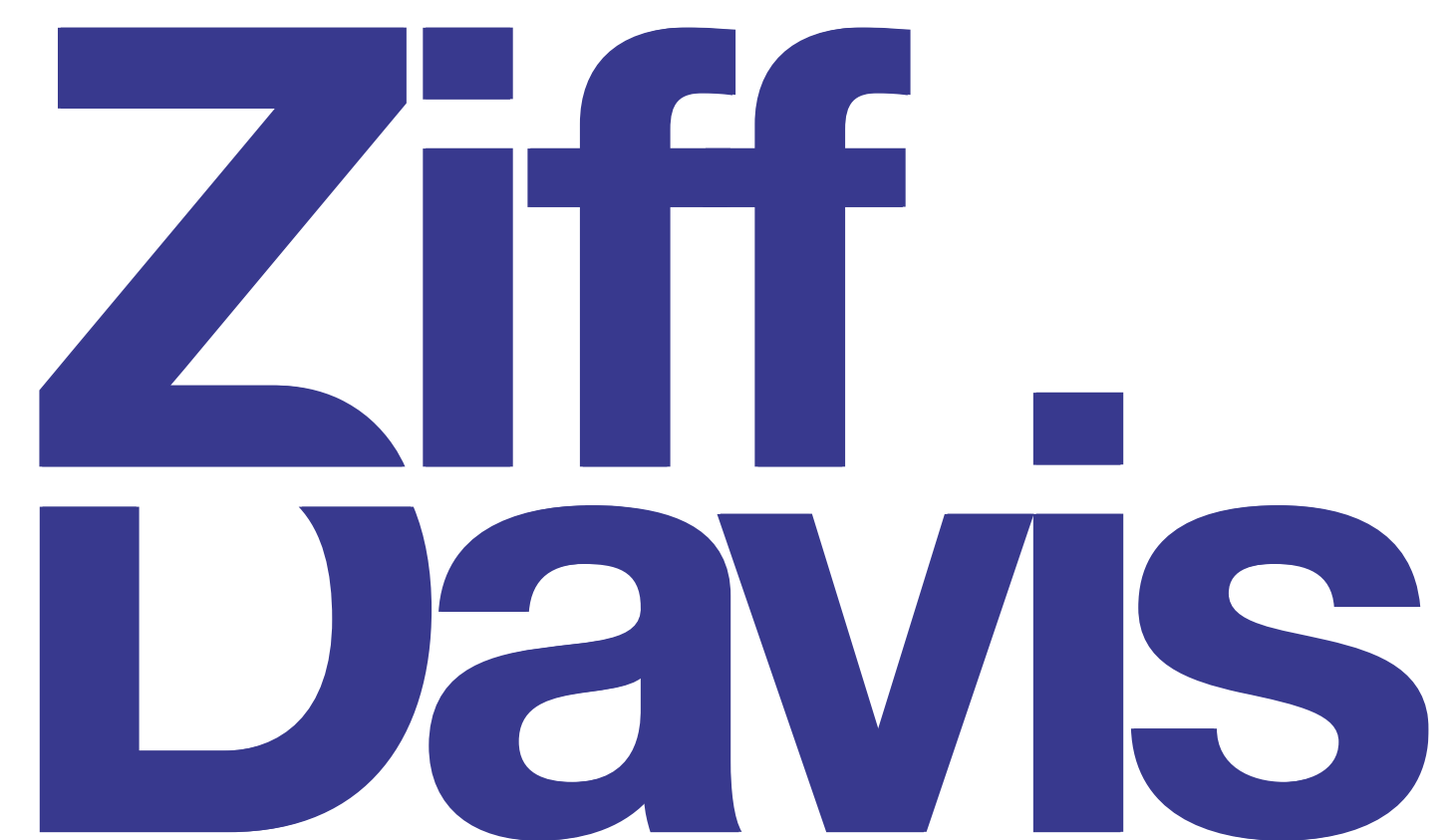




## FIRST QUARTER 2022 SUPPLEMENTAL MATERIALS

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MAY 10, 2022

# Q1 2022 Reconciliation of GAAP to Adjusted non-GAAP Earnings & EPS

*Figures in Thousands*

|                                                                           | Three Months Ended March 31, |                    |
|---------------------------------------------------------------------------|------------------------------|--------------------|
|                                                                           | 2021                         | 2022               |
| <b>Cost of revenues</b>                                                   | \$ 43,852                    | \$ 46,100          |
| Plus:                                                                     |                              |                    |
| Share based compensation <sup>(1)</sup>                                   | (82)                         | (85)               |
| Acquisition related integration costs <sup>(2)</sup>                      | (40)                         | (52)               |
| Amortization <sup>(4)</sup>                                               | (593)                        | (278)              |
| <b>Adjusted non-GAAP cost of revenues</b>                                 | <b>\$ 43,137</b>             | <b>\$ 45,685</b>   |
| <b>Sales and marketing</b>                                                | <b>\$ 107,951</b>            | <b>\$ 117,762</b>  |
| Plus:                                                                     |                              |                    |
| Share based compensation <sup>(1)</sup>                                   | (266)                        | (569)              |
| Acquisition related integration costs <sup>(2)</sup>                      | (837)                        | (166)              |
| Lease asset impairments and other charges <sup>(7)</sup>                  | -                            | (524)              |
| <b>Adjusted non-GAAP sales and marketing</b>                              | <b>\$ 106,848</b>            | <b>\$ 116,503</b>  |
| <b>Research, development and engineering</b>                              | <b>\$ 19,675</b>             | <b>\$ 18,427</b>   |
| Plus:                                                                     |                              |                    |
| Share based compensation <sup>(1)</sup>                                   | (418)                        | (629)              |
| Acquisition related integration costs <sup>(2)</sup>                      | (324)                        | (218)              |
| <b>Adjusted non-GAAP research, development and engineering</b>            | <b>\$ 18,933</b>             | <b>\$ 17,580</b>   |
| <b>General and administrative</b>                                         | <b>\$ 113,298</b>            | <b>\$ 102,217</b>  |
| Plus:                                                                     |                              |                    |
| Share based compensation <sup>(1)</sup>                                   | (4,963)                      | (5,434)            |
| Acquisition related integration costs <sup>(2)</sup>                      | (2,349)                      | (1,100)            |
| Amortization <sup>(4)</sup>                                               | (47,209)                     | (41,225)           |
| Lease asset impairments and other charges <sup>(7)</sup>                  | (1,874)                      | (1,141)            |
| Disposal related costs <sup>(8)</sup>                                     | -                            | (1,239)            |
| <b>Adjusted non-GAAP general and administrative</b>                       | <b>\$ 56,903</b>             | <b>\$ 52,078</b>   |
| <b>Interest expense, net</b>                                              | <b>\$ (21,477)</b>           | <b>\$ (11,510)</b> |
| Plus:                                                                     |                              |                    |
| Interest costs <sup>(3)</sup>                                             | (6,417)                      | (1,337)            |
| <b>Adjusted non-GAAP interest expense, net</b>                            | <b>\$ (27,894)</b>           | <b>\$ (12,847)</b> |
| <b>Gain on sale of businesses</b>                                         | <b>\$ 1,979</b>              | <b>\$ -</b>        |
| Plus:                                                                     |                              |                    |
| Sale of assets <sup>(6)</sup>                                             | \$ (1,979)                   | -                  |
| <b>Adjusted non-GAAP gain on sale of businesses</b>                       | <b>\$ -</b>                  | <b>\$ -</b>        |
| <b>Unrealized gain on short-term investments, net</b>                     | <b>\$ -</b>                  | <b>\$ 8,951</b>    |
| Plus:                                                                     |                              |                    |
| Investments <sup>(5)</sup>                                                | -                            | (8,951)            |
| <b>Adjusted non-GAAP unrealized gain on short-term investments, net</b>   | <b>\$ -</b>                  | <b>\$ -</b>        |
| <b>Other income, net</b>                                                  | <b>\$ 243</b>                | <b>\$ 2,399</b>    |
| Plus:                                                                     |                              |                    |
| Sale of assets <sup>(7)</sup>                                             | -                            | -                  |
| <b>Adjusted non-GAAP other income, net</b>                                | <b>\$ 243</b>                | <b>\$ 2,399</b>    |
| <b>Income tax (expense) benefit</b>                                       | <b>\$ 6,884</b>              | <b>\$ (5,080)</b>  |
| Plus:                                                                     |                              |                    |
| Share based compensation <sup>(1)</sup>                                   | 2,440                        | 1,839              |
| Acquisition related integration costs <sup>(2)</sup>                      | 1,439                        | 334                |
| Interest costs <sup>(3)</sup>                                             | 1,572                        | 334                |
| Amortization <sup>(4)</sup>                                               | 15,346                       | 9,104              |
| Investments <sup>(5)</sup>                                                | 1,174                        | -                  |
| Sale of assets <sup>(6)</sup>                                             | 43                           | -                  |
| Lease asset impairments and other charges <sup>(7)</sup>                  | 457                          | 407                |
| Disposal related costs <sup>(8)</sup>                                     | -                            | 422                |
| <b>Adjusted non-GAAP income tax benefit</b>                               | <b>\$ 29,355</b>             | <b>\$ 7,360</b>    |
| <b>(Loss) Income from equity method investment, net</b>                   | <b>\$ 24,270</b>             | <b>\$ (785)</b>    |
| Plus:                                                                     |                              |                    |
| Investments <sup>(5)</sup>                                                | (24,270)                     | 785                |
| <b>Adjusted non-GAAP income (loss) from equity method investment, net</b> | <b>\$ -</b>                  | <b>\$ -</b>        |
| <b>Total adjustments</b>                                                  | <b>\$ (16,652)</b>           | <b>\$ (33,391)</b> |
| <b>GAAP earnings per diluted share</b>                                    | <b>\$0.83</b>                | <b>\$0.51</b>      |
| Adjustments *                                                             | <b>\$0.41</b>                | <b>\$0.72</b>      |
| <b>Adjusted non-GAAP earnings per diluted share</b>                       | <b>\$1.24</b>                | <b>\$1.23</b>      |

Non-GAAP net income is GAAP net income with the following modifications: (1) elimination of share-based compensation; (2) elimination of certain acquisition related integration costs; (3) elimination of interest costs in excess of the coupon rate associated with the convertible notes and overlapping interest of senior notes prior to extinguishment; (4) elimination of amortization of patents and intangible assets that we acquired; (5) elimination of change in value on investment; (6) elimination of gain on sale of assets; (7) elimination of lease asset impairments and other charges; (8) elimination of disposal related costs; and (9) elimination of convertible debt dilution

# GAAP Reconciliation - Free Cash Flow <sup>(1)(2)</sup>

Figures in Thousands

| Ziff Davis                                                      | Three Months Ended March 31st, |                |           |               |
|-----------------------------------------------------------------|--------------------------------|----------------|-----------|---------------|
|                                                                 | 2021 <sup>(2)</sup>            |                | 2022      |               |
|                                                                 |                                |                |           |               |
| <u>Net cash provided by operating activities</u> <sup>(2)</sup> | \$                             | 178,724        | \$        | 116,511       |
| Less:                                                           |                                |                |           |               |
| Purchase of property and equipment                              |                                | (26,269)       |           | (30,502)      |
| Add:                                                            |                                |                |           |               |
| Contingent consideration                                        |                                | -              |           | -             |
| <b>Free cash flow</b> <sup>(2)</sup>                            | <b>\$</b>                      | <b>152,455</b> | <b>\$</b> | <b>86,009</b> |

1. Free Cash Flow is defined as net cash provided by operating activities, less purchases of property, plant and equipment, plus contingent consideration. Free Cash Flow amounts are not meant as a substitute for GAAP, and are solely for informational purposes.

2. Figures are adjusted non-GAAP; and Q1 2021 figures include the contribution from Consensus and the divested B2B Backup and Voice UK assets

# GAAP Reconciliation - Adjusted EBITDA <sup>(1)(2)</sup>

*Figures in Thousands*

**Ziff Davis**

**Three Months Ended March 31st,**

**2021**

**2022**

**Net income from continuing operations**

**\$ 38,780      \$ 24,537**

Plus:

Interest expense, net

21,477      11,510

Loss (gain) on sale of business

(1,979)      -

Unrealized gain on short-term investment

-      (8,951)

Other income, net

(243)      (2,399)

Income tax expense (benefit)

(6,884)      5,080

Loss (income) from equity method investment, net

(24,270)      785

Depreciation and amortization

62,670      59,071

**Reconciliation of GAAP to Adjusted non-GAAP financial measures:**

Share-based compensation

5,730      6,717

Acquisition-related integration costs

3,550      1,534

Lease asset impairments and other charges

1,874      1,665

Disposal related costs

-      1,239

**Adjusted EBITDA <sup>(2)</sup>**

**\$ 100,705      \$ 100,788**

1. Adjusted EBITDA is defined as net income plus interest and other expense, net; income tax expense; depreciation and amortization and the items used to reconcile GAAP to Adjusted Non-GAAP EPS. Adjusted EBITDA amounts are not meant as a substitute for GAAP, and are solely for informational purposes

2. Figures are adjusted non-GAAP; and Q1 2021 figures include the contribution from the divested B2B Backup and Voice UK assets

# Q1 2022 Reconciliation of GAAP to Adjusted EBITDA <sup>(1)</sup>

*Figures in Thousands*

|                                           | Digital Media    | Cybersecurity and Martech | Corporate         | Total             |
|-------------------------------------------|------------------|---------------------------|-------------------|-------------------|
| <b><u>Revenues</u></b>                    |                  |                           |                   |                   |
| GAAP revenues                             | \$ 234,695       | \$ 80,373                 | \$ -              | \$ 315,068        |
| <b><u>Gross profit</u></b>                |                  |                           |                   |                   |
| GAAP gross profit                         | \$ 209,695       | \$ 59,273                 | \$ -              | \$ 268,968        |
| Non-GAAP adjustments:                     |                  |                           |                   |                   |
| Share-based compensation                  | 5                | 79                        | -                 | 84                |
| Acquisition related integration costs     | (3)              | 54                        | -                 | 51                |
| Amortization                              | -                | 278                       | -                 | 278               |
| Adjusted non-GAAP gross profit            | \$ 209,697       | \$ 59,684                 | \$ -              | \$ 269,381        |
| <b><u>Operating profit</u></b>            |                  |                           |                   |                   |
| GAAP operating profit                     | \$ 31,888        | \$ 12,264                 | \$ (13,590)       | \$ 30,562         |
| Non-GAAP adjustments:                     |                  |                           |                   |                   |
| Share-based compensation                  | 2,431            | 1,241                     | 3,045             | 6,717             |
| Acquisition related integration costs     | 1,165            | 347                       | 22                | 1,534             |
| Amortization                              | 31,840           | 9,569                     | 93                | 41,502            |
| Lease asset impairments and other charges | 1,436            | 229                       | -                 | 1,665             |
| Disposal related costs                    | 11               | -                         | 1,228             | 1,239             |
| Adjusted non-GAAP operating profit        | 68,771           | 23,650                    | (9,202)           | 83,219            |
| Depreciation                              | 14,281           | 3,288                     | -                 | 17,569            |
| <b>Adjusted EBITDA <sup>(1)</sup></b>     | <b>\$ 83,052</b> | <b>\$ 26,938</b>          | <b>\$ (9,202)</b> | <b>\$ 100,788</b> |

NOTE 1: Table above excludes certain intercompany allocations

1. Figures are adjusted non-GAAP

# Q1 2021 Reconciliation of GAAP to Adjusted EBITDA <sup>(1)</sup>

*Figures in Thousands*

|                                           | Digital Media    | Cybersecurity and Martech | Corporate          | Total             |
|-------------------------------------------|------------------|---------------------------|--------------------|-------------------|
| <b>Revenues</b>                           |                  |                           |                    |                   |
| GAAP revenues                             | \$ 226,806       | \$ 84,851                 | \$ -               | \$ 311,657        |
| <b>Gross profit</b>                       |                  |                           |                    |                   |
| GAAP gross profit                         | \$ 206,013       | \$ 61,857                 | \$ (65)            | \$ 267,805        |
| Non-GAAP adjustments:                     |                  |                           |                    |                   |
| Share-based compensation                  | 3                | 79                        | -                  | 82                |
| Acquisition related integration costs     | -                | 40                        | -                  | 40                |
| Amortization                              | -                | 593                       | -                  | 593               |
| Adjusted non-GAAP gross profit            | \$ 206,016       | \$ 62,569                 | \$ (65)            | \$ 268,520        |
| <b>Operating profit</b>                   |                  |                           |                    |                   |
| GAAP operating profit                     | \$ 30,600        | \$ 11,918                 | \$ (15,637)        | \$ 26,881         |
| Non-GAAP adjustments:                     |                  |                           |                    |                   |
| Share-based compensation                  | 1,647            | 1,108                     | 2,975              | 5,730             |
| Acquisition related integration costs     | 2,053            | 378                       | 1,119              | 3,550             |
| Amortization                              | 37,059           | 10,648                    | 95                 | 47,802            |
| Lease asset impairments and other charges | 1,716            | 158                       | -                  | 1,874             |
| Adjusted non-GAAP operating profit        | \$ 73,075        | \$ 24,210                 | \$ (11,448)        | \$ 85,837         |
| Depreciation                              | 11,291           | 3,577                     | -                  | 14,868            |
| <b>Adjusted EBITDA <sup>(1)</sup></b>     | <b>\$ 84,366</b> | <b>\$ 27,787</b>          | <b>\$ (11,448)</b> | <b>\$ 100,705</b> |

NOTE 1: Table above excludes certain intercompany allocations

1. Figures are adjusted non-GAAP; and includes the divested assets through the date of their respective divestiture

# Reconciliation of Non-GAAP to Pro-Forma

| <i>\$ in MM, except for per share amounts</i> | Q1 2021A       | Q1 2022A       |
|-----------------------------------------------|----------------|----------------|
| <b>Revenues</b>                               |                |                |
| Stated Revenues                               | \$311.7        | \$315.1        |
| Adjustments <sup>(1)</sup>                    | (\$12.6)       | \$0.0          |
| <b>Total Adjusted Pro-Forma Revenue</b>       | <b>\$299.1</b> | <b>\$315.1</b> |
| <b>EBITDA</b>                                 |                |                |
| Stated EBITDA                                 | \$100.7        | \$100.8        |
| Adjustments <sup>(1)</sup>                    | (\$4.8)        | \$0.0          |
| <b>Total Adjusted Pro-Forma EBITDA</b>        | <b>\$95.9</b>  | <b>\$100.8</b> |
| <b>EPS</b>                                    |                |                |
| Stated Diluted non-GAAP EPS                   | \$1.24         | \$1.23         |
| Adjustments <sup>(1)</sup>                    | (\$0.05)       | \$0.00         |
| <b>Total Adjusted Pro-Forma EPS</b>           | <b>\$1.19</b>  | <b>\$1.23</b>  |

1. Adjustments for excluded assets consist of certain Voice assets in the United Kingdom that were sold in February 2021, and the certain assets of the Company's B2B Backup business, which were sold in September 2021