

Supplemental 2Q'22 Earnings Presentation

August 3, 2022



ZETA

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 beliefs and expectations, whether the Company will withhold shares to cover taxes upon the vesting of certain executives' restricted stock awards ("RSAs") or whether the Company will repurchase any shares under the stock repurchase program, 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 third quarter and full year 2022 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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2Q'22 Earnings Summary

KEY THEMES

1

ACCELERATING RESULTS

- Revenue growth accelerated to 28% Y/Y, and Adjusted EBITDA¹ growth accelerated to 63% Y/Y
- Added a record 14 new scaled customers Q/Q, grew ARPU by 19% Y/Y, and delivered 81% Direct Revenue Mix

2

PACING AHEAD OF ZETA 2025²

- 1H'22 revenue up 26% Y/Y with 250 bps of Adjusted EBITDA margin¹ expansion
- Go-to-Market investments ramping to plan, mix shift driving margin expansion, and getting efficiency in R&D and G&A

3

BOARD AUTHORIZED SHARE PROGRAMS

- \$50M share repurchase authorization through 2024
- Share withholding program to cover taxes upon RSA vesting

RESULTS

	2Q'22 RESULTS	Y/Y GROWTH %
Revenue	\$137M	28%
Cash from Operations	\$14.7M	93%
Adjusted EBITDA ¹	\$18.6M	63%
Adjusted EBITDA Margin % ¹	13.5%	290 bps



GAAP net loss of \$86M, or 62.6% of revenue in 2Q'22, includes \$82.3M of stock-based compensation & \$5.7M of other expenses primarily related to the equity component of prior M&A deals. See the graded vesting schedule on slides 33 & 34 of the Appendix.

1. Adjusted EBITDA, Adjusted EBITDA Margin 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.

Strong Underlying Fundamentals

Increasing Scaled Customer Count¹

373

1Q'22: 359
2Q'21: 343

Growing Scaled Customer ARPU

\$355K

1Q'22: \$341K
2Q'21: \$299K

Broad Industry Vertical Contribution

6 Of The Top 10 Verticals Grew Greater Than 25%

Increasing Quota Carrying Headcount

115

1Q'22: 107

Driving Positive Direct Platform Mix Shift²

81%

1Q'22: 81%
2Q'21: 77%

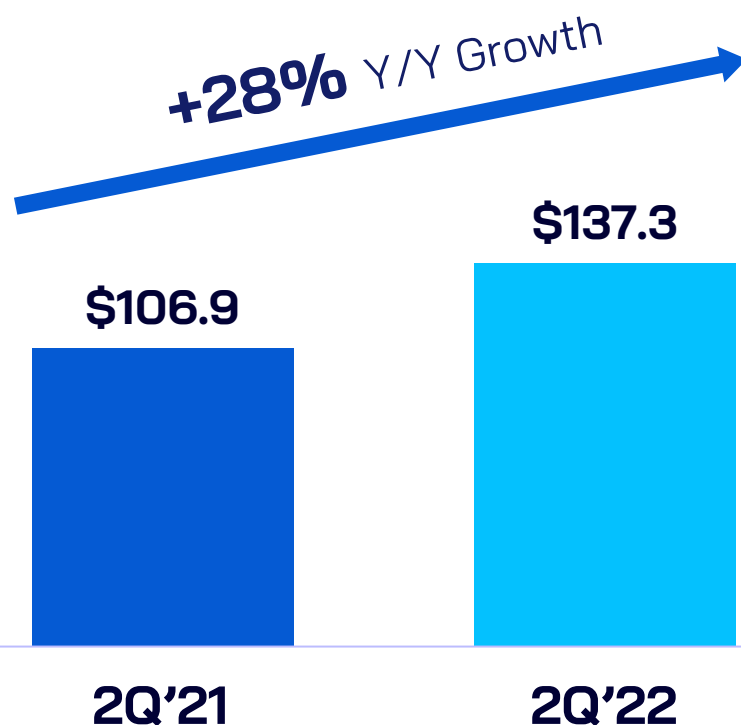
Reducing Cost of Revenue Y/Y excluding stock-based compensation³

35.3%

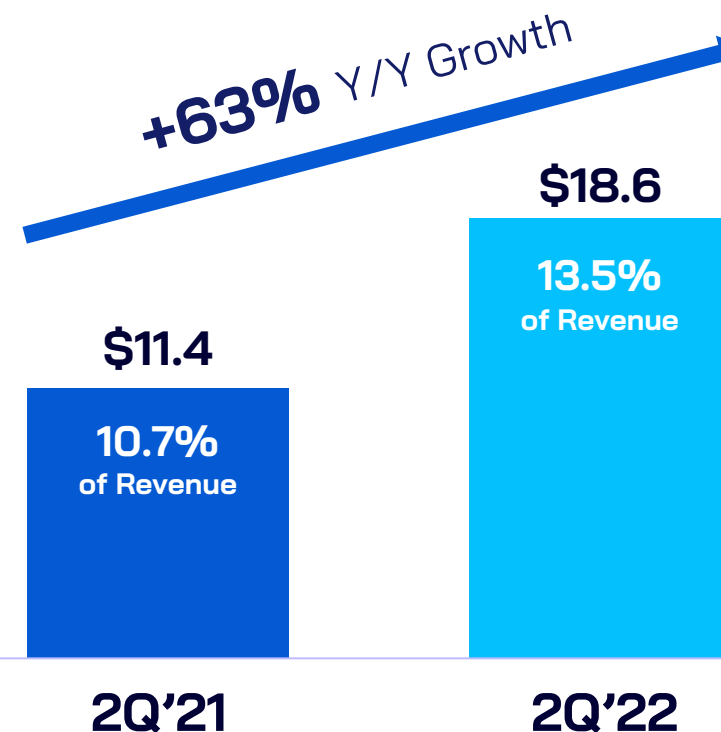
1Q'22: 32.1%
2Q'21: 39.2%

Accelerating Revenue and Adjusted EBITDA Growth While Driving Margin Expansion

Revenue Growth

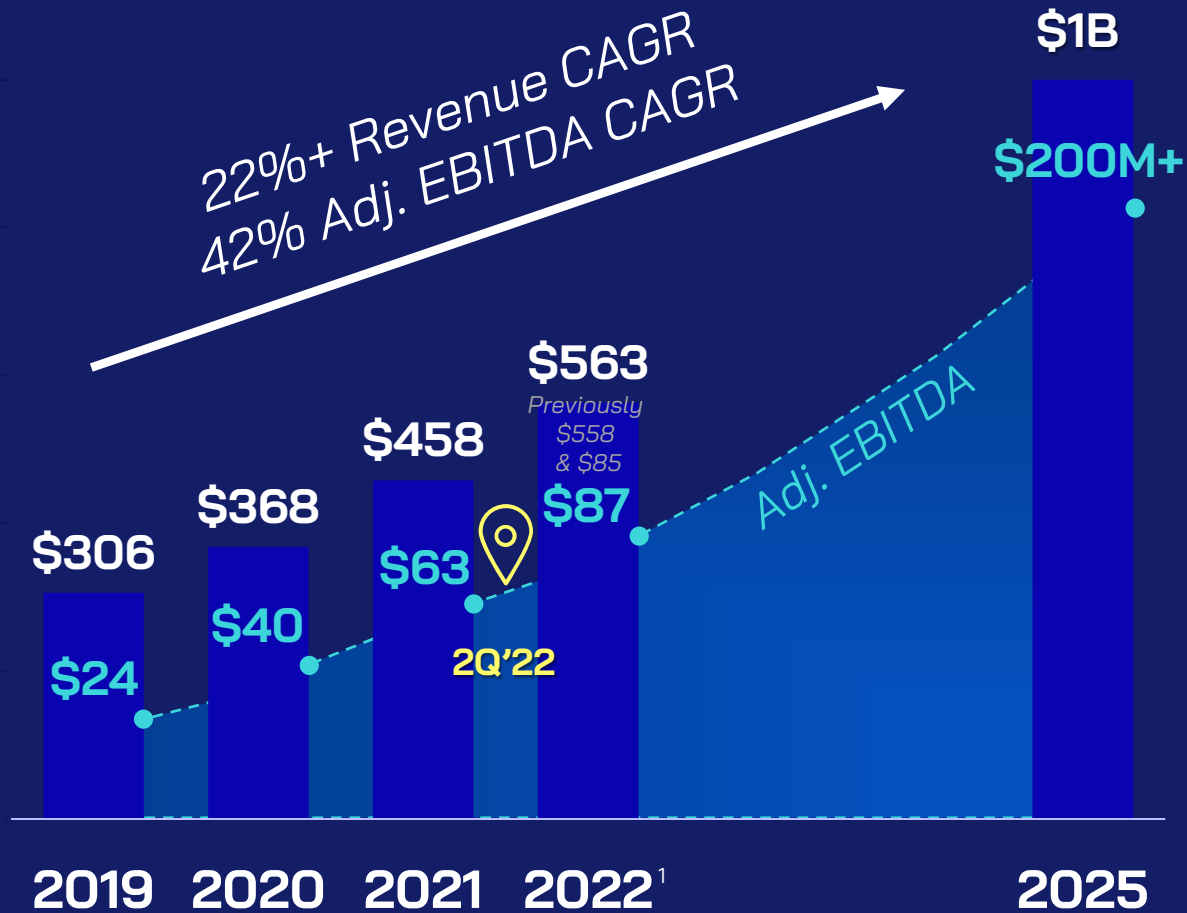


Adjusted EBITDA¹ Growth



Path to Zeta 2025 Targets

TRAJECTORY



TARGETS

\$1B+

REVENUE GROWTH

450+

SCALED CUSTOMERS³

~\$2.1M

SCALED CUSTOMER ARPU

20%+

ADJ. EBITDA MARGIN²

~80%+

DIRECT PLATFORM
REVENUE⁴





35% or better

COST OF REVENUE

CATALYSTS

- Go-to-Market Expansion
- Product Innovation
- Durable and Growing Identity-based Data Set

We Are Consistently Executing On Our Zeta 2025 KPIs

-  **Sales Headcount**
-  **Scaled Customer Count**
-  **Scaled Customer ARPU**
-  **Net Revenue Retention**
-  **Direct Platform Revenue Mix**

ON TRACK



	ACTUALS '19 – '21 CAGR	ZETA 2025 '21 – '25 CAGR
REVENUE	22%	22%
ADJ. EBITDA ¹	61%	33%

3Q'22 & FY'22 Guidance

Increased Guidance: Growth and Operating Leverage

	Current 3Q'22 Guidance Aug 3, 2022	Current FY'22 Guidance Aug 3, 2022	Prior FY'22 Guidance May 10, 2022	New Versus Prior Guidance at the Midpoint
Revenue Excl. ArcaMax	\$138M – \$142M	\$556.5M – \$562.5M	\$549.5M – \$559.5M	+ \$5M
ArcaMax Contribution ¹	\$1M	\$3.5M	\$3.5M	-
Total Zeta Revenue	\$139M – \$143M	\$560M – \$566M	\$553M – \$563M	+ \$5M
% Growth Y/Y	21% – 24%	22% – 24%	21% – 23%	+ 100 BPS
Adj. EBITDA²	\$19.8M – \$20.3M	\$85.8M – \$87.3M	\$83.4M – \$86.4M	+ \$1.7M
% Growth Y/Y	24% – 27%	36% – 38%	32% – 37%	+ 250 BPS
Adj. EBITDA Margin ²	13.9% – 14.6%	15.2% – 15.6%	14.8% – 15.6%	+20 BPS
BPS Change Y/Y	0 BPS – 70 BPS	140 BPS – 180 BPS	100 BPS – 180 BPS	+20 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. Acquired March 11, 2022.

2. 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.

Zeta's Value Proposition

The Zeta Value Proposition

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



Proprietary
Data Cloud



Patented
Software & AI



Omnichannel
Activation

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



What We Do:

Zeta's Marketing Platform Empowers Enterprises to Deliver Better Experiences for Consumers and Higher ROI for Marketers.



Patented Software & AI



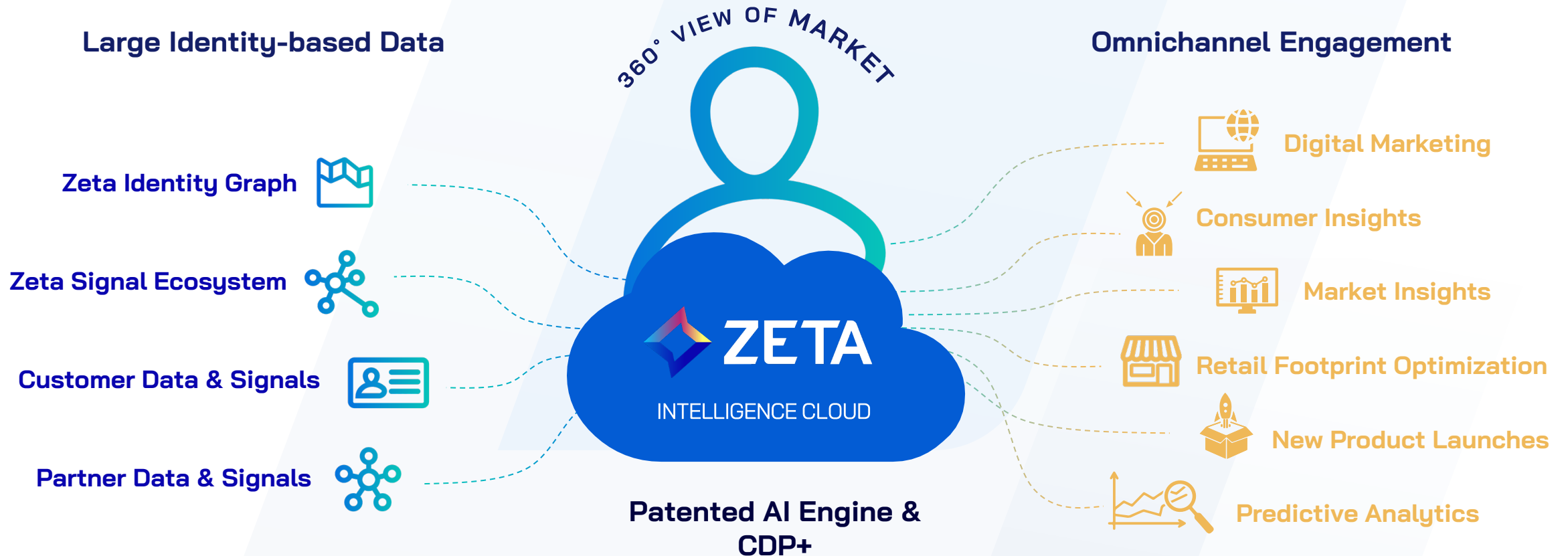
Proprietary Data Cloud



Omnichannel Marketing

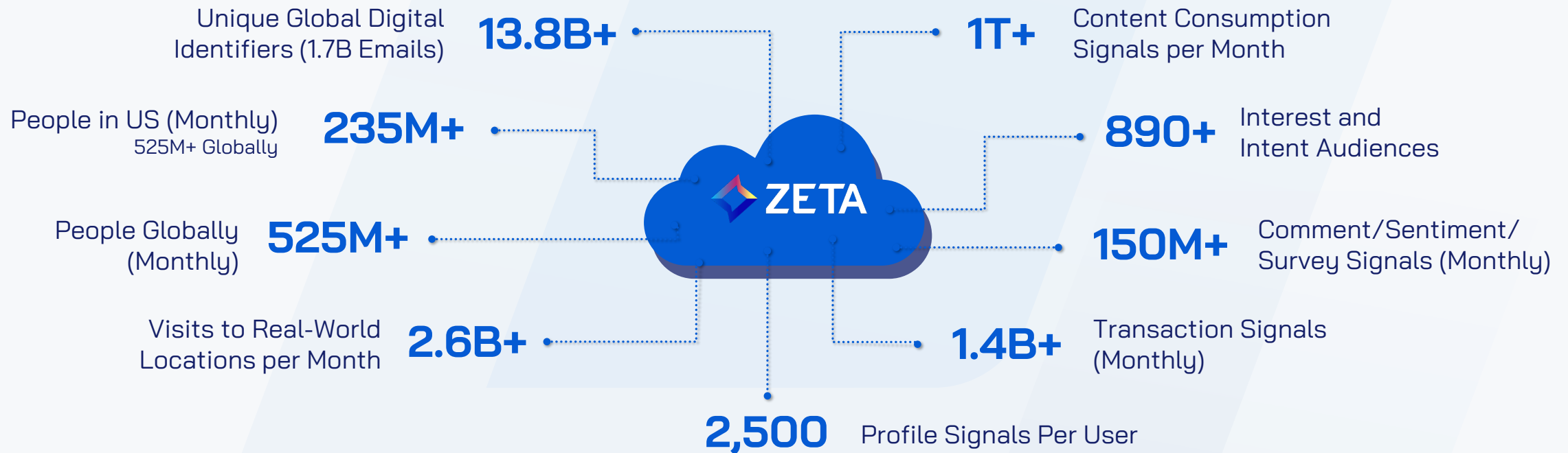
How We Do It

Zeta's Marketing Platform (ZMP) Enables Enterprises to Identify, Reach and Engage Consumers Individually Across All Channels



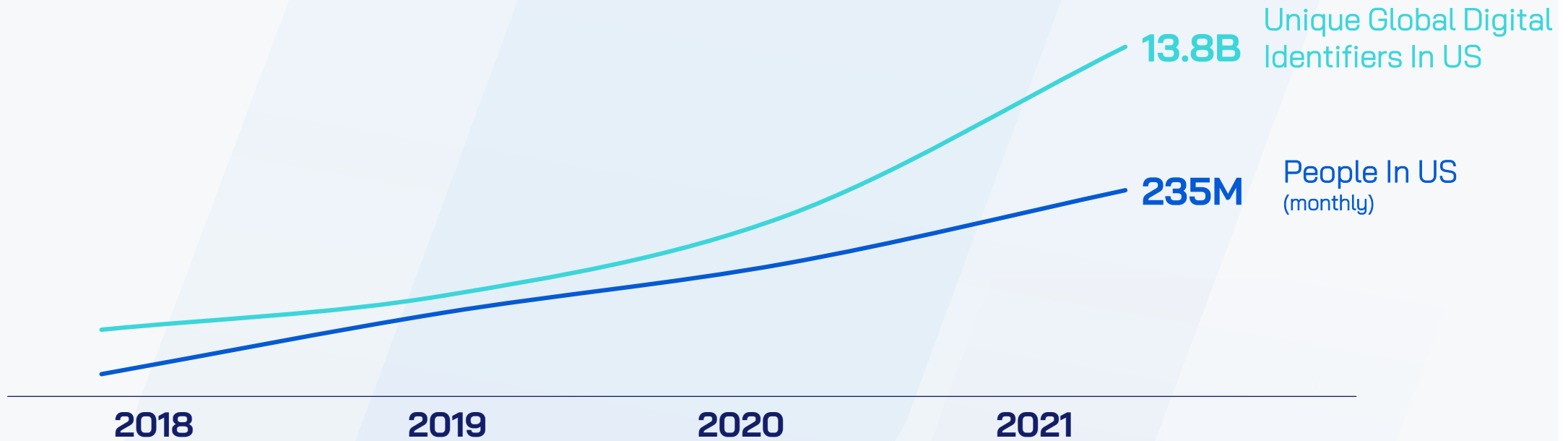
Why We Are Different

Zeta's Proprietary Database is Combined With A Customer's 1st Party Data to Sharpen Targeting & Personalize Experiences at Scale



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

Our Data Is Differentiated

Three Pillars of Zeta's Data



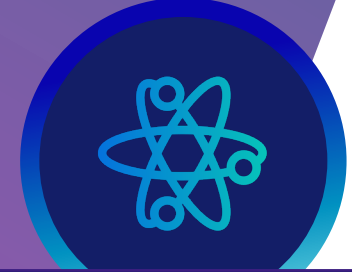
IDENTITY

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

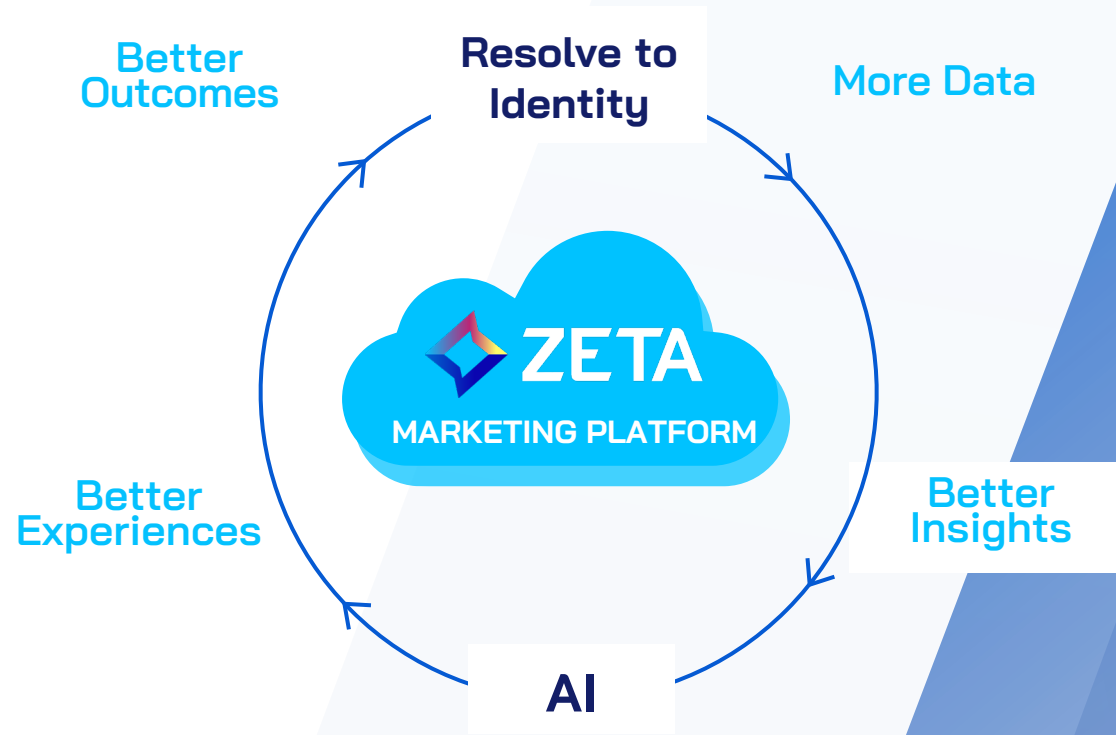
Attach identity to an individual and activate to deliver personalized experiences at scale



Click [Here](#) for a Video Series of Commonly Asked Questions About the Zeta Data Cloud Including Use Cases

Why We Win

Zeta's Marketing Platform, Powered By Proprietary AI + Data, Creates Omnichannel Experiences And A Flywheel For Our Customers



Zeta continues to win over half of its engagements, replacing and beating Adobe, Oracle, Salesforce and other marketing software providers

Who Chooses Us

Approximately 1/3rd of the Fortune 100 Leverages Zeta's Marketing Platform¹



9 out of the 10 largest **automotive manufacturers** in the world



7 of the 12 largest **credit card issuers** in the US



4 of the 7 largest **auto insurance companies** in the US



4 of the 5 largest paid **TV companies** in the US



3 of the 10 largest **hospitality companies** in the world



3 of the 6 largest **QSR companies** in the US



4 of the 5 largest **Health Insurance Providers** in the US



4 of the 5 largest **banks** in the US



4 of the 7 largest **drug store chains** in the US

Blue Chip Customer Base Across Multiple Industries



CASE STUDY:
ACQUIRE
Insurance Customer

ZMP Helps Customers Realize A Strong ROI

Zeta's Revenue Scales With Platform Expansion

LAND

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

EXPAND

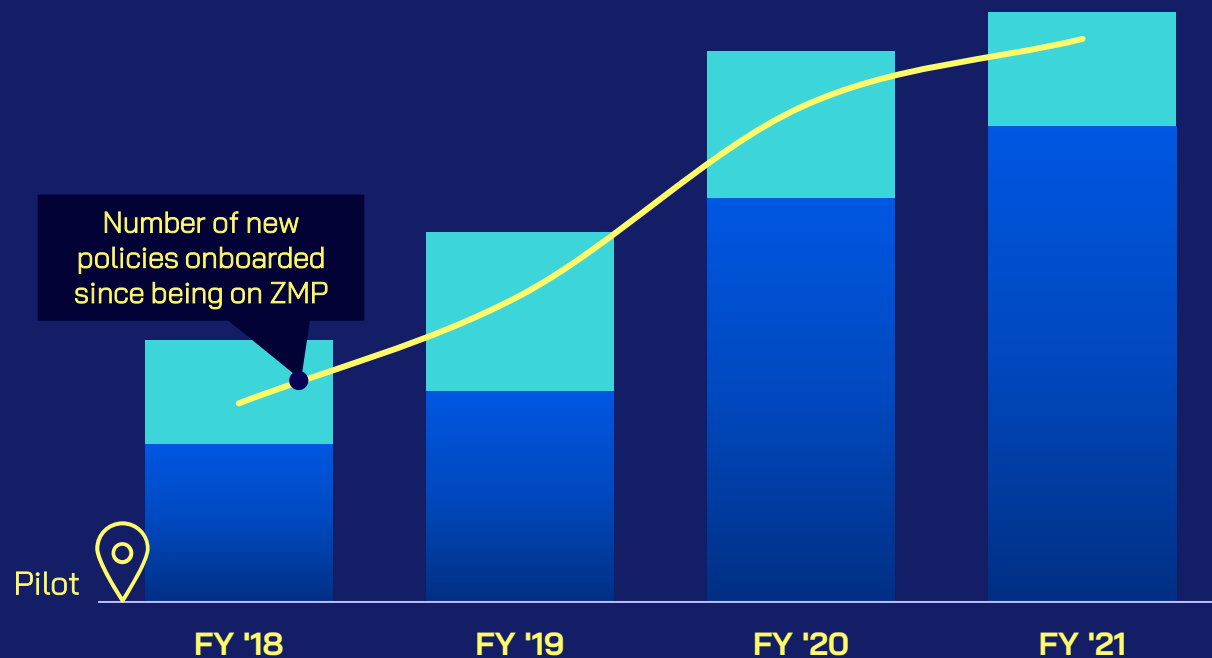
- Reduced Customer Acquisition Cost (CAC) by 300%
- Expanded into 3 channels
- Committed to larger annual minimums

REVENUE MODEL

-  ~25% Incremental Utilization
-  ~75% Recurring Platform Fees + Minimum Usage



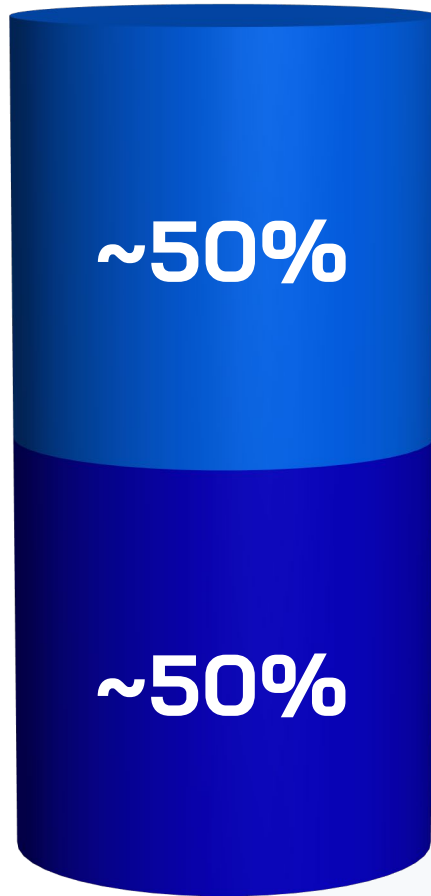
Zeta lowered the customer's CAC 200% in Yr 1
Zeta lowered the customer's CAC 300% from Yr 1 to Yr 3



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

Revenue Mix Split Evenly Between Recurring and Reoccurring Business

Revenue Model



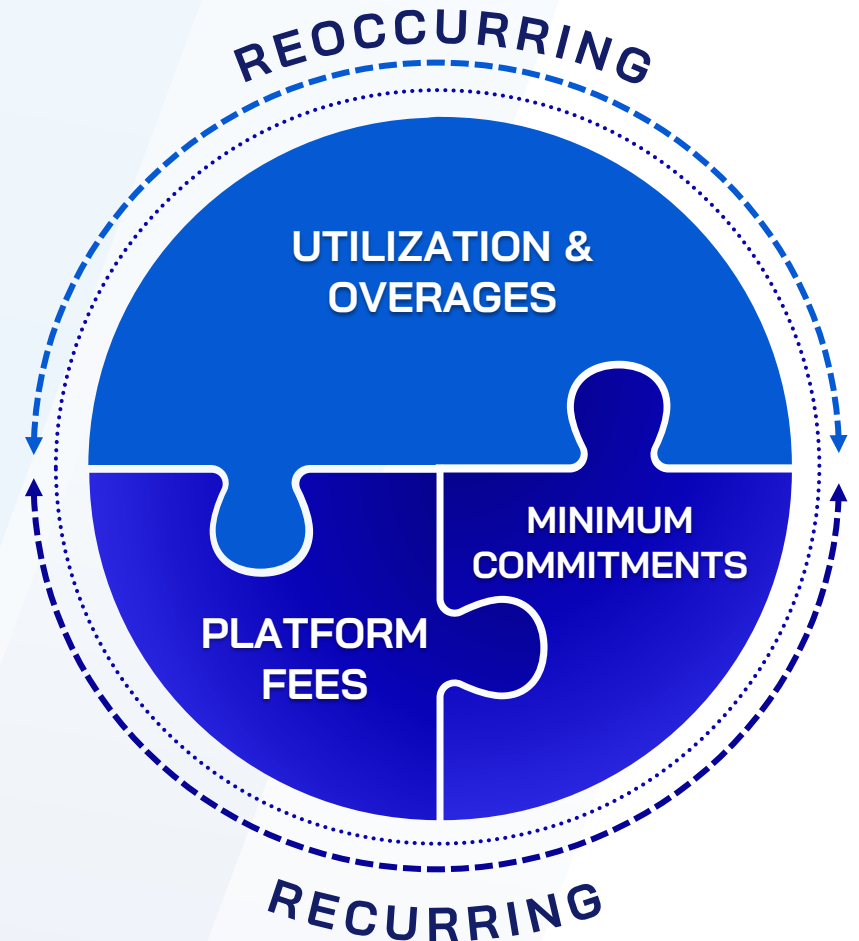
REOCCURRING

Usage revenue generated from pilots and channels linked to shorter term contracts where customers have a multiyear history of replenishing budgets.

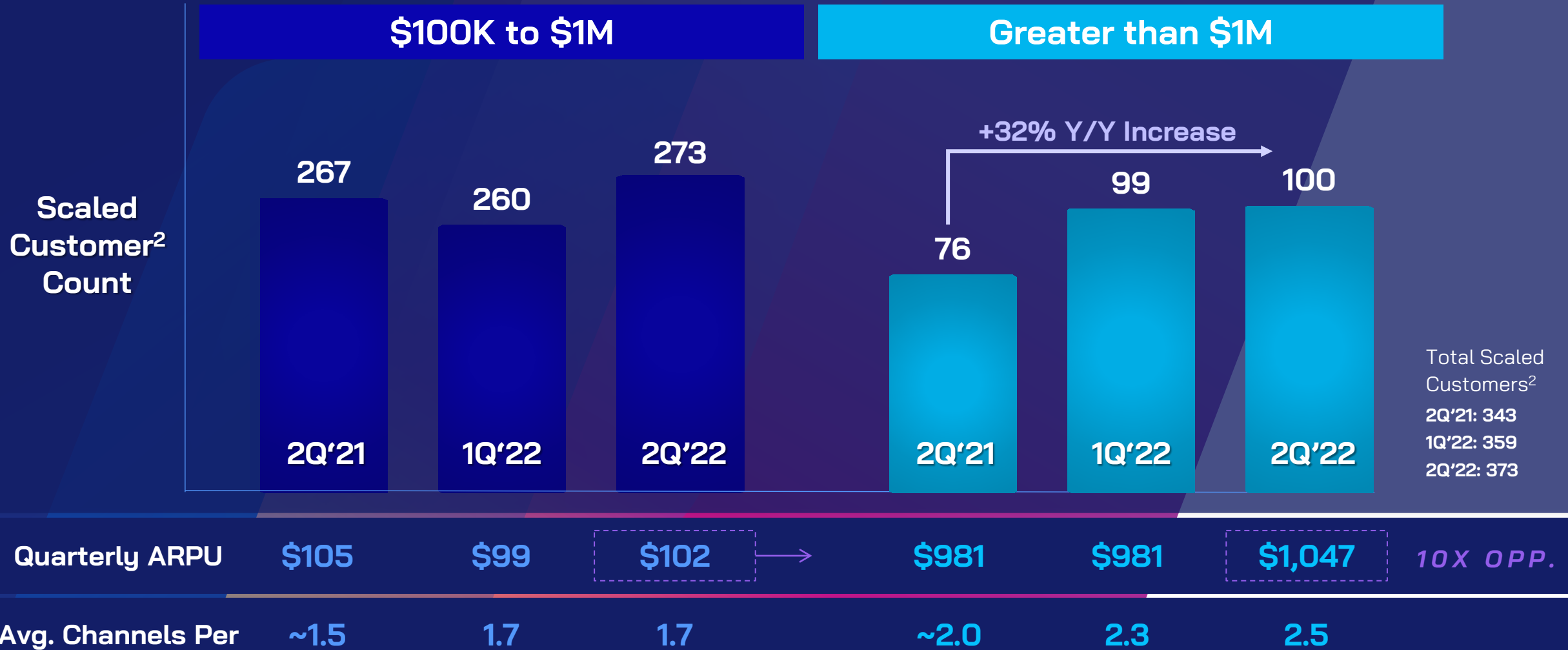
RECURRING

Software subscription and usage revenue generated from platform fees, utilization, audience creation and data management that is governed by long term contracts and minimum commitments.

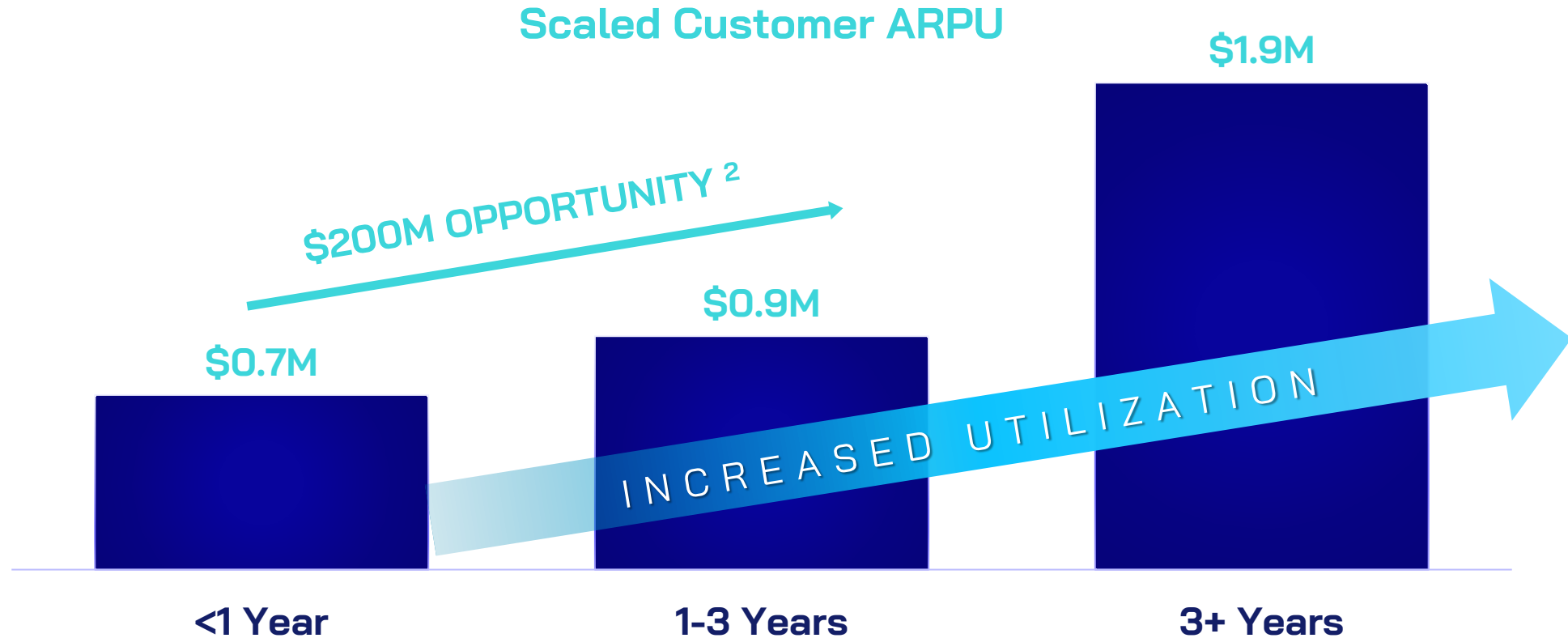
Pricing Model



32% Growth In Super Scaled Customers¹ Y/Y Is Continuing To Drive ARPU Expansion



The Longer Our Customers Stay With Us, The Bigger They Become¹



Scaled Customer Count

61

150

144

Scaled Customer Revenue

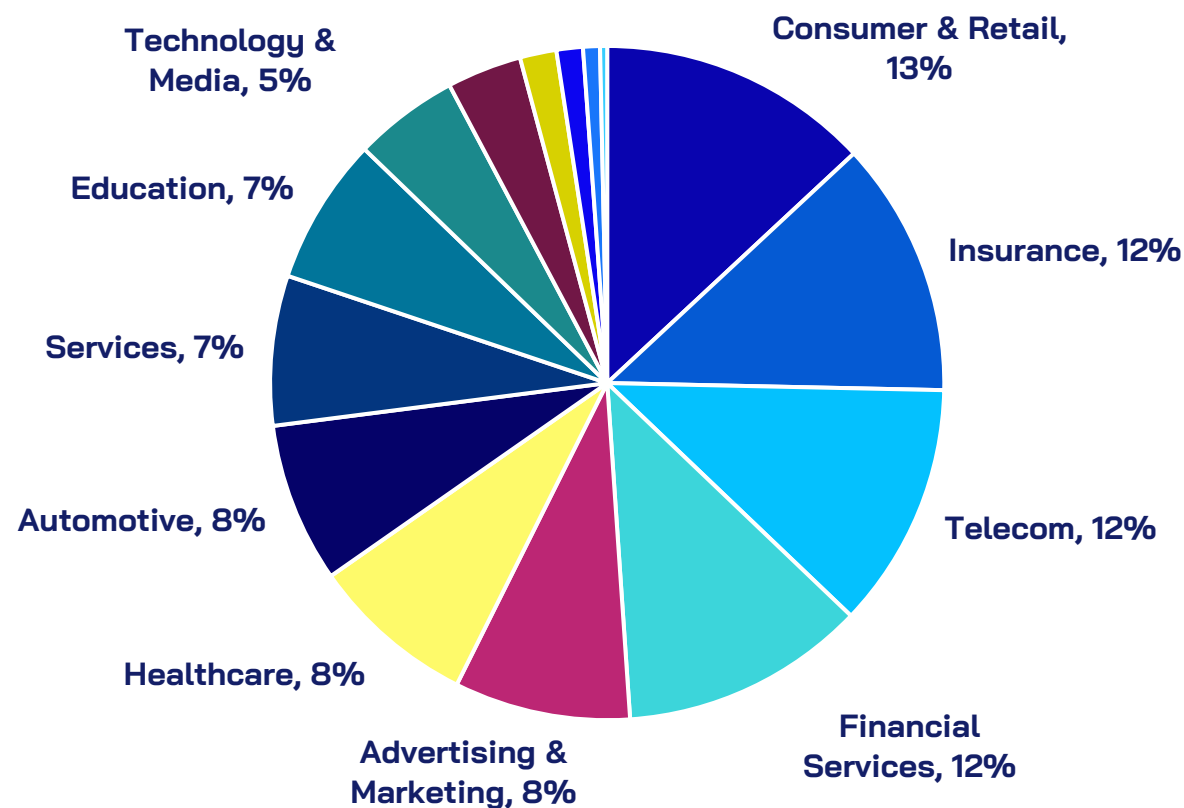
\$41M

\$133M

\$267M

Zeta Is Well-diversified Across A Wide Range Of Verticals

FY 2021 Revenue by Vertical



Well Diversified Customer Set

- Broad coverage across verticals
- 7 of top 10 verticals grew greater than 25% in 2021
- Largest customer accounts for ~6% of revenue

Zeta Is Building Hyper Growth Sales Factories



PIPELINE CREATION

Brand Awareness
&
Demand Generation



PIPELINE PROGRESSION

Sales Funnel Velocity
&
Sales Development
Rep (SDR) Scaling



SALES PRODUCTIVITY

Activity-based Measurement
&
Sales Capacity Expansion

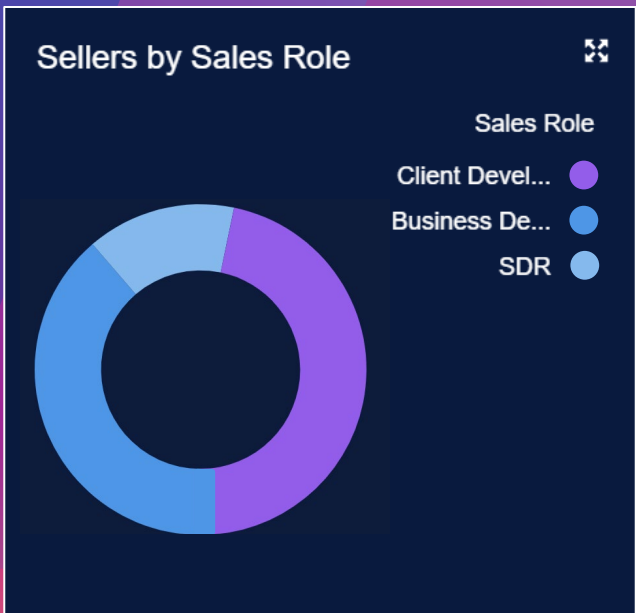
We've Evolved Our Salesforce Into Hunters/Farmers And Built A Sophisticated Pipeline Measurement Engine

Evolution From
Generalist Sales Model

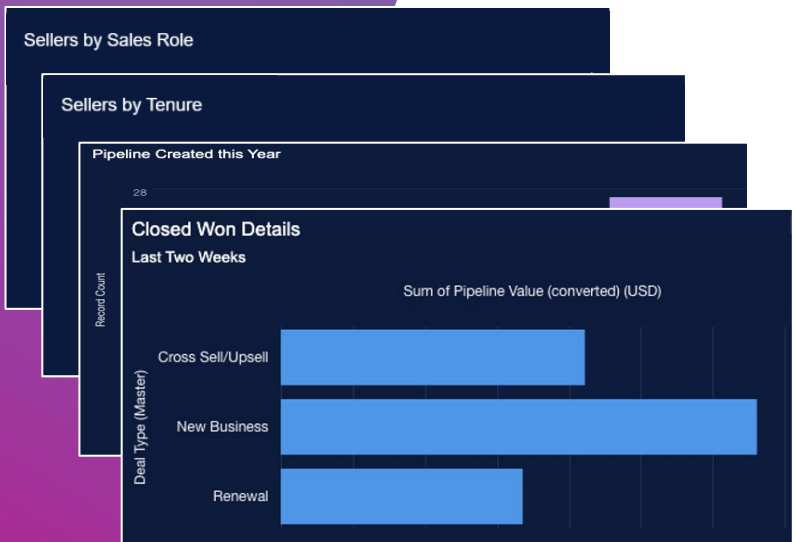


■ Sellers

...To Industry Aligned,
Hunter-Farmer Model



...To Detailed Sales
Productivity Tracking



A Leading Marketing Platform Provider

FORRESTER®

Now Tech, Customer Data Platforms¹: Zeta is one of 5 CDPs in the large market presence segment and recognized as an Automation CDP, which is the segment with the most “high-functionality” capabilities.



CUSTOMER
DATA PLATFORM
INSTITUTE

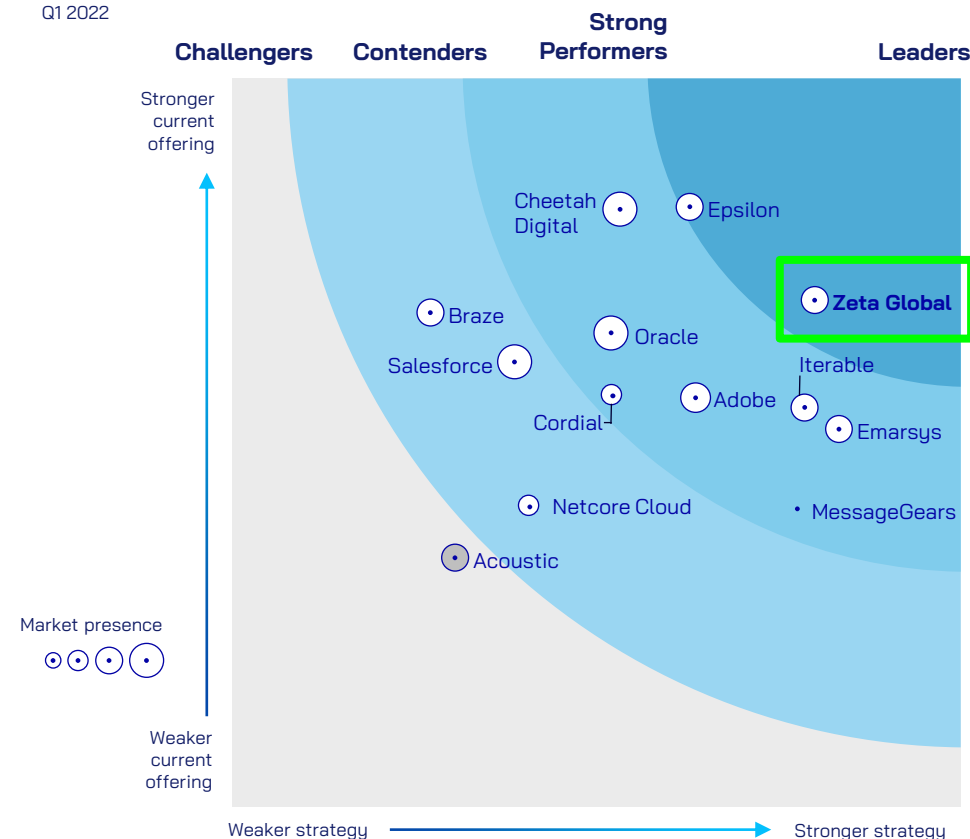


Certified Zeta's CDP as a 'Real CDP' in the most advanced 'Delivery CDP' level with perfect scores across all evaluation criteria.²

THE FORRESTER WAVE™


















Email Marketing Service Providers
Q1 2022

2022



Competitive Landscape

Zeta Is The Only Competitor With Patented Software and AI, Proprietary Data, and Omnichannel Activation Capabilities All In A Single Platform

	Software, Data & Activation	Software			
	 ZETA	 Adobe  neolane Marketing	ORACLE®  responsys	 salesforce ExactTarget®	
Proprietary Identity Data					
Marketing Automation Software and AI					
Omnichannel Activation Capabilities					

Appendix

Share Repurchase Authorization and RSA Withholding Program Details

Stock Repurchase Program

In August 2022, the Board of Directors authorized a stock repurchase program for up to \$50 million of Zeta's Class A common stock through December 31, 2024. Under the repurchase program, repurchases can be made from time to time using a variety of methods, which may include open market purchases, privately negotiated transactions or otherwise, all in accordance with the rules of the Securities and Exchange Commission and other applicable legal requirements. The specific timing, price and size of purchases will depend on prevailing stock prices, general economic and market conditions, and other considerations. The repurchase program does not obligate the Company to acquire any particular amount of common stock, and the repurchase program may be suspended or discontinued at any time at the Company's discretion.

RSA Withholdings

In August 2022, the Board of Directors has authorized the withholding of shares from executive officers as an alternative to cover taxes upon these vesting events, whereby the Company may pay the withholding taxes in exchange for the cancellation of such executives' shares. However, depending on many factors, including the company's cash position at the time, it is still possible that sales to cover taxes may be required upon vesting.

The company intends to use approximately \$50 million in aggregate Free Cash Flow to fund repurchases and withholdings under the two programs through December 31, 2024, if economic and market conditions are favorable.

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 provision / (benefit), acquisition related expenses, restructuring expenses, change in fair value of warrants and derivative liabilities, certain dispute settlement expense, certain non-recurring IPO related expenses and other expenses / (income). Acquisition related expenses and restructuring expenses primarily consist of severance and other personnel-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 / (income) 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 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 a useful measure 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 U.S. 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 or Free Cash Flow 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.

Bridge To Adjusted EBITDA And Adjusted EBITDA Margin

	2Q'22	2Q'21
Net loss	(86,009)	(94,922)
Net loss margin	62.6%	88.8%
Depreciation and amortization	13,315	11,235
Restructuring expenses	-	150
Acquisition related expenses	-	329
Stock-based compensation	82,335	119,270
Other expenses / (incomes)	5,696	(749)
Gain on extinguishment of debt	-	(10,000)
IPO related expense	-	2,705
Change in fair value of warrants and derivative liabilities	1,215	(18,600)
Interest expense	1,666	1,402
Income tax provision	343	584
Adjusted EBITDA	18,561	11,404
Adjusted EBITDA margin	13.5%	10.7%

2Q' 2022 and 2021 P&L Bridge

For the three months ended June 30, 2022

For the three months ended June 30, 2021

	As Reported	Stock Based Comp.	One-time Other Items	Depr. & Amort.	As Adjusted		As Reported	One-time Other Items	Depr. & Amort.	As Adjusted
Revenues	\$137,301	\$-	\$-	\$-	\$137,301		\$106,896	\$-	\$-	\$106,896
Operating expenses:										
Cost of revenues	50,233	(1,738)	-	-	48,495		42,212	(266)	-	41,946
General and administrative expenses	55,665	(30,905)	-	-	24,760		65,907	(44,087)	-	21,820
Selling and marketing expenses	77,139	(42,090)	-	-	35,049		82,845	(60,357)	-	22,488
Research and development expenses	18,038	(7,602)	-	-	10,436		26,503	(17,265)	-	9,238
Depreciation and amortization	13,315	-	-	(13,315)	-		11,235	-	(11,235)	-
Acquisition related expenses	-	-	-	-	-		329	(329)	-	-
Restructuring expenses	-	-	-	-	-		150	(150)	-	-
Total operating expenses	\$214,390	(\$82,335)	-	(\$13,315)	\$118,740		\$229,181	(\$122,454)	(\$11,235)	\$95,492
Operating (loss) / income	(\$77,089)	\$82,335	\$-	\$13,315	\$18,561		(\$122,285)	\$122,454	\$11,235	\$11,404
Interest expense	1,666	-	-	-	1,666		1,402	-	-	1,402
Other expenses / (incomes)	5,696	-	-	-	5,696		(749)	-	-	(749)
Change in FV of warrants and derivatives	1,215	-	-	-	1,215		(18,600)	-	-	(18,600)
Gain on extinguishment of debt	-	-	-	-	-		(10,000)	-	-	(10,000)
IPO related expenses	-	-	-	-	-		-	2,705	-	2,705
Stock based compensation	-	82,335	-	-	82,335		-	119,270	-	119,270
Restructuring and acquisition related expenses	-	-	-	-	-		-	479	-	479
Depreciation and amortization	-	-	-	13,315	13,315		-	-	11,235	11,235
Total other expenses	8,577	\$82,335	\$-	\$13,315	\$104,227		\$(27,947)	\$122,454	\$11,235	\$105,742
Loss before income taxes	(85,666)	-	-	-	(85,666)		(94,338)	-	-	(94,338)
Income tax provision	343	-	-	-	343		584	-	-	584
Net loss	(\$86,009)	\$-	\$-	\$-	(\$86,009)		(\$94,922)	\$-	\$-	(\$94,922)

Overview Of Stock-based Compensation Expense

- Historically, Zeta did not recognize any stock compensation expense for grants of restricted stock awards or restricted stock units (collectively, "the RSA's/RSU's"). Pursuant to the Company's stock compensation plan, the RSA's/RSU's did not vest until a "change of control" and as such the expense was not recognized.
- In March 2021, the Board of Directors of the Company approved the modification of the plan to:
 - Include the IPO in the definition of change of control.
 - Extend the vesting schedule of certain grants.
- This modification resulted in a repricing and expensing of the modified grants post-IPO.
- Zeta adopted the graded vesting attribution method for expensing stock-based compensation, which results in a greater stock-based compensation expense in the first 1-2 years and lower expense in years 3-5. Zeta elected to recognize forfeitures as they occur and does not estimate forfeitures.

Estimated Stock-based Compensation Expense

	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
Stock-based compensation	302.3	180.9	95.0	40.1	8.2
Capitalized stock-based compensation	5.0	4.0	2.5	1.0	-
Stock-based compensation in P&L	297.3	176.9	92.5	39.1	8.2

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 6/30/2022 and does not include any future grants. Further, the Company estimates to grant approximately 6M-8M restricted stock on an annual, go-forward basis. The company issued 2.7M of restricted stock and forfeited \$0.2M restricted stock (due to termination) in 2Q'22.

Number of shares	2Q '22
Basic (weighted average)	135.9
Fully Diluted *	208.1