

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): November 7, 2023

AdTheorent Holding Company, Inc.

(Exact name of Registrant as Specified in Its Charter)

Delaware
(State or Other Jurisdiction
of Incorporation)

001-40116
(Commission File Number)

85-3978415
(IRS Employer
Identification No.)

**330 Hudson Street
13th Floor
New York, New York**
(Address of Principal Executive Offices)

10013
(Zip Code)

Registrant's Telephone Number, Including Area Code: (800) 804-1359

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common stock, par value \$0.0001 per share	ADTH	The Nasdaq Stock Market
Warrants to purchase common stock	ADTHW	The Nasdaq Stock Market

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§ 230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§ 240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 2.02 Results of Operations and Financial Condition.

On November 7, 2023, AdTheorent Holding Company, Inc. (the “Company”) released its financial results for the quarter ended September 30, 2023. A copy of the Company’s press release is attached as Exhibit 99.1 to this Form 8-K and incorporated herein by reference.

Item 7.01 Regulation FD Disclosure.

On November 7, 2023, a presentation entitled “AdTheorent Investor Presentation” was made available on the Investors page of the Company’s website at <https://investors.adtheorent.com/>. A copy of the Company’s presentation is attached as Exhibit 99.2 to this Form 8-K and incorporated herein by reference.

The information provided in Items 2.02 and 7.01 in this report shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such filing.

Item 9.01 Financial Statements and Exhibits.**d) Exhibits.**

Exhibit No.	Description
99.1	Press release issued by AdTheorent Holding Company, Inc., dated November 7, 2023.
99.2	Investor Presentation, dated November 7, 2023.
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

Comments in this Current Report on Form 8-K and in the exhibit attached hereto contain certain forward-looking statements, which are based on management’s good faith expectations and beliefs concerning future developments. Actual results may differ materially from these expectations as a result of many factors. These factors include, but are not limited to, the risks and uncertainties described in the “Risk Factors” and “Cautionary Statement Regarding Forward Looking Statements” sections of the Company’s Annual Report on Form 10-K, as well as in the “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” sections of the Company’s Quarterly Reports on Form 10-Q. The Company does not undertake any obligation to update such forward-looking statements. All market and industry data are based on Company estimates.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

AdTheorent Holding Company, Inc.

Date: November 7, 2023

By: /s/ James Lawson
James Lawson
Chief Executive Officer

AdTheorent Holding Company, Inc. Reports Third Quarter 2023 Financial Results

Revenue Grows 8.8% Year-over-Year; Adjusted EBITDA Above High End of Outlook

New York, NY — November 7, 2023 — AdTheorent Holding Company, Inc. (Nasdaq: ADTH) (“AdTheorent” or “the Company”), a machine learning pioneer and industry leader using privacy-forward solutions to deliver measurable value for programmatic advertisers, today announced its third quarter 2023 financial results.

Third Quarter 2023 Financial Overview:

- Revenue was \$40.9 million, an 8.8% increase compared to \$37.6 million in the third quarter of 2022.
- Gross profit was \$18.9 million, up 4.8%, from \$18.0 million in the third quarter of 2022. Gross Profit Margin was 46.2%, compared to 47.9% in the third quarter of 2022.
- Adjusted Gross Profit* increased \$1.6 million, or 6.7%, to \$26.4 million compared to the third quarter of 2022. Adjusted Gross Profit Margin was 64.5% compared to 65.8% in the third quarter of 2022.
- Net loss was \$4.2 million compared to net income of \$5.7 million in the third quarter of 2022. In the third quarter of 2023, the Company recognized a total of \$1.5 million of mark to market gains related to fair value of the Seller's Earn-Out and Warrants liabilities compared to gains of \$8.6 million in the third quarter of 2022.
- Adjusted EBITDA* increased \$1.1 million, or 32.0%, to \$4.7 million compared to third quarter 2022. Adjusted EBITDA as a percentage of Adjusted Gross Profit of 17.9% represented an increase from 14.5% in the third quarter of 2022.

“We made tangible progress in the third quarter and are encouraged by our return to growth. Results were particularly robust in areas of investment, including self-service, AdTheorent Health, and our algorithm-based Predictive Audience solutions, all of which saw exceptional growth during the quarter, as customers responded enthusiastically to our differentiated offerings,” said James Lawson, CEO of AdTheorent. “We expect this momentum to continue, we remain on track to meet or exceed our full-year projections for 2023, and we are looking ahead to 2024 with optimism.”

Third Quarter and Recent Business and Operating Highlights:

- The third quarter was the most active quarter to date for AdTheorent’s self-service adoption with a 28% sequential increase in self-service platform revenue and 57% sequential increase in advertiser count.
 - AdTheorent Health momentum accelerated, with 28% year-over-year revenue growth and a 51% sequential increase in advertiser count in the third quarter of 2023; adoption of AdTheorent Health Audiences gained momentum, with 36 active campaigns in the third quarter, up 89% compared to the second quarter.
 - AdTheorent’s algorithm-based and ID-independent predictive audiences continued to yield strong customer adoption with 66 active campaigns in the third quarter.
 - AdTheorent formed a strategic partnership with Hero Media that establishes the first Black-owned demand-side platform (“DSP”) in programmatic advertising, Hero One, combining AdTheorent’s award-winning platform and technology with Hero Media’s media network, exclusive properties, and unique data and insights, allowing platform users to reach diverse audiences at scale.
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- AdTheorent Health Audiences received Neutronian's Quality Index ("NQI") Certification based on AdTheorent's superior capabilities in areas including: consent and compliance, data quality and sourcing transparency, privacy and performance.
- AdTheorent received prestigious industry recognition in third quarter including:
 - AdTheorent was named "Best Buy-Side Programmatic Platform" in the Digiday Technology Awards.
 - AdTheorent Health won a "Programmatic Marketing Innovation Award" in the MarTech Breakthrough Awards.
 - AdTheorent was named a 2023 Crain's Best Places to Work in New York City, marking the Company's 10th consecutive year receiving this recognition.

**We prepare our consolidated financial statements in accordance with the U.S. generally accepted accounting principles ("GAAP"). Adjusted Gross Profit and Adjusted EBITDA are non-GAAP financial measures. See the supplementary schedules in this press release for a discussion of how we define and calculate these measures and a reconciliation thereof to the most directly comparable GAAP measures.*

Fourth Quarter and Full-Year 2023 Financial Outlook:

The Company's growth may continue to be impacted in the remainder of 2023 by macroeconomic factors beyond its control, such as inflationary pressures and recessionary fears. Based on the current business environment, recent performance and the current trends in the marketplace and subject to the risks and uncertainties inherent in forward-looking statements, the Company's outlook for the fourth quarter and full-year 2023 includes the following:

Fourth quarter 2023:

- Revenue in the range of \$55.0 million to \$57.0 million.
- Adjusted Gross Profit* of at least 64% of revenue.
- Adjusted EBITDA* in the range of \$10.0 million to \$11.5 million.

Full-year ending December 31, 2023:

- Revenue growth compared to 2022.
- Adjusted Gross Profit* between 64% to 65% of revenue.
- Adjusted EBITDA* margin of between 16% and 19%.

Although the Company provides guidance for Adjusted EBITDA, it is not able to provide guidance for net income, the most directly comparable GAAP measure. Certain elements of the composition of net income, including equity-based compensation, are not predictable, making it impractical for the Company to provide guidance on net income or to reconcile its Adjusted EBITDA guidance to net income without unreasonable efforts. Similarly, although the Company provides guidance for Adjusted Gross Profit, it is not able to provide guidance for Gross Profit, the most directly comparable GAAP measure. Certain elements of the composition of Gross Profit, including equity-based compensation, are not predictable, making it impractical for the Company to provide guidance on Gross Profit or to reconcile its Adjusted Gross Profit guidance to Gross Profit without unreasonable efforts. For the same reasons, the Company is unable to address the probable significance of the unavailable information regarding net income and Gross Profit, which could be material to future results.

About AdTheorent:

AdTheorent uses advanced machine learning technology and privacy-forward solutions to deliver impactful advertising campaigns for marketers. AdTheorent's advanced machine learning-powered media buying platform powers its predictive targeting, predictive audiences, geo-intelligence, audience extension solutions and in-house creative capability, Studio AVT. Leveraging only non-sensitive data and focused on the predictive value of machine learning models, AdTheorent's product suite and flexible transaction models allow advertisers to identify the most qualified potential consumers coupled with the optimal creative experience to deliver superior results, measured by each advertiser's real-world business goals. AdTheorent is headquartered in New York, with fourteen locations across the United States and Canada.

AdTheorent is consistently recognized with numerous technology, product, growth and workplace awards. AdTheorent was named “Best Buy-Side Programmatic Platform” in the 2023 Digiday Technology Awards and was honored with an AI Breakthrough Award and “Most Innovative Product” (B.I.G. Innovation Awards) for six consecutive years. Additionally, AdTheorent is the only seven-time recipient of Frost & Sullivan’s “Digital Advertising Leadership Award.” In September 2023, evidencing its continued prioritization of its team, AdTheorent was named a Crain’s Top 100 Best Place to Work in NYC for the tenth consecutive year. AdTheorent ranked tenth in the Large Employer Category and 26th Overall in 2023. For more information, visit adtheorent.com.

Conference Call and Webcast Details:

AdTheorent will host a conference call and webcast at 4:30 p.m. ET today, November 7, 2023, to discuss its third quarter 2023 financial results and business highlights. The conference call can be accessed by dialing (800) 715-9871 from the United States and Canada or (646) 307-1963 International with Conference ID 7894988. The live webcast of the conference call and other materials related to AdTheorent’s financial performance can be accessed from AdTheorent’s investor relations website at investors.adtheorent.com.

Following the completion of the call until 11:59 p.m. ET on Tuesday, November 14, 2023, a telephone replay will be available by dialing (800) 770-2030 from the United States and Canada, or (609) 800-9909 International with Conference ID 7894988. A webcast replay will also be available at investors.adtheorent.com for 12 months.

Forward-Looking Statements:

This communication contains “forward-looking statements” within the meaning of the safe harbor provisions of the U.S. Private Securities Litigation Reform Act of 1995. Forward-looking statements include, without limitation, any statement that may predict, forecast, indicate or imply future results, performance or achievements, and may contain words such as “believe,” “anticipate,” “expect,” “estimate,” “intend,” “project,” “plan,” or words or phrases with similar meaning. Forward-looking statements should not be read as a guarantee of future performance or results and will not necessarily be accurate indications of the times at, or by, which such performance or results will be achieved. Forward-looking statements contained in this press release relate to, among other things, the Company’s projected financial performance and operating results, including projected revenue, Adjusted Gross Profit and Adjusted EBITDA, as well as statements regarding inflationary pressures and recessionary fears.

Forward-looking statements are based on current expectations, forecasts and assumptions that involve risks and uncertainties, including, but not limited to, the market for programmatic advertising developing slower or differently than the Company’s expectations, the demands and expectations of clients and the ability to attract and retain clients and other economic, competitive, governmental and technological factors outside of the Company’s control, that may cause the Company’s business, strategy or actual results to differ materially from the forward-looking statements. The Company does not intend and undertakes no obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required by applicable law. Investors are referred to AdTheorent’s filings with the Securities and Exchange Commission, including its Annual Report on Form 10-K and any subsequent filings on Forms 10-Q or 8-K, for additional information regarding the risks and uncertainties that may cause actual results to differ materially from those expressed in any forward-looking statement.

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ADTHEORENT HOLDING COMPANY, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited; in thousands)

	September 30, 2023	December 31, 2022
ASSETS		
Current assets		
Cash and cash equivalents	\$ 74,339	\$ 72,579
Accounts receivable, net	48,693	56,027
Income tax recoverable	177	145
Prepaid expenses	2,673	1,466
Total current assets	125,882	130,217
Property and equipment, net	465	520
Operating lease right of use assets	4,987	5,732
Investment in SymetryML Holdings	636	789
Customer relationships, net	1,119	4,475
Other intangible assets, net	7,854	6,708
Goodwill	34,842	34,842
Deferred income taxes, net	12,067	6,962
Other assets	308	359
Total assets	\$ 188,160	\$ 190,604
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Accounts payable	\$ 10,294	\$ 9,479
Accrued compensation	5,117	8,939
Accrued expenses	5,076	6,224
Operating lease liabilities, current	1,265	1,265
Total current liabilities	21,752	25,907
Warrants	862	2,298
Seller's Earn-Out	23	773
Operating lease liabilities, non-current	5,253	6,201
Total liabilities	27,890	35,179
Stockholders' equity		
Preferred Stock	—	—
Common Stock	9	9
Additional paid-in capital	89,746	83,566
Retained earnings	70,515	71,850
Total stockholders' equity	160,270	155,425
Total liabilities and stockholders' equity	\$ 188,160	\$ 190,604

ADTHEORENT HOLDING COMPANY, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited; in thousands, except share and per share data)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Revenue	\$ 40,890	\$ 37,584	\$ 111,151	\$ 114,301
Operating expenses:				
Platform operations	22,019	19,581	61,141	58,207
Sales and marketing	11,119	11,127	32,050	32,540
Technology and development	3,794	3,955	10,453	12,393
General and administrative	4,113	4,729	11,638	15,433
Total operating expenses	41,045	39,392	115,282	118,573
Loss from operations	(155)	(1,808)	(4,131)	(4,272)
Interest income (expense), net	707	97	1,750	(59)
Gain on change in fair value of Seller's Earn-Out	225	2,901	750	15,664
Gain on change in fair value of warrants	1,290	5,674	1,436	8,261
Gain on deconsolidation of SymetryML	—	—	—	1,939
Loss on change in fair value of SAFE Notes	—	—	—	(788)
Gain (loss) on fair value of investment in SymetryML Holdings	5	(39)	(153)	(49)
Other expense, net	(12)	(5)	(49)	(24)
Total other income, net	2,215	8,628	3,734	24,944
Net income (loss) before income taxes	2,060	6,820	(397)	20,672
(Provision) benefit for income taxes	(6,254)	(1,095)	(938)	540
Net (loss) income	\$ (4,194)	\$ 5,725	\$ (1,335)	\$ 21,212
Less: Net loss attributable to noncontrolling interest	—	—	—	550
Net (loss) income attributable to AdTheorent Holding Company, Inc.	\$ (4,194)	\$ 5,725	\$ (1,335)	\$ 21,762
(Loss) earnings per share:				
Basic	\$ (0.05)	\$ 0.07	\$ (0.02)	\$ 0.25
Diluted	\$ (0.05)	\$ 0.06	\$ (0.02)	\$ 0.23
Weighted-average common shares outstanding:				
Basic	88,175,813	86,492,025	87,869,345	86,003,514
Diluted	88,175,813	92,122,421	87,869,345	92,885,851

ADTHEORENT HOLDING COMPANY, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited; in thousands)

	Nine Months Ended September 30,	
	2023	2022
Cash flows from operating activities		
Net (loss) income	\$ (1,335)	\$ 21,212
Adjustments to reconcile net (loss) income to net cash provided by operating activities:		
Provision for credit losses	10	240
Amortization expense	6,473	5,872
Depreciation expense	146	143
Amortization of debt issuance costs	42	42
Gain on change in fair value of Seller's Earn-Out	(750)	(15,664)
Gain on change in fair value of warrants	(1,436)	(8,261)
Gain on deconsolidation of SymetryML	—	(1,939)
Loss on change in fair value of SAFE Notes	—	788
Loss on fair value of investment in SymetryML Holdings	153	49
Deferred tax benefit	(5,105)	(5,455)
Equity-based compensation	5,924	8,627
Seller's Earn-Out equity-based compensation	—	1,364
Changes in operating assets and liabilities:		
Accounts receivable	7,324	13,103
Income taxes recoverable	(32)	(4)
Prepaid expenses and other assets	(453)	337
Accounts payable	775	(3,911)
Accrued compensation, accrued expenses, and other liabilities	(5,918)	(8,104)
Net cash provided by operating activities	5,818	8,439
Cash flows from investing activities		
Capitalized software development costs	(3,969)	(2,008)
Purchase of property and equipment	(88)	(311)
Decrease in cash from deconsolidation of SymetryML	—	(69)
Net cash used in investing activities	(4,057)	(2,388)
Cash flows from financing activities		
Cash received for exercised options	150	346
Payment of revolver borrowings	—	(39,017)
Proceeds from SAFE Notes	—	200
Proceeds from SymetryML preferred stock issuance	—	400
Taxes paid related to net settlement of restricted stock awards	(466)	(231)
Proceeds from employee stock purchase plan	315	—
Net cash used in financing activities	(1)	(38,302)
Net increase (decrease) in cash and cash equivalents	1,760	(32,251)
Cash and cash equivalents at beginning of period	72,579	100,093
Cash and cash equivalents at end of period	\$ 74,339	\$ 67,842

Non-GAAP Financial Measures

The Company uses financial measures that are not calculated in accordance with GAAP including Adjusted EBITDA and Adjusted Gross Profit. The Company's management believes that this information can assist investors in evaluating the Company's operational trends, financial performance, and cash generating capacity and make strategic decisions. Management believes these non-GAAP measures allow investors to evaluate the Company's financial performance using some of the same measures as management.

Because of the limitations associated with these non-GAAP financial measures, "Adjusted Gross Profit," "EBITDA," "Adjusted EBITDA," "Adjusted Gross Profit as a percentage of Revenue" and "Adjusted EBITDA as a percent of Adjusted Gross Profit" should not be considered in isolation or as a substitute for performance measures calculated in accordance with GAAP. The Company compensates for these limitations by relying primarily on its GAAP results and using non-GAAP measures on a supplemental basis. You should review the reconciliation of the non-GAAP financial measures below and not rely on any single financial measure to evaluate AdTheorent's business.

The tables below show the Company's non-GAAP financial metrics reconciled to the comparable GAAP financial metrics included in this release.

Adjusted Gross Profit

Adjusted Gross Profit is a non-GAAP profitability measure. Adjusted Gross Profit is a non-GAAP financial measure of campaign profitability, monitored by management and the board, used to evaluate the Company's operating performance and trends, develop short- and long-term operational plans, and make strategic decisions regarding the allocation of capital. The Company believes this measure provides a useful period-to-period comparison of campaign profitability and is useful information to investors and the market in understanding and evaluating its operating results in the same manner as its management and board. Gross profit is the most comparable GAAP measurement, which is calculated as revenue less platform operations costs. In calculating Adjusted Gross Profit, the Company adds back other platform operations costs, which consist of amortization expense related to capitalized software, depreciation expense, allocated costs of personnel which set up and monitor campaign performance, and platform hosting, license, and maintenance costs, to gross profit.

The following table sets forth a reconciliation of revenue to Adjusted Gross Profit for the periods presented:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
	(In thousands)			
Revenue	\$ 40,890	\$ 37,584	\$ 111,151	\$ 114,301
Less: Platform operations	22,019	19,581	61,141	58,207
Gross Profit	18,871	18,003	50,010	56,094
Add back: Other platform operations	7,519	6,739	21,319	19,979
Adjusted Gross Profit	\$ 26,390	\$ 24,742	\$ 71,329	\$ 76,073

EBITDA and Adjusted EBITDA

EBITDA is a non-GAAP financial measure defined by us as net (loss) income, before interest (income) expense, net; depreciation, amortization; and income tax provision (benefit). Adjusted EBITDA is defined as EBITDA before equity-based compensation expense, transaction costs, non-core operations and other non-recurring items. Net (loss) income is the most comparable GAAP measurement.

Collectively these non-GAAP financial measures are key profitability measures used by the Company's management and board to understand and evaluate its operating performance and trends, develop short-and long-term operational plans and make strategic decisions regarding the allocation of capital. The Company believes that these measures can provide useful period-to-period comparisons of campaign profitability. Accordingly, the Company believes that these measures provide useful information to investors and the market in understanding and evaluating its operating results in the same manner as its management and board.

The following table sets forth a reconciliation of net (loss) income to Adjusted EBITDA for the periods presented:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
	(In thousands)			
Net (loss) income	\$ (4,194)	\$ 5,725	\$ (1,335)	\$ 21,212
Interest (income) expense, net	(707)	(97)	(1,750)	59
Tax provision (benefit)	6,254	1,095	938	(540)
Depreciation and amortization	2,317	1,973	6,619	6,015
EBITDA	\$ 3,670	\$ 8,696	\$ 4,472	\$ 26,746
Equity-based compensation	2,584	2,783	5,924	8,627
Seller's Earn-Out equity-based compensation	—	373	—	1,364
Transaction costs (1)	—	—	166	(131)
Gain on change in fair value of Seller's Earn-Out (2)	(225)	(2,901)	(750)	(15,664)
Gain on change in fair value of warrants (3)	(1,290)	(5,674)	(1,436)	(8,261)
Gain on deconsolidation of SymetryML (4)	—	—	—	(1,939)
Loss on change in fair value of SAFE Notes (5)	—	—	—	788
(Gain) loss on fair value of investment in SymetryML Holdings	(5)	39	153	49
Separation expense related to headcount reductions	—	270	—	270
Non-core operations (6)	—	—	—	351
Adjusted EBITDA	\$ 4,734	\$ 3,586	\$ 8,529	\$ 12,200

- (1) Includes professional fees directly related to the SPAC merger with MCAP Acquisition Corporation (the "Business Combination") on December 22, 2021.
- (2) In connection with the Business Combination, a Seller's Earn-Out liability was recorded. The gain represents the decrease in fair value of the Seller's Earn-Out in the three and nine months ended September 30, 2023 and 2022.
- (3) In connection with the Business Combination, a liability for warrants was recorded. The gain represents the decrease in fair value of the warrants in the three and nine months ended September 30, 2023 and 2022.
- (4) On March 31, 2022, the Company deconsolidated SymetryML which resulted in a gain. Refer to Note 16 — SymetryML and SymetryML Holdings of the Company's Condensed Consolidated Financial Statements, included in its Form 10-Q as of September 30, 2023, filed today, for more information.
- (5) On March 31, 2022, the SAFE Notes (defined below) were valued which resulted in a loss. Refer to Note 16 — SymetryML and SymetryML Holdings of the Company's Condensed Consolidated Financial Statements, included in its Form 10-Q as of September 30, 2023, filed today, for more information.
- (6) Effective as of March 1, 2020, the Company effectuated a contribution of its SymetryML department into a new subsidiary, SymetryML, Inc. The Company periodically raised capital to fund Symetry operations, by entering into Simple Agreement for Future Equity Notes ("SAFE Notes") with several parties. The Company viewed SymetryML operations as non-core, and did not fund future operational expenses incurred in excess of SAFE Note funding secured. Effective March 31, 2022, the Company

deconsolidated SymetryML. Refer to Note 16 — SymetryML and SymetryML Holdings of the Company's Condensed Consolidated Financial Statements, included in its Form 10-Q as of September 30, 2023, filed today, for more information.

The following table presents Adjusted EBITDA as a Percentage of Adjusted Gross Profit and Adjusted Gross Profit as a Percentage of Revenue:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
	(In thousands, except percentages)			
Gross Profit	\$ 18,871	\$ 18,003	\$ 50,010	\$ 56,094
Net (loss) income	\$ (4,194)	\$ 5,725	\$ (1,335)	\$ 21,212
Net (loss) income as a percentage of Gross Profit	-22.2%	31.8%	-2.7%	37.8%
Adjusted Gross Profit	\$ 26,390	\$ 24,742	\$ 71,329	\$ 76,073
Adjusted EBITDA	\$ 4,734	\$ 3,586	\$ 8,529	\$ 12,200
Adjusted EBITDA as a percentage of Adjusted Gross Profit	17.9%	14.5%	12.0%	16.0%
Gross Profit	\$ 18,871	\$ 18,003	\$ 50,010	\$ 56,094
Revenue	\$ 40,890	\$ 37,584	\$ 111,151	\$ 114,301
Gross Profit as a percentage of Revenue	46.2%	47.9%	45.0%	49.1%
Revenue	\$ 40,890	\$ 37,584	\$ 111,151	\$ 114,301
Adjusted Gross Profit	\$ 26,390	\$ 24,742	\$ 71,329	\$ 76,073
Adjusted Gross Profit as a percentage of Revenue	64.5%	65.8%	64.2%	66.6%



INVESTOR PRESENTATION

Q3 2023

Disclaimer

This communication contains "forward-looking statements" within the meaning of the safe harbor provisions of the U.S. Private Securities Litigation Reform Act of 1995. Forward-looking statements include, without limitation, any statement that may predict, forecast, indicate or imply future results, performance or achievements, and may contain words such as "believe," "anticipate," "expect," "estimate," "intend," "project," "plan," or words or phrases with similar meaning. Forward-looking statements should not be read as a guarantee of future performance or results and will not necessarily be accurate indications of the times at, or by, which such performance or results will be achieved. Forward-looking statements contained in this presentation relate to, among other things, the Company's projected financial performance and operating results, including projected revenue, Adjusted Gross Profit and Adjusted EBITDA. Forward-looking statements are based on current expectations, forecasts and assumptions that involve risks and uncertainties, including, but not limited to, the market for programmatic advertising developing slower or differently than the Company's expectations, the demands and expectations of clients and the ability to attract and retain clients and other economic, competitive, governmental and technological factors outside of the Company's control, that may cause the Company's business strategy or actual results to differ materially from the forward-looking statements. The Company does not intend and undertake no obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required by applicable law. Investors are referred to AdTheorent's filings with the Securities and Exchange Commission, including its Annual Report on Form 10-K and any subsequent filings on Forms 10-Q or 8-K, for additional information regarding the risks and uncertainties that may cause actual results to differ materially from those expressed in any forward-looking statement.

November 7, 2023

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Investment Highlights and Differentiation



-  Large and growing omni-channel programmatic advertising opportunity
-  Industry-leading machine learning platform for advertising
-  Award-winning AI/ML technology developed by world class technology and data science organization
-  Privacy leadership; user ID independence
-  Diversified client roster of large, repeat brands and agencies; history of success over competitors
-  Industry-leading campaign performance leveraging predictive solutions
-  New Self-Service model more than doubles AdTheorent's Total Addressable Market (TAM)
-  Demonstrated attractive growth profile and profitability

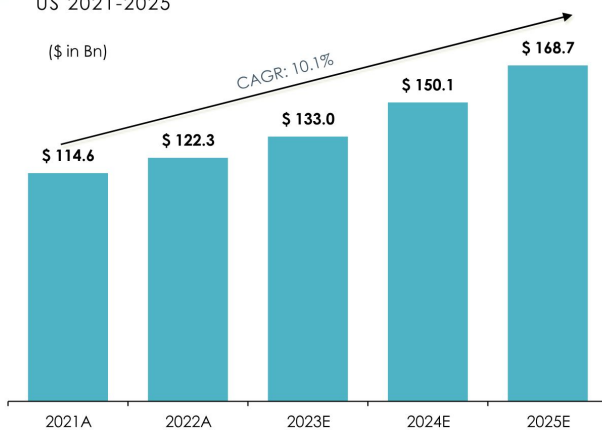
AdTheorent is dedicated to **making programmatic advertising more valuable and efficient** for marketers through deployment of **advanced machine learning technology and data science solutions**, leading the programmatic advertising industry into a **privacy-forward future** not dependent on ID-based user retargeting.



AdTheorent primarily targets the fast-growing, **\$100B+ Programmatic Media Market** in the U.S.

Programmatic Digital Display Ad Spending US 2021-2025

(\$ in Bn)



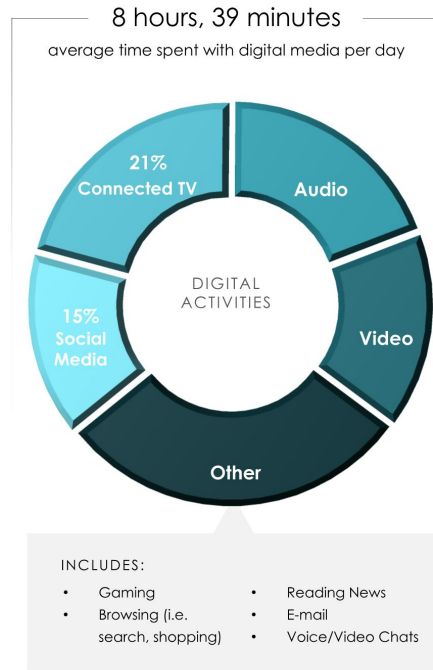
Source: Insider Intelligence | eMarketer, April 2023 **Note:** digital display ads transacted or fulfilled via automation, including everything from publisher-erected APIs to more standardized RTB technology; includes native ads and ads on social networks like Facebook and Twitter; includes advertising that appears on desktop and laptop computers as well as mobile phones, tablets and other internet-connected devices

Programmatic Media Market Growth Drivers

- Emerging platforms and channels; diversified ad formats
- Data privacy and regulation; demand for ID-independent solutions
- Cross-device targeting, measurement and attribution
- Quality and brand safety (eliminate waste)
- Alliances with publishers, data and technology providers; brands want help
- Global expansion; privacy opportunities

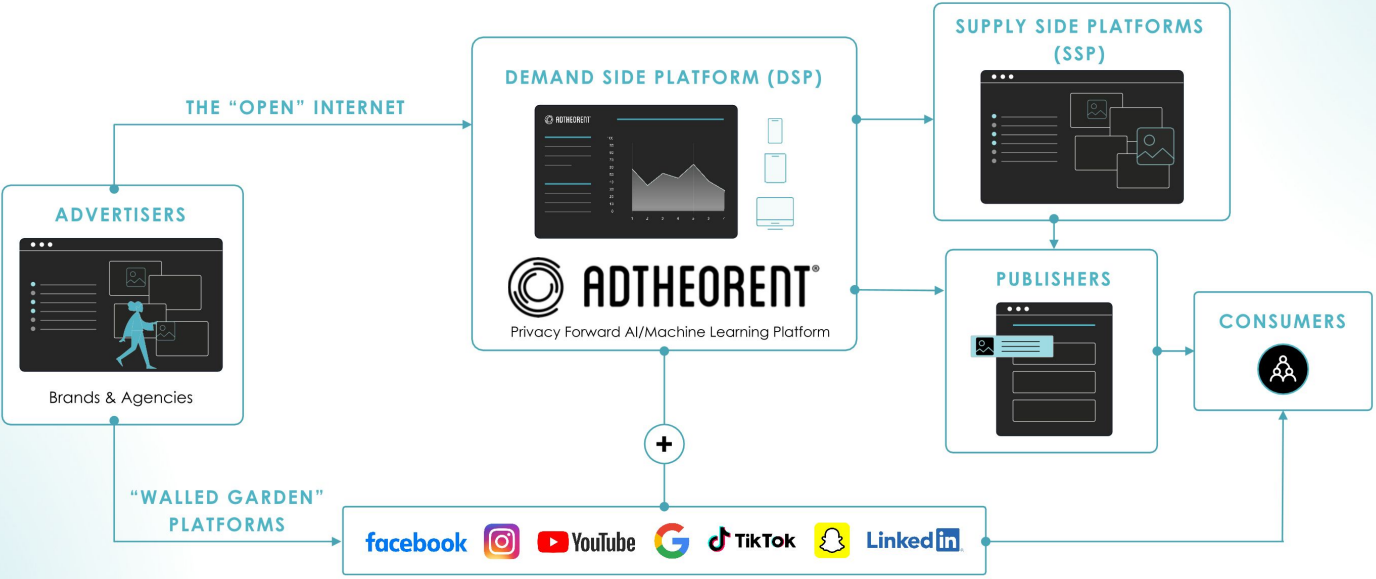
The Digital Advertising opportunity is bigger than Social Media

Brands only running on social platforms are missing 85% of consumer's time spent with digital media. AdTheorent connects brands to consumers across all digital activities



Source: eMarketer 2022

AdTheorent leverages proprietary machine learning technology to activate across the entire biddable advertising ecosystem



INDUSTRY STANDARD DSP TARGETING APPROACH:

Most advertising relies on a **few data points** to determine whether to **serve an ad**.

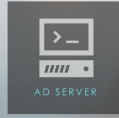
01.

There is a user visiting the site.



02.

Do you want to place an ad?



IF
User ID = visited website

THEN
Yes

IF
User ID = within geo location

THEN
Yes

IF
User ID = in audience123

THEN
Yes

AdTheorent's Machine Learning platform looks at all available data to assign each impression a **predictive score** without the need for a cookie or user ID

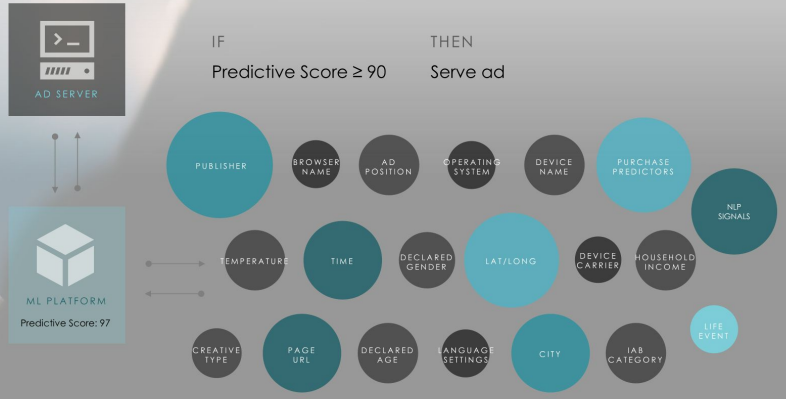
01.

There is a user visiting the site.



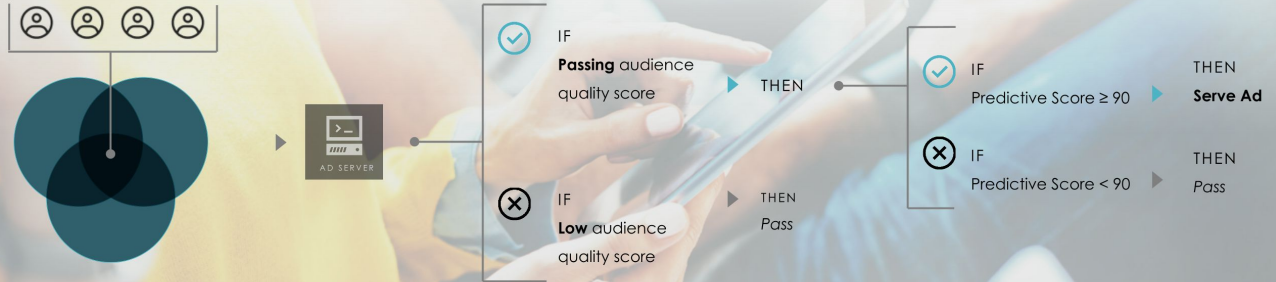
02.

Will placing an ad on this impression lead to a successful outcome?



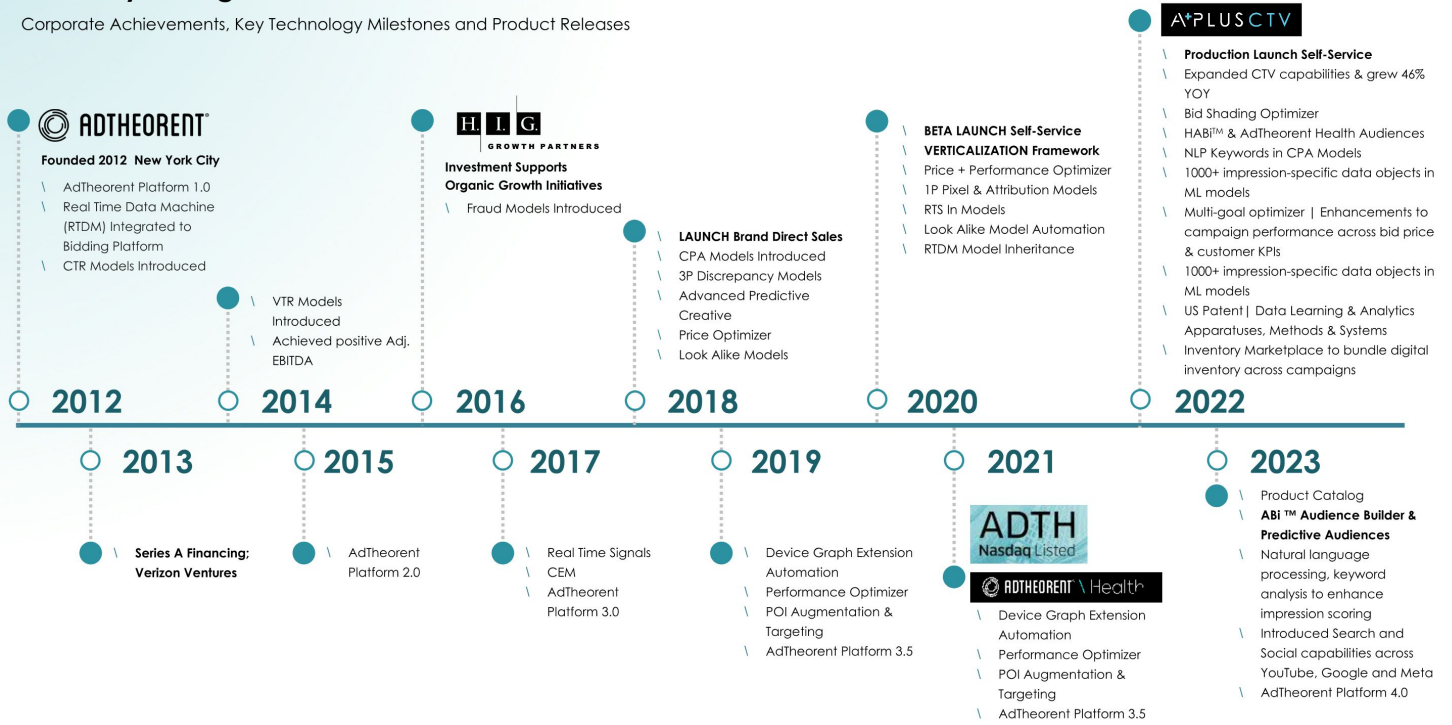
AdTheorent's Predictive Platform is a differentiator in creating ID-independent audiences that drive performance

- 01. **Create** your Ideal Audience from multiple data attributes within the ABI™ Audience Builder
- 02. **AdTheorent's Audience Quality Algorithms** score every impression based on the likelihood that the impression relates to a user in your defined target audience
- 03. Within your target audience, **AdTheorent's KPI predictive scoring** determines the likelihood that placing an ad on an impression will lead to a successful campaign outcome



A History of Organic Growth & Innovation

Corporate Achievements, Key Technology Milestones and Product Releases



AdTheorent uses award-winning, proprietary **machine learning** to organize, analyze and activate data to deliver **real-world value** for advertisers and marketers **across the entire digital ecosystem**.



NEW! September 2023

DIGIDAY TECHNOLOGY AWARDS | Best Buy-Side Programmatic Platform



 **2018-2023 Business Intelligence Group**


 **2016-2023 North American Digital Advertising**

 **2018-2022 A.I. Breakthrough Awards**

 **2020 The Drum Digital Advertising Awards**

 **2012, 2015, 2022, 2023**

 **2022 AdExchanger Programmatic Power Player**

 **2023 Neutronian Certified**

 **12-time winner**

Privacy-Forward Programmatic Advertising

AdTheorent is leading the industry into the post-ID era by giving advertisers unprecedented levels of targeting accuracy

DRIVING OUTCOMES WITHOUT SENSITIVE DATA:


ML-based Predictive Advertising mitigates regulatory concerns by relying **on statistical models - not sensitive data, advertising IDs or cookie-based retargeting.**


- ✓ CCPA, CPRA*, & GDPR **Compliant**
- ✓ DAA **Compliant**
- ✓ AMA **Compliant**
- ✓ FLA/ECOA **Compliant**
- ✓ LDA **Compliant**
- ✓ COPPA **Compliant**
- ✓ HIPAA **Compliant**
- ✓ NAI **Certified**

*Additional state-by-state regulations, as adopted


AdTheorent does **not** use:


 Names

 Individualized Financial Information

 Individualized Health Information

 Email Address

 Employment Status

 Biometric Record

Advanced Tech and ML solutions address waste and inefficiency challenges cited in ANA Programmatic Media Supply Chain Transparency Study¹

Inventory Quality & Brand Safety

- AdTheorent continuously analyzes inventory signals to improve quality by identifying & removing low performing publishers and MFA properties
- Supply path optimization
- Natural language processing analyzes sentiment to avoid sensitive content

Viewability

- Every campaign includes viewability models to ensure ads are seen
- AdTheorent's viewability models drive a 47% higher viewability rate²

Transparency

- AdTheorent leverages more signals when scoring media opportunities; beyond blind ID-based targeting
- Superior cost transparency

Performance

- AdTheorent's focus is ROAS, not click-bait
- Each campaign leverages custom performance models

Anti-Fraud

- Real-time anti-fraud infrastructure detects fraud before the impression is served on all campaigns across all devices
- Double Verify pre-bid IVT filtering & post-bid monitoring
- Double Verify certified against CTV fraud
- IAB bots & spiders block list



The ANA report highlights programmatic advertising inefficiencies around which AdTheorent has built valuable machine learning tools, delivering for advertisers the true benefit from open web programmatic advertising

PARTNERS & CERTIFICATIONS



100% Ads.txt verified (IAB)

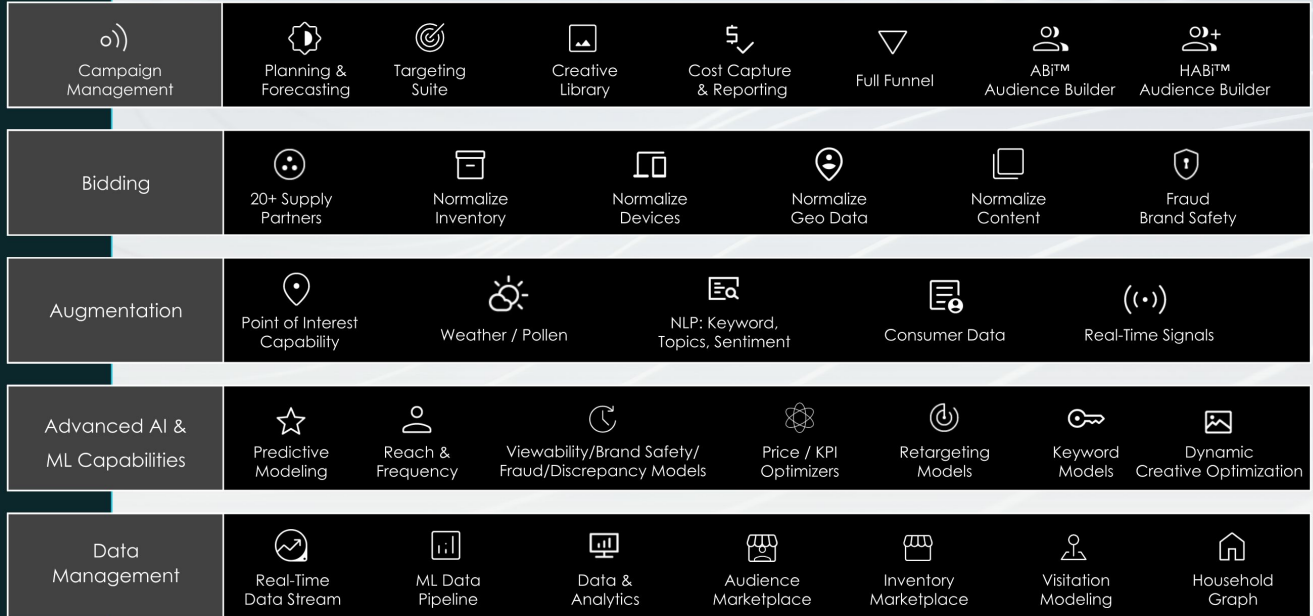


IAS Integral Ad Science





AdTheorent's end-to-end platform does the work of multiple companies, seamlessly integrating into customer tech stacks to **drive campaign performance** and **operational efficiency**



AdTheorent's tech-stack facilitates the development of custom, machine learning solutions that drive vertical-specific outcomes

AdTheorent Health

- \ Prescription fill
- \ New patient registration
- \ Prescription card download
- \ HCP reach & engagement

Casual Dining & QSR

- \ Online & In-store sale
- \ Restaurant visitation
- \ Coupon download

Travel & Hospitality

- \ Site visitation
- \ Booking
- \ Incremental sale

Commerce

- \ Form fill or sign up
- \ Purchase
- \ Store Locator

Auto

- \ Vehicle sales lift
- \ Dealer visit
- \ Dealer locator engagement
- \ Vehicle build & price

CPG

- \ Online purchase
- \ Add to cart
- \ Visitation to partner retailer

Education

- \ Form Fill
- \ Virtual Tour
- \ Campus visit
- \ Download more info

Real Estate

- \ Call an Agent
- \ Application complete
- \ Calculate your mortgage

Retail

- \ Incremental sale
- \ Location visitation
- \ Online order
- \ Store locator

Finance / Insurance

- \ Drive higher lifetime value
- \ New customer acquisition
- \ Completed application

Government

- \ Learn More
- \ Form Fill or sign up
- \ Resource Download

Telecom

- \ Location Finder
- \ View Plans
- \ Learn More

AdTheorent's wide-ranging solutions appeal to a broad range of customers

Agency Hold-Co

Media Teams

- \ Targeting Capabilities
- \ First-To-Market Opportunities
- \ Measurement & Reporting
- \ CTV
- \ Creative
- \ Where they can add value

Health Agencies

- \ Patient & HCP Capabilities
- \ Audiences & Targeting
- \ Scale
- \ Privacy (HIPAA, NAI)
- \ Measurement

Self-Service Decision

Makers

- \ Platform Costs & Efficiency
- \ Capabilities & Ease of Use
- \ Optimizations
- \ Reporting
- \ Inventory & Targeting

Performance Marketers

- \ CPA Capabilities
- \ Attribution & Measurement
- \ Account Services

Multicultural Teams

- \ Targeting\Audiences
- \ Supplier Diversity
- \ Inventory
- \ Privacy

Tier 2 Agencies

- \ White-Label Solutions
- \ Rev-Share Opportunities
- \ Live Addressable TV
- \ Creative Support

Health Brands

- \ Service and Support
- \ Product Capabilities
- \ Audience Customization
- \ Look for Health Expertise
- \ Privacy + Precision

Brand Direct

- \ Privacy
- \ Verticalized Solutions
- \ Creative
- \ Cross-Channel Activation
- \ Service and Support

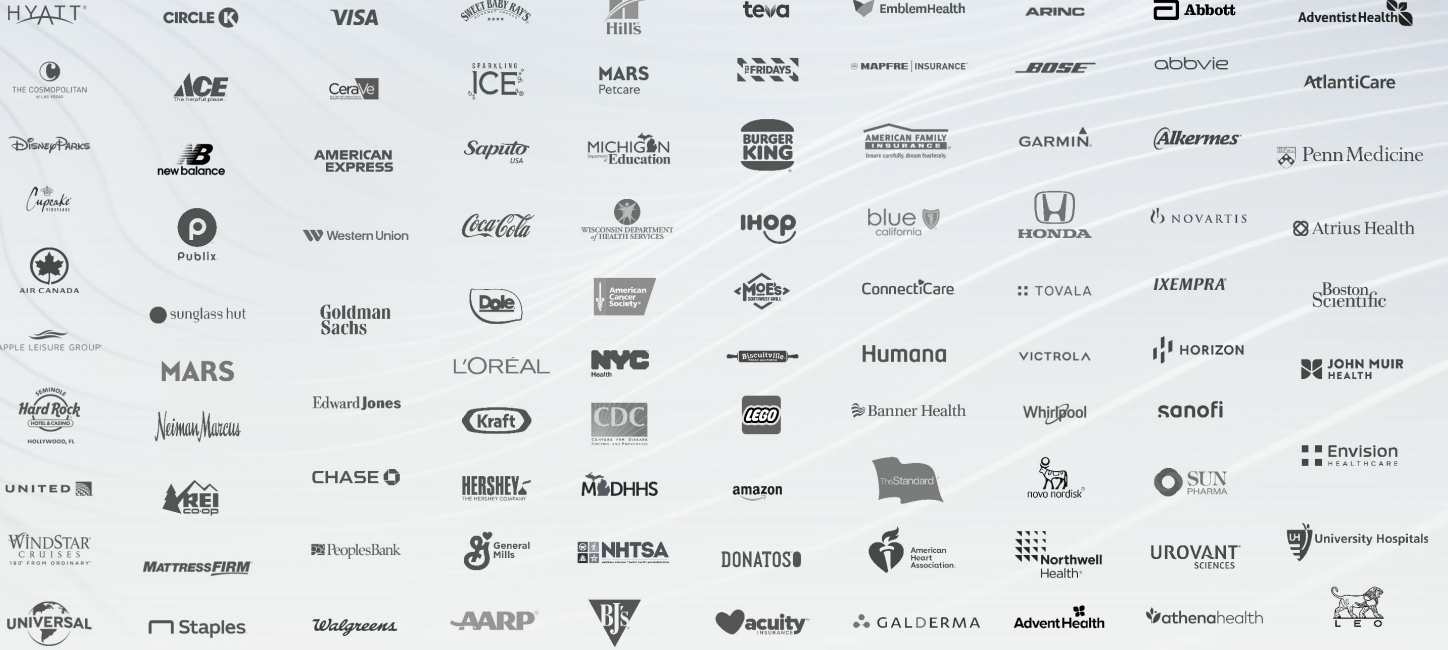
Data & Audience Teams

- \ ID-Less Audience Creation
- \ Data Sources
- \ Recency
- \ Privacy

Channel Sales

- \ Revenue Opportunities
- \ Services
- \ Audience Creation
- \ Margin Maximization

BRANDS WE WORK WITH*



CASE STUDY: AdTheorent Outperforms Major DSP in Controlled Test Commissioned by Agency Holding Company

Campaign Objective:

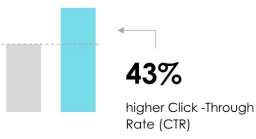
A food & beverage brand aiming to generate awareness of their summer product line worked with AdTheorent to test AdTheorent's targeting performance against a competitor DSP.

AdTheorent's Solution:

AdTheorent developed custom machine learning models to reach consumers with the highest likelihood of engaging. AdTheorent ran the same 3rd party audiences as the DSP competitor while also testing custom AdTheorent Predictive Audiences.

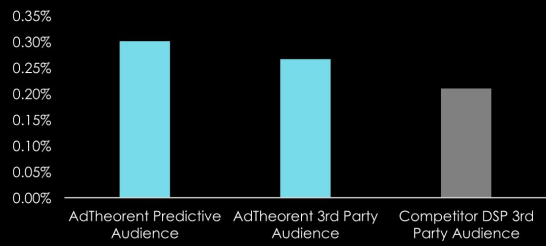
Performance Highlights

AdTheorent Predictive Audiences outperformed the DSP competitor's 3rd Party Audience targeting driving:

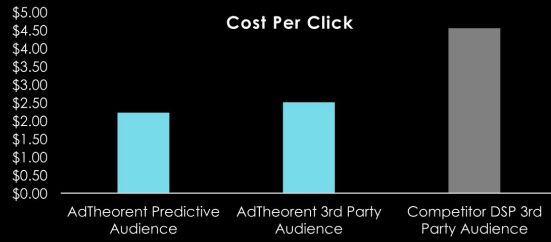


In the head-to-head 3rd party audience test, AdTheorent outperformed the DSP competitor across CTR & CPC metrics

Click-Through Rate



Cost Per Click



ONE ADTHEORENT

Allows customers to seamlessly
transact in the way that best meets
their needs

\ **Managed Programmatic**

A full-service suite of solutions from pre-campaign planning to post-campaign reporting across the digital ecosystem

- One platform since 2012 with continued innovation
- Fixed-rate pricing inclusive of full end-to-end support

\ **Self-Service**

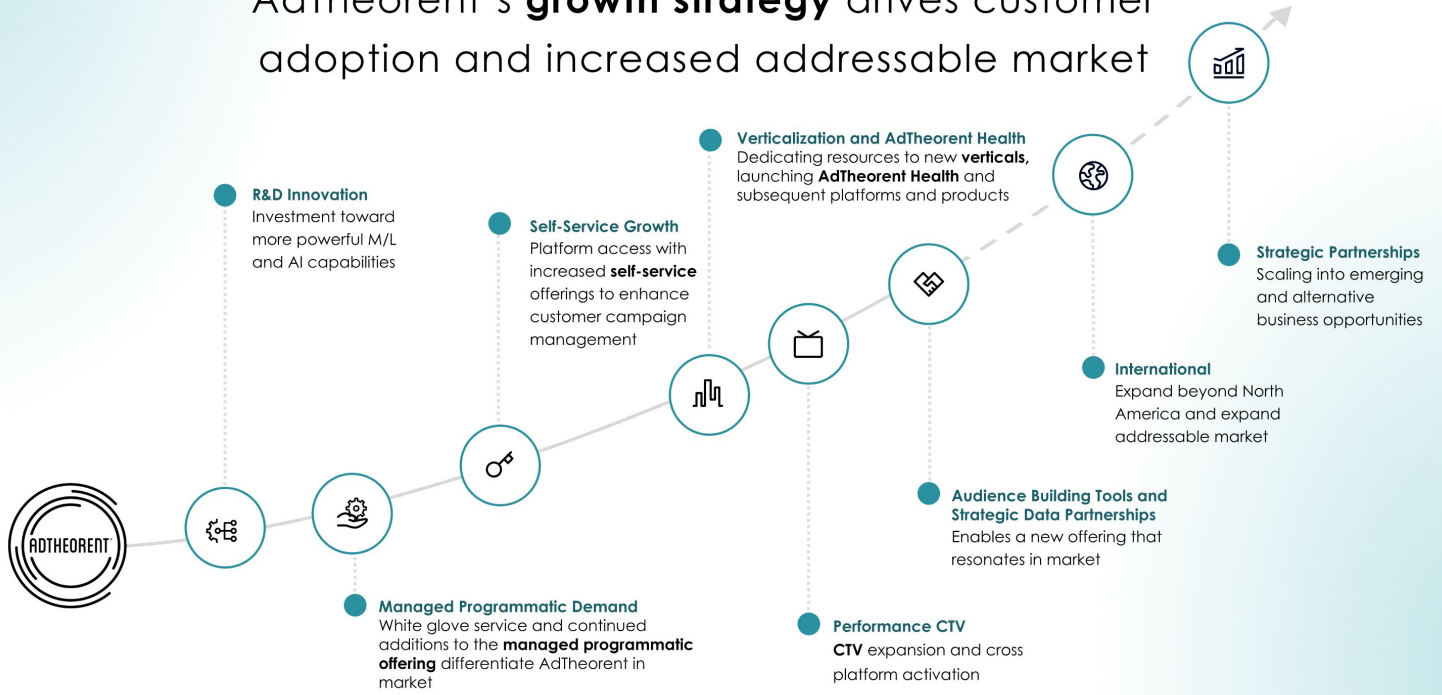
Direct platform access to the most advanced ML-powered DSP

- Scaling quickly across verticals and client types since release in 2021
- Platform & Management Fee applied as a % of spend, with custom ML models and other enhancements

Benefits of Flexible Combination

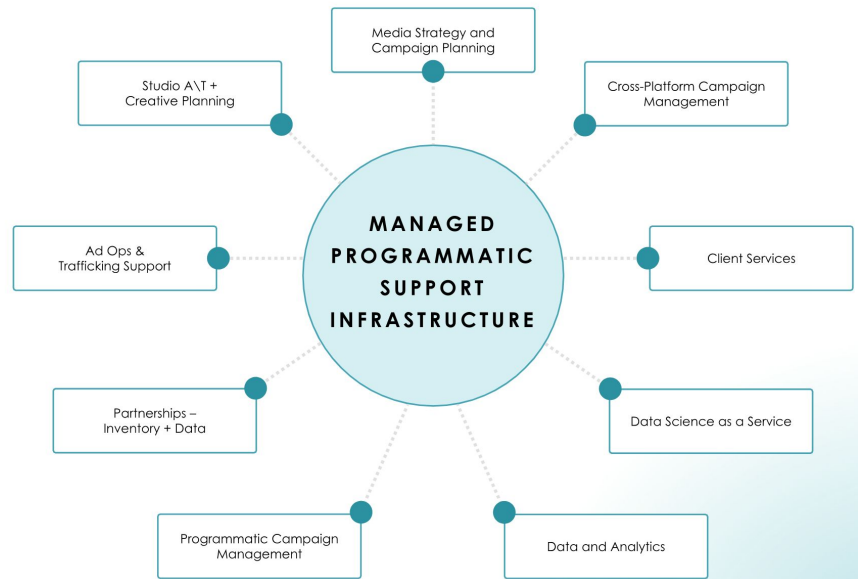
- Clients shift between service levels based on campaign complexity
- As clients shift between managed and self-service, campaign data remains actionable, and models are ready to deploy

AdTheorent's **growth strategy** drives customer adoption and increased addressable market



Through **Managed Programmatic**, AdTheorent becomes an extension of brand and agency teams

- AdTheorent's **Managed Programmatic Offering** addresses the myriad needs of customers frustrated by the lack of service from established platforms
- AdTheorent's hands-on approach is a differentiator in market and delivers industry-leading service and performance



AdTheorent's **Self-Service** offering expands the total addressable market

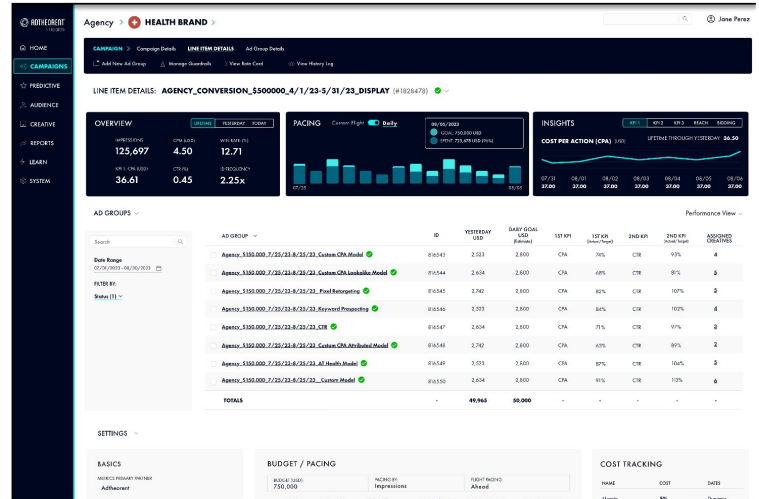
▲ **57%**

ADVERTISER COUNT
INCREASE Q2 TO Q3

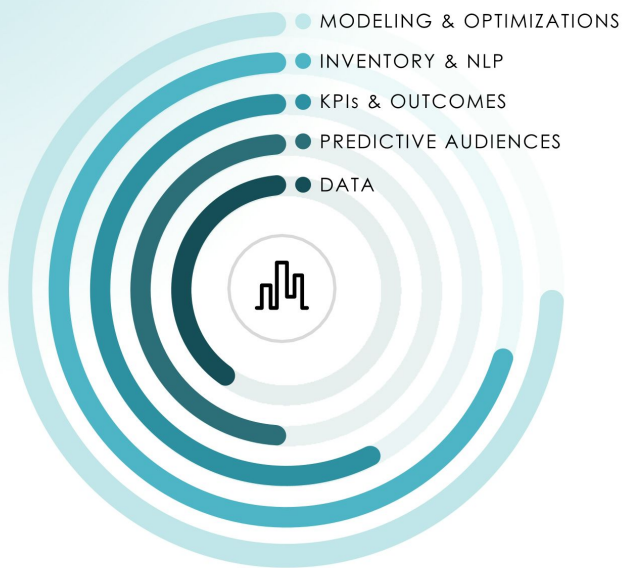
▲ **28%**

SEQUENTIAL REVENUE
GROWTH Q2 TO Q3

- ▮ Built for media buyers who want to use the industry's best programmatic brain on a self-service basis
- ▮ Intuitive workflows and tools leverage AdTheorent's 10+ years executing successful campaigns



AdTheorent's **verticalized framework offers differentiated solutions** across verticals to drive increased interest from brands and specialized agencies



- Unique, verticalized data inputs, proprietary POI and household graph data
- Audience quality algorithms utilize unique data inputs to build ID-free, privacy-forward audiences
- Predictive ML drives online and real-world performance across industry-specific outcomes
- Contextually aligned inventory increases relevancy, NLP increases performance
- Custom models continually optimize and identify new targeting opportunities

Verticalized Solutions:

- \ AdTheorent Health
- \ Travel & Tourism
- \ Multi-Location Solutions: Dining & Retail
- \ Multicultural Initiatives
- \ Political Solutions

AdTheorent's expertise in building solutions for highly regulated verticals drives growth

\ PROPRIETARY MACHINE LEARNING PLATFORM

ML-based predictive advertising mitigates regulatory concerns and drives real-world outcomes by relying on statistical models and not cookies or IDs

\ SAY "HELLO" TO HABI™

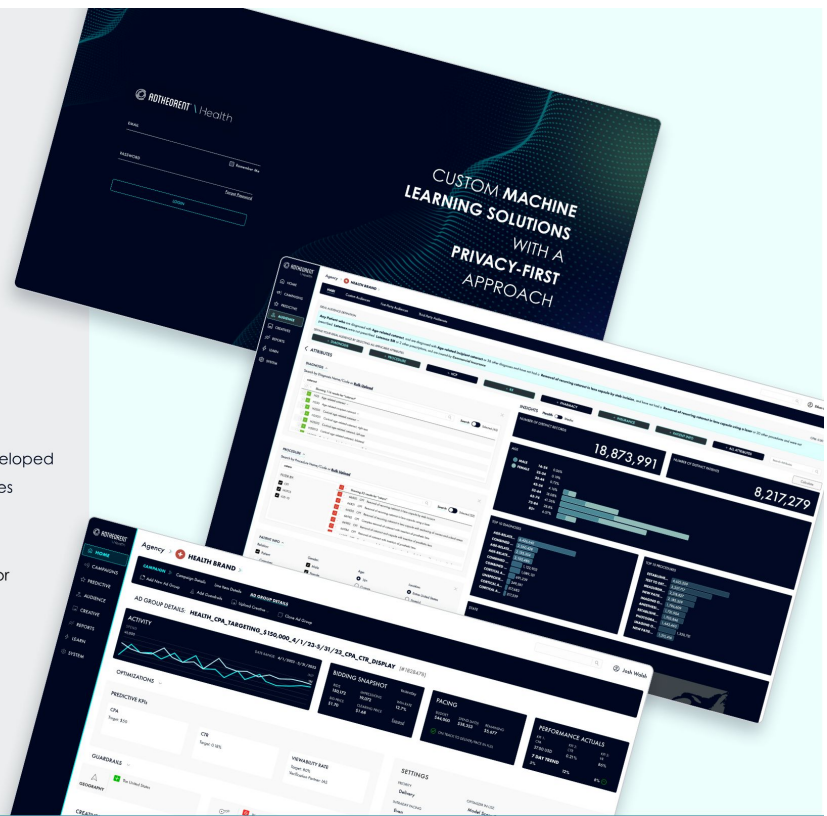
Access to the most comprehensive health dataset available in market, developed to seamlessly research, create and activate custom, ID-less health audiences

\ HEALTH DATA and ADTHEORENT HEALTH AUDIENCES

AdTheorent Health aggregates health data directly, eliminating the need for 3rd party Data Warehouse providers to build custom audiences in minutes, not months

\ ADTHEORENT HEALTH SELF-SERVICE

Access HABI™ and AdTheorent Health's proprietary solutions in the way that best meets the needs of your health campaign



AdTheorent Health empowers partners with strategic solutions to stay ahead of the rapidly growing healthcare industry

2023 HEALTHCARE INDUSTRY DIGITAL AD SPEND FORECAST:

\$17.8B
digital ad spend

↑ **12.3%**
increase in ad spend year-over-year

\$10.2B
mobile ad spend

\$7.6B
desktop ad spend

\$4.5B
video ad spend

↑ **22%**
increase in ad spend year-over-year

CONSUMER HEALTHCARE ACTIVITIES
CONDUCTED ON DIGITAL DEVICES:

64%

Research prescription
drug information

32%

of Millennials research
online to discover and
discuss new treatments
with their doctors

Sources: eMarketer 2022 & 2023

AdTheorent is positioned to capture an outsized share of the **CTV** opportunity

WHY CUSTOMERS CHOOSE ADTHEORENT FOR CTV

+ Privacy

Data science and machine learning used for ad impression analysis and targeting, not to build user profiles or ID-based targeting segments that rely on sensitive or individualized data

+ Performance

CTV models drive towards business outcomes instead of simply delivering video views or completes

+ Attribution

AdTheorent's attribution solution ties viewership on CTV devices to outcomes on mobile and desktop devices

+ Creative

A talented in-house design team that deploys innovative creative executions across CTV

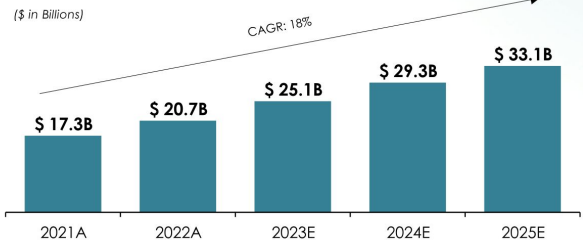
+ Omni-Channel Activation

CTV is part of an omni-channel campaign, and can be used as an upper funnel or lower funnel driver

A DIFFERENTIATED CTV SOLUTION CREATES EXPANDED REVENUE OPPORTUNITIES

- \ Full-funnel campaign budgets
- \ Linear TV revenue shifting to digital channels
- \ Digital clients interested in expanding to a growing format

U.S. CTV Advertising Spending

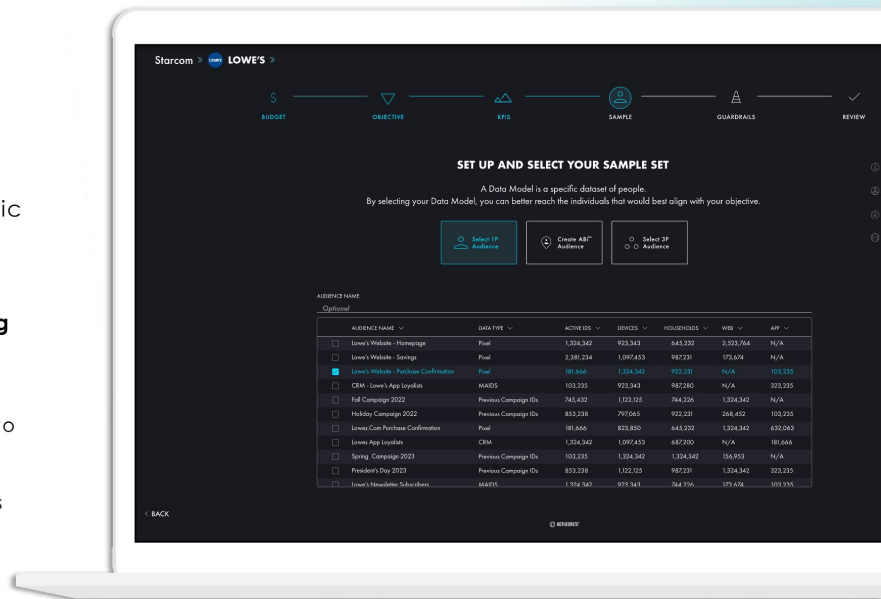


Source: eMarketer, March 2023. Note: digital advertising that appears on CTV devices; includes display ads that appear on home screens and in-stream video ads that appear on CTV's from platforms like Hulu, Roku, and YouTube; excludes network-sold inventory from traditional linear TV and addressable TV advertising

ABi-built audience quality algorithms offer a ground-breaking, **higher-performing** and **higher-margin** method to target programmatic audiences

ABi facilitates the creation of audiences using multiple data attributes:

- \ Primary-sourced and fully transparent data used to build ID-independent and future-proof audiences without the need to purchase 3rd party audiences
- \ Differentiated way to utilize data attributes and proprietary data sources





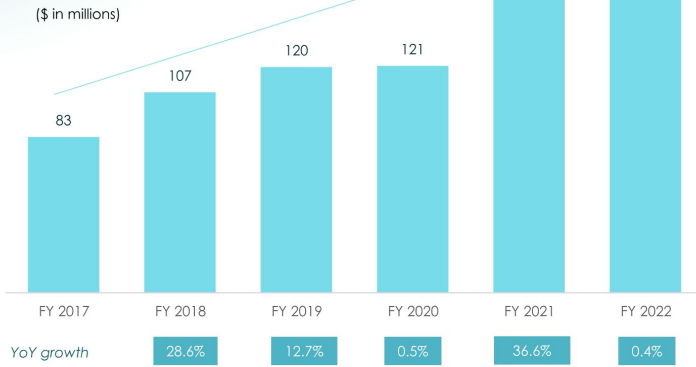
History of Profitable Growth

- \ Historical Financial Profile
- \ Third Quarter Financial Summary
- \ Capital Structure



Strong historical revenue growth profile

Revenue



- ✔ Track record of growth – revenue has doubled since 2017
- ✔ Positive momentum in Self-Service growth
- ✔ Notable growth in CTV and Health vertical

342

ACTIVE CUSTOMERS

15%

REVENUE CAGR TO \$166M SINCE 2017

5%

CTV YTD GROWTH THROUGH Q3 2023
+172% Self-Service CTV Growth Q2 to Q3

938%

SELF-SERVICE YTD GROWTH THROUGH Q3 2023

\$360K

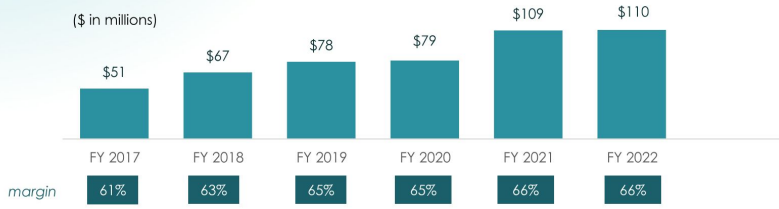
ADJUSTED GROSS PROFIT PER EMPLOYEE LTM THROUGH Q3 2023

31%

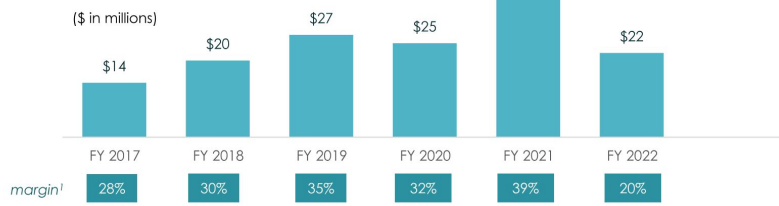
ADTH HEALTH AS % OF REVENUE YTD THROUGH Q3 2023

Profitable business model with operating leverage

Adjusted Gross Profit



Adjusted EBITDA

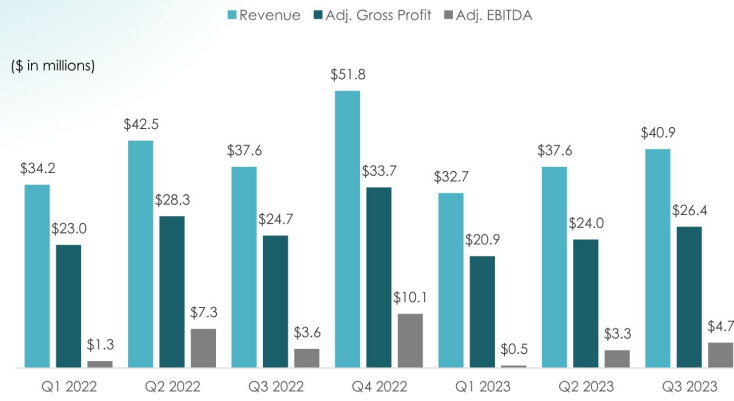


¹ Adjusted EBITDA margin calculated as % of AGP

Note: Adjusted Gross Profit and Adjusted EBITDA are non-GAAP financial measures. A reconciliation of this non-GAAP financial measure to the most directly comparable GAAP financial measure is available in the appendix.

- ✓ Adjusted Gross Profit Margin consistently around 65% of revenue
- ✓ Profitability has remained positive amidst changing market conditions
- ✓ 2022 margins remain strong despite investment in go-to-market and products to drive future growth and increased public company costs

Third Quarter Financial Summary – return to growth



- Q3 growth of ~9% was first YOY growth since mid 2022
- Impacted by macro environment starting Q3 2022

¹ Adjusted EBITDA margin calculated as % of AGP

Note: Adjusted Gross Profit and Adjusted EBITDA are non-GAAP financial measures. A reconciliation of this non-GAAP financial measure to the most directly comparable GAAP financial measure is available in the appendix.

Revenue

\$40.9M
REVENUE

8.8%
YOY GROWTH

Adj. Gross Profit

\$26.4M
ADJ. GROSS PROFIT

64.5%
ADJ. GROSS PROFIT MARGIN

Adj. EBITDA

\$4.7M
ADJ. EBITDA

17.9%
ADJ. EBITDA MARGIN¹

Cash Profile

\$74.3M
CASH AND CASH EQUIVALENTS

\$1.2M
FREE CASH FLOW

Q3 2023 financial results met our expectations

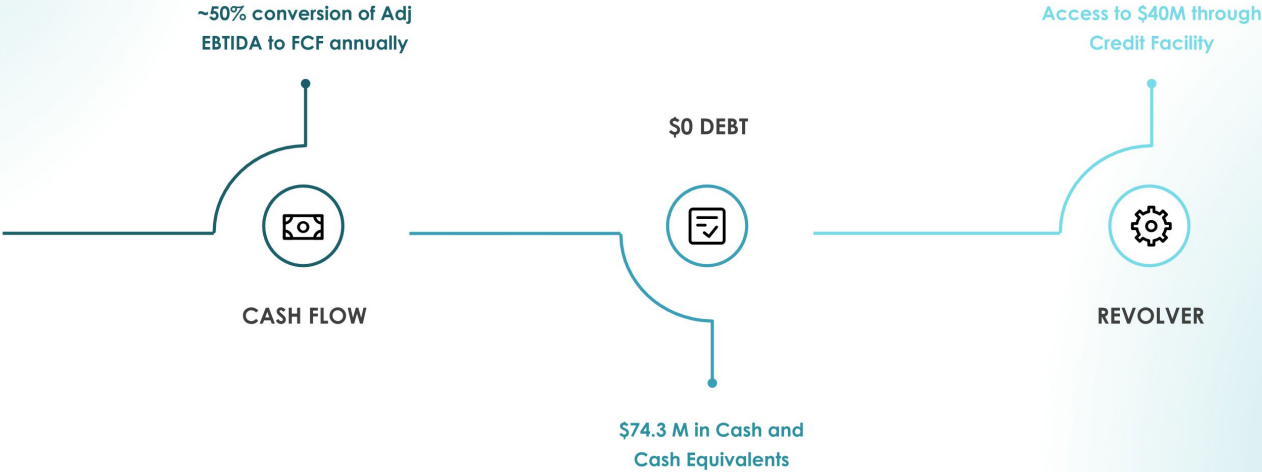
	Q3 2023 OUTLOOK	Q3 2023 RESULTS	Q4 2023 OUTLOOK	FY 2023 OUTLOOK
Revenue	\$39 – \$42M (8% Growth ²)	✓ \$40.9M (9% Growth)	\$55 – \$57M (8% Growth ²)	Growth
Adjusted Gross Profit		✓ \$26.4M		~\$107M ²
Adj. Gross Profit Margin	64%	✓ 64.5%	at least 64%	64-65%
Adjusted EBITDA	\$3 - \$4.5M	✓ \$4.7M	\$10 - \$11.5M	~\$19M ²
Adjusted EBITDA Margin ¹		✓ 17.9%		16-19%

¹ Adjusted EBITDA margin calculated as % of AGP

² Growth rates calculated versus the midpoint of the guidance range

Note: Adjusted Gross Profit and Adjusted EBITDA are non-GAAP financial measures. A reconciliation of this non-GAAP financial measure to the most directly comparable GAAP financial measure is available in the appendix.

Capital structure provides flexibility to invest and resiliency to macroeconomic conditions





APPENDIX



NON-GAAP MEASURES

The Company uses financial measures that are not calculated in accordance with GAAP including Adjusted EBITDA and Adjusted Gross Profit. The Company's management believes that this information can assist investors in evaluating the Company's operational trends, financial performance, and cash generating capacity and make strategic decisions. Management believes these non-GAAP measures allow investors to evaluate the Company's financial performance using some of the same measures as management.

Because of the limitations associated with these non-GAAP financial measures, "Adjusted Gross Profit," "EBITDA," "Adjusted EBITDA," "Adjusted Gross Profit as a percentage of Revenue" and "Adjusted EBITDA as a percent of Adjusted Gross Profit" should not be considered in isolation or as a substitute for performance measures calculated in accordance with GAAP. The Company compensates for these limitations by relying primarily on its GAAP results and using non-GAAP measures on a supplemental basis. You should review the reconciliation of the non-GAAP financial measures below and not rely on any single financial measure to evaluate AdTheorent's business.

Adjusted Gross Profit is a non-GAAP profitability measure. Adjusted Gross Profit is a non-GAAP financial measure of campaign profitability, monitored by management and the Board, used to evaluate our operating performance and trends, develop short- and long-term operational plans, and make strategic decisions regarding the allocation of capital. We believe this measure provides a useful period to period comparison of campaign profitability and is useful information to investors and the market in understanding and evaluating our operating results in the same manner as our management and Board. Gross profit is the most comparable GAAP measurement, which is calculated as revenue less platform operations costs. In calculating Adjusted Gross Profit, we add back other platform operations costs, which consist of amortization expense related to capitalized software, depreciation expense, allocated costs of personnel which set up and monitor campaign performance, and platform hosting, license, and maintenance costs, to gross profit.

EBITDA is a non-GAAP financial measure defined by us as net income, before interest (income) expense, net; depreciation, amortization; and income tax benefit. Adjusted EBITDA is defined as EBITDA before equity-based compensation expense, transaction costs related to the Business Combination, non-core operations, and other non-recurring items.

Collectively these non-GAAP financial measures are key profitability measures used by our management and Board to understand and evaluate our operating performance and trends, develop short-and long-term operational plans, measure performance goals in employee equity incentive awards, and make strategic decisions regarding the allocation of capital. We believe that these measures can provide useful period-to-period comparisons of campaign profitability. Accordingly, we believe that these measures provide useful information to investors and the market in understanding and evaluating our operating results in the same manner as our management and the Board.

RECONCILIATION NET INCOME TO ADJUSTED EBITDA

	2017	2018	2019	2020	2021	2022
Net Income	\$ 620	\$ 376	\$ 5,487	\$ 6,695	\$ 25,419	\$ 28,788
Interest expense (income), net	4,874	5,419	4,145	3,285	2,404	(263)
Tax (benefit) provision	(7,737)	(1,319)	2,029	2,780	3,360	988
Depreciation and amortization	9,696	10,674	9,365	8,134	8,493	8,023
EBITDA	\$ 7,453	\$ 15,150	\$ 21,026	\$ 20,894	\$ 39,676	\$ 37,536
Equity-based compensation	208	490	776	657	5,823	11,188
Seller's Earn-Out equity-based compensation	—	—	—	—	55	1,364
Transaction costs	366	301	3,200	1,412	15,603	(131)
Gain on change in fair value of Seller's Earn-Out	—	—	—	—	(23,399)	(17,308)
Gain on change in fair value of warrants	—	—	—	—	(6,783)	(9,868)
Gain on deconsolidation of SymetryML	—	—	—	—	—	(1,939)
Loss on change in fair value of SAFE Notes	—	—	—	—	—	788
Loss on fair value of investment in SymetryML Holdings	—	—	—	—	—	72
Separation expense related to headcount reductions	1,248	(6)	—	—	—	270
Management fees	1,023	1,027	898	872	5,607	—
Lease termination fee	—	—	—	—	4,243	—
Non-core operations	3,934	2,990	1,208	1,047	2,155	351
Other adjustments	153	306	—	—	—	—
Adjusted EBITDA	\$ 14,385	\$ 20,258	\$ 27,108	\$ 24,882	\$ 42,980	\$ 22,323

NOTE: EBITDA is a non-GAAP financial measure defined by us as net income, before interest (income) expense, net; depreciation, amortization; and income tax benefit. Adjusted EBITDA is defined as EBITDA before equity-based compensation expense, transaction costs related to the Business Combination, non-core operations, and other non-recurring items. We have provided above a reconciliation of this non-GAAP financial measure to the most directly comparable financial measure calculated and presented in accordance with GAAP.

ADJUSTED EBITDA AS A PERCENTAGE OF ADJUSTED GROSS PROFIT AND ADJUSTED GROSS PROFIT AS A PERCENTAGE OF REVENUE

	2017	2018	2019	2020	2021	2022
Gross Profit	\$ 38,539	\$ 52,385	\$ 60,715	\$ 61,557	\$ 87,595	\$ 82,638
Net income	\$ 620	\$ 376	\$ 5,487	\$ 6,695	\$ 25,419	\$ 28,788
Net income as a percentage of Gross Profit	1.6%	0.7%	9.0%	10.9%	29.0%	34.8%
Adjusted Gross Profit	\$ 50,727	\$ 67,047	\$ 77,711	\$ 79,032	\$ 109,343	\$ 109,820
Adjusted EBITDA	\$ 14,385	\$ 20,258	\$ 27,108	\$ 24,882	\$ 42,980	\$ 22,323
Adjusted EBITDA as a percentage of Adjusted Gross Profit	28.4%	30.2%	34.9%	31.5%	39.3%	20.3%
Gross Profit	\$ 38,539	\$ 52,385	\$ 60,715	\$ 61,557	\$ 87,595	\$ 82,638
Revenue	\$ 83,093	\$ 106,877	\$ 120,406	\$ 121,015	\$ 165,365	\$ 166,082
Gross Profit as a percentage of Revenue	46.4%	49.0%	50.4%	50.9%	53.0%	49.8%
Revenue	\$ 83,093	\$ 106,877	\$ 120,406	\$ 121,015	\$ 165,365	\$ 166,082
Adjusted Gross Profit	\$ 50,727	\$ 67,047	\$ 77,711	\$ 79,032	\$ 109,343	\$ 109,820
Adjusted Gross Profit as a percentage of Revenue	61.0%	62.7%	64.5%	65.3%	66.1%	66.1%

RECONCILIATION GROSS PROFIT TO ADJUSTED GROSS PROFIT

	2017	2018	2019	2020	2021	2022
Revenue	\$ 83,093	\$ 106,877	\$ 120,406	\$ 121,015	\$ 165,365	\$ 166,082
Less: Platform operations	44,554	54,492	59,691	59,458	77,770	83,444
Gross Profit	38,539	52,385	60,715	61,557	87,595	82,638
Add back: Other platform operations	12,188	14,662	16,996	17,475	21,748	27,182
Adjusted Gross Profit	\$ 50,727	\$ 67,047	\$ 77,711	\$ 79,032	\$ 109,343	\$ 109,820

NOTE: Adjusted Gross Profit is a non-GAAP profitability measure. Adjusted Gross Profit is a non-GAAP financial measure of campaign profitability, monitored by management and the Board, used to evaluate our operating performance and trends, develop short- and long-term operational plans, and make strategic decisions regarding the allocation of capital. We have provided above a reconciliation of this non-GAAP financial measure to the most directly comparable financial measure calculated and presented in accordance with GAAP.

RECONCILIATION NET INCOME TO ADJUSTED EBITDA

	Three Months Ended,							
	March 31, 2022	June 30, 2022	September 30, 2022	December 30, 2022	March 31, 2023	June 30, 2023	September 30, 2023	
Net (loss) income	\$ (42,290)	\$ 57,777	\$ 5,725	\$ 7,576	\$ (5,223)	\$ 8,082	\$ (4,194)	
Interest expense (income), net	109	47	(97)	(322)	(619)	(424)	(707)	
Tax (benefit) provision	(1,025)	(610)	1,095	1,528	2,350	(7,666)	6,254	
Depreciation and amortization	2,088	1,954	1,973	2,008	2,108	2,194	2,317	
EBITDA	\$ (41,118)	\$ 59,168	\$ 8,696	\$ 10,790	\$ (1,384)	\$ 2,186	\$ 3,670	
Equity-based compensation	1,988	3,856	2,783	2,561	1,480	1,860	2,584	
Seller's Earn-Out equity-based compensation	492	499	373	—	—	—	—	
Transaction costs	140	(271)	—	—	166	—	—	
Loss (gain) on change in fair value of Seller's Earn-Out	24,656	(37,419)	(2,901)	(1,644)	(233)	(292)	(225)	
Loss (gain) on change in fair value of warrants	15,936	(18,523)	(5,674)	(1,607)	269	(415)	(1,290)	
Gain on deconsolidation of SymetryML	(1,939)	—	—	—	—	—	—	
Loss on change in fair value of SAFE Notes	788	—	—	—	—	—	—	
Loss (gain) on fair value of investment in SymetryML Holdings	—	10	39	23	168	(10)	(5)	
Separation expense related to headcount reductions	—	—	270	—	—	—	—	
Non-core operations	351	—	—	—	—	—	—	
Adjusted EBITDA	\$ 1,294	\$ 7,320	\$ 3,586	\$ 10,123	\$ 466	\$ 3,329	\$ 4,734	

NOTE: EBITDA is a non-GAAP financial measure defined by us as net income, before interest (income) expense, net; depreciation, amortization; and income tax benefit. Adjusted EBITDA is defined as EBITDA before equity-based compensation expense, transaction costs related to the Business Combination, non-core operations, and other non-recurring items. We have provided above a reconciliation of this non-GAAP financial measure to the most directly comparable financial measure calculated and presented in accordance with GAAP.

RECONCILIATION GROSS PROFIT TO ADJUSTED GROSS PROFIT

	Three Months Ended,						
	March 31, 2022	June 30, 2022	September 30, 2022	December 30, 2022	March 31, 2023	June 30, 2023	September 30, 2023
Revenue	\$ 34,241	\$ 42,476	\$ 37,584	\$ 51,781	\$ 32,674	\$ 37,587	\$ 40,890
Less: Platform operations	17,772	20,854	19,581	25,237	18,387	20,735	22,019
Gross Profit	16,469	21,622	18,003	26,544	14,287	16,852	18,871
Add back: Other platform operations	6,516	6,724	6,739	7,203	6,610	7,190	7,519
Adjusted Gross Profit	\$ 22,985	\$ 28,346	\$ 24,742	\$ 33,747	\$ 20,897	\$ 24,042	\$ 26,390

NOTE: Adjusted Gross Profit is a non-GAAP profitability measure. Adjusted Gross Profit is a non-GAAP financial measure of campaign profitability, monitored by management and the Board, used to evaluate our operating performance and trends, develop short- and long-term operational plans, and make strategic decisions regarding the allocation of capital. We have provided above a reconciliation of this non-GAAP financial measure to the most directly comparable financial measure calculated and presented in accordance with GAAP.

ADJUSTED EBITDA AS A PERCENTAGE OF ADJUSTED GROSS PROFIT AND
ADJUSTED GROSS PROFIT AS A PERCENTAGE OF REVENUE

	Three Months Ended,						
	March 31, 2022	June 30, 2022	September 30, 2022	December 30, 2022	March 31, 2023	June 30, 2023	September 30, 2023
Gross Profit	\$ 16,469	\$ 21,622	\$ 18,003	\$ 26,544	\$ 14,287	\$ 16,852	\$ 18,871
Net (loss) income	\$ (42,290)	\$ 57,777	\$ 5,725	\$ 7,576	\$ (5,223)	\$ 8,082	\$ (4,194)
Net (loss) income as a percentage of Gross Profit	-256.8%	267.2%	31.8%	28.5%	-36.6%	48.0%	-22.2%
Adjusted Gross Profit	\$ 22,985	\$ 28,346	\$ 24,742	\$ 33,747	\$ 20,897	\$ 24,042	\$ 26,390
Adjusted EBITDA	\$ 1,294	\$ 7,320	\$ 3,586	\$ 10,123	\$ 466	\$ 3,329	\$ 4,734
Adjusted EBITDA as a percentage of Adjusted Gross Profit	5.6%	25.8%	14.5%	30.0%	2.2%	13.8%	17.9%
Gross Profit	\$ 16,469	\$ 21,622	\$ 18,003	\$ 26,544	\$ 14,287	\$ 16,852	\$ 18,871
Revenue	\$ 34,241	\$ 42,476	\$ 37,584	\$ 51,781	\$ 32,674	\$ 37,587	\$ 40,890
Gross Profit as a percentage of Revenue	48.1%	50.9%	47.9%	51.3%	43.7%	44.8%	46.2%
Revenue	\$ 34,241	\$ 42,476	\$ 37,584	\$ 51,781	\$ 32,674	\$ 37,587	\$ 40,890
Adjusted Gross Profit	\$ 22,985	\$ 28,346	\$ 24,742	\$ 33,747	\$ 20,897	\$ 24,042	\$ 26,390
Adjusted Gross Profit as a percentage of Revenue	67.1%	66.7%	65.8%	65.2%	64.0%	64.0%	64.5%