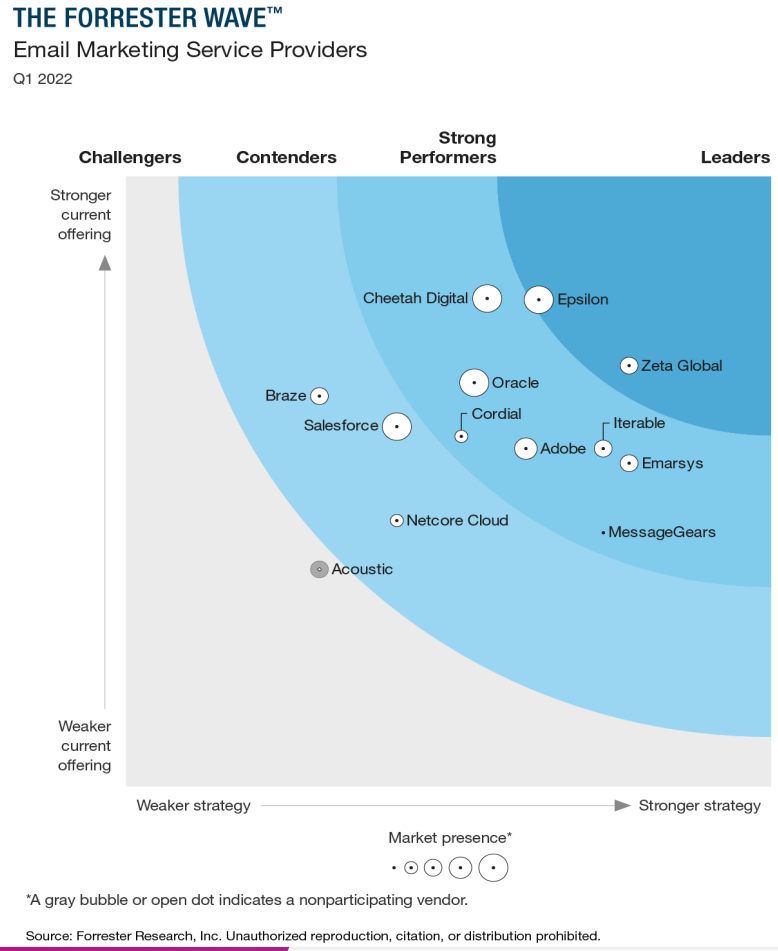
***Now Tech, Customer Data Platforms***[1]**:** Zeta is one of 5 CDPs in the large market presence segment and recognized as an Automation CDP, which provide a campaign design interface, natively execute campaigns such as email and mobile messaging, and embed a decision engine to automate campaign orchestration.

CUSTOMER DATA PLATFORM INSTITUTE

2022 RealCDP CERTIFIED

Certified Zeta's CDP as a 'Real CDP' in the most advanced 'Delivery CDP' level with perfect scores across all evaluation criteria.[2]

## THE FORRESTER WAVE™




1. Forrester Now Tech: Customer Data Platforms, Q1 2022
2. RealCDP Certificate granted upon completion of a comprehensive evaluation that met all qualifications set forth by the CDP Institute in Q1 2022
3. The Forrester Wave™ is copyrighted by Forrester Research, Inc. Forrester and Forrester Wave™ are trademarks of Forrester Research, Inc. The Forrester Wave™ is a graphical representation of Forrester's call on a market and is plotted using a detailed spreadsheet with exposed scores, weightings, and comments. Forrester does not endorse any vendor, product, or service depicted in the Forrester Wave™. Information is based on best available resources. Opinions reflect judgment at the time and are subject to change.

ZETA

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# Appendix


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# Non-GAAP Measures

In order to assist readers in understanding the core operating results that our management uses to evaluate the business, we describe our non-GAAP measures referenced in this presentation 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 and targets to forward looking GAAP net income (loss), GAAP net income (loss) margin or 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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# Bridge To Adjusted EBITDA And Adjusted EBITDA Margin

| | 4Q'22 | 4Q'21 | FY'22 | FY'21 |
|---|---|---|---|---|
| **Net loss** | **$(51,753)** | **$(61,138)** | **$(279,239)** | **$(249,563)** |
| **Net loss margin** | **(29.5)%** | **(45.3)%** | **(47.3)%** | **(54.4)%** |
| Depreciation and amortization | 12,430 | 12,787 | 51,878 | 45,922 |
| Restructuring expenses | - | 260 | - | 727 |
| Acquisition related expenses | - | 437 | 344 | 1,953 |
| Stock-based compensation | 67,703 | 70,546 | 298,992 | 259,159 |
| Other expenses / (incomes) | 1,872 | (1,310) | 13,983 | (279) |
| Interest expense | 2,301 | 1,328 | 7,303 | 7,033 |
| Change in fair value of warrants and derivative liabilities | - | - | 410 | 5,000 |
| Dispute settlement expense | - | - | - | 1,196 |
| IPO related expenses | - | - | - | 2,705 |
| Gain on extinguishment of debt | - | - | - | (10,000) |
| Income tax benefit | (131) | (33) | (1,491) | (598) |
| **Adjusted EBITDA** | **$32,422** | **$22,877** | **$92,180** | **$63,255** |
| **Adjusted EBITDA margin** | **18.5%** | **17.0%** | **15.6%** | **13.8%** |


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# Free Cash Flow Reconciliation

| | 4Q'22 | 4Q'21 | FY'22 | FY'21 |
|---|---|---|---|---|
| **Cash Flows from Operating Activities** | **$23,097** | **$20,926** | **$78,486** | **$44,292** |
| Capital expenditures | (5,067) | (2,599) | (22,232) | (9,482) |
| Website and software development costs | (4,184) | (3,853) | (17,004) | (17,274) |
| Effect of exchange rate changes on cash and cash equivalents | (36) | 89 | (165) | (41) |
| **Free Cash Flow** | **$13,810** | **$14,563** | **$39,085** | **$17,495** |


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