



Fluent, Inc.

(Nasdaq: FLNT)

16th Annual Needham Virtual Technology & Media Conference

May 19, 2021

Forward-Looking Statements Safe Harbor

This presentation contains “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995, as amended. These forward-looking statements speak only as of the date hereof and are based on the Company’s current plans and expectations. While we believe these expectations, assumptions, estimates and projections are reasonable, such forward-looking statements are only predictions and involve a number of known and unknown uncertainties and risks, many of which are beyond the Company’s control. Factors currently known to management that could cause actual results to differ materially from those in forward-looking statements include the following: compliance with a significant number of governmental laws and regulations, including those laws and regulations regarding privacy and data; the outcome of litigation, regulatory investigations or other legal proceedings in which we are involved or may become involved; failure to safeguard the personal information and other data contained in our database; failure to adequately protect intellectual property rights or allegations of infringement of intellectual property rights; unfavorable global economic conditions, including as a result of health and safety concerns around the ongoing COVID-19 pandemic; dependence on our key personnel; dependence on third-party service providers; management of the growth of our operations, including international expansion and the integration of acquired business units or personnel; the impact of the Traffic Quality Initiative, including our ability to replace lower quality consumer traffic with traffic that meets our quality requirements; ability to compete and manage media costs in an industry characterized by rapidly-changing internet media and advertising technology, evolving industry standards, regulatory uncertainty, and changing user and client demands; management of unfavorable publicity and negative public perception about our industry; failure to compete effectively against other online marketing and advertising companies; competition we face for web traffic; dependence on third-party publishers, internet search providers and social media platforms for a significant portion of visitors to our websites; dependence on emails, text messages and telephone calls, among other channels, to reach users for marketing purposes; liability related to actions of third-party publishers; limitations on our or our third-party publishers’ ability to collect and use data derived from user activities; ability to remain competitive with the shift to mobile applications; failure to detect click-through or other fraud on advertisements; impact of increased fulfillment costs; failure to meet our clients’ performance metrics or changing needs; compliance with the covenants of our credit agreement; and the potential for failures in our internal control over financial reporting. These and additional factors to be considered are set forth under “Risk Factors” in our Annual Report on Form 10-K for the fiscal year ended December 31, 2020 and in our other filings with the Securities and Exchange Commission. You are cautioned not to place undue reliance on forward-looking statements when evaluating the information presented herein, and the Company undertakes no obligation to update or revise forward-looking statements to reflect changed assumptions, the occurrence of unanticipated events or changes to future operating results or expectations.

Non-GAAP Financial Measures

This presentation contains “non-GAAP financial measures,” which are adjusted financial measures that are not calculated and presented in accordance with generally accepted accounting principles in the United States, or “GAAP.” We present non-GAAP measures, such as Media Margin, Adjusted EBITDA and ratios based on these financial measures, herein as supplemental measures of our financial and operating performance because our management believes that such information provides useful information to investors about our operating performance. Non-GAAP financial measures do not have any standardized meaning and are, therefore, unlikely to be comparable to similar measures presented by other companies. The presentation of non-GAAP financial measures is not intended to be a substitute for, and should not be considered in isolation from, the financial measures reported in accordance with GAAP. For reconciliations of the non-GAAP financial measures used in this presentation to the most comparable GAAP measures, please see the Appendix to this presentation.

Fluent helps leading brands and innovative disruptors
acquire customers and drive sales & commerce
through our technology-enabled, proprietary
performance-based marketing platform



Company Snapshot

COMPANY BACKGROUND

2010 Founded in NYC

500 Clients across multiple industries

4 Locations: NYC, Toronto, South Florida & Kansas City

~225 Employees

IMPACT

↑ 12.6% Revenue CAGR⁽¹⁾

↑ 19.5% Media Margin⁽²⁾ CAGR⁽¹⁾

\$1 Bil. Media spend to date

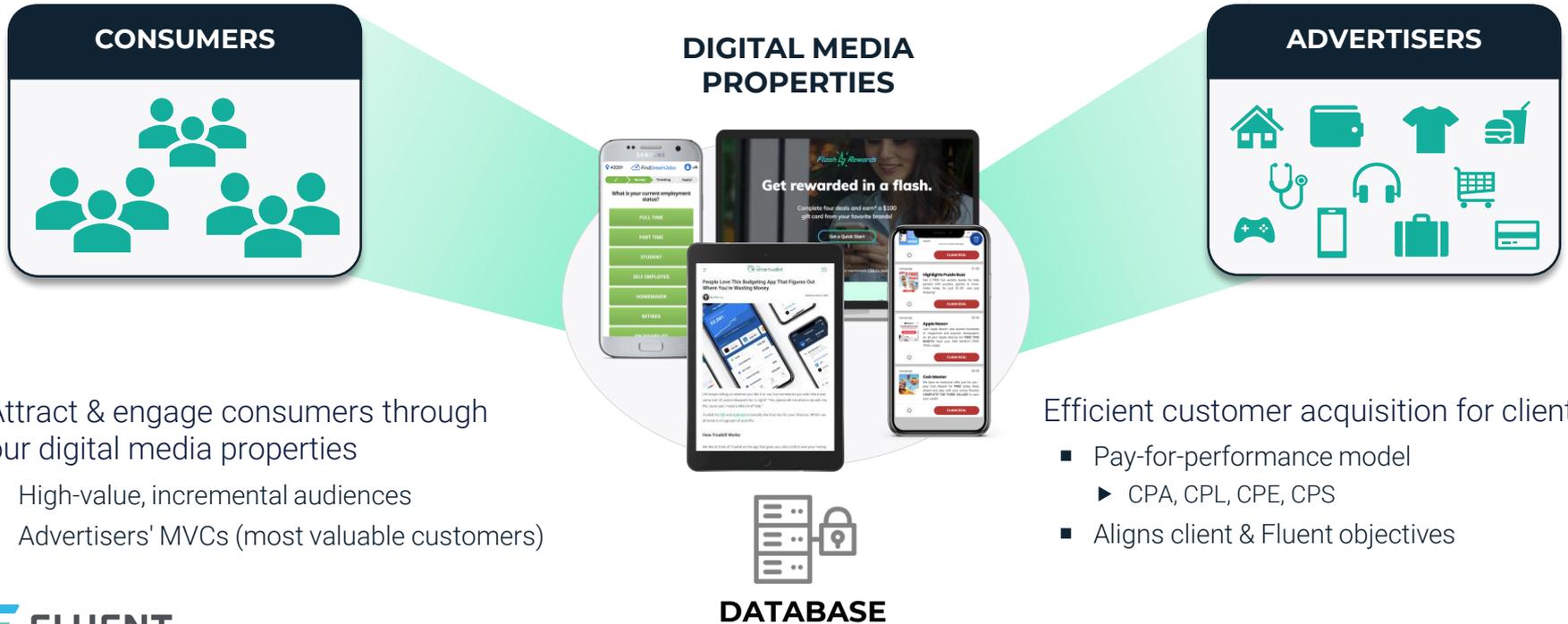
~90% Users on mobile devices

(1) 2016 through Q1 2021.

(2) Non-GAAP measure defined as revenue minus cost of revenue (exclusive of depreciation and amortization) attributable to variable costs paid for media & related expenses. Reconciled in Appendix hereto.

Industry Leader in Data-Driven Digital Marketing Services

Connecting consumers & advertisers via the Fluent platform



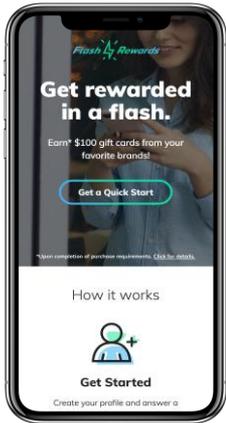
Diversified Media Footprint & Client Base

O&O MEDIA PROPERTIES

Flash Rewards

the smartwallet

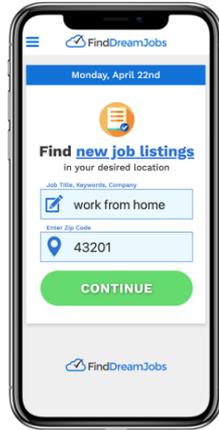
FindDreamJobs



PROMOTIONS



CONTENT



EMPLOYMENT

MARKETS SERVED



US



UK

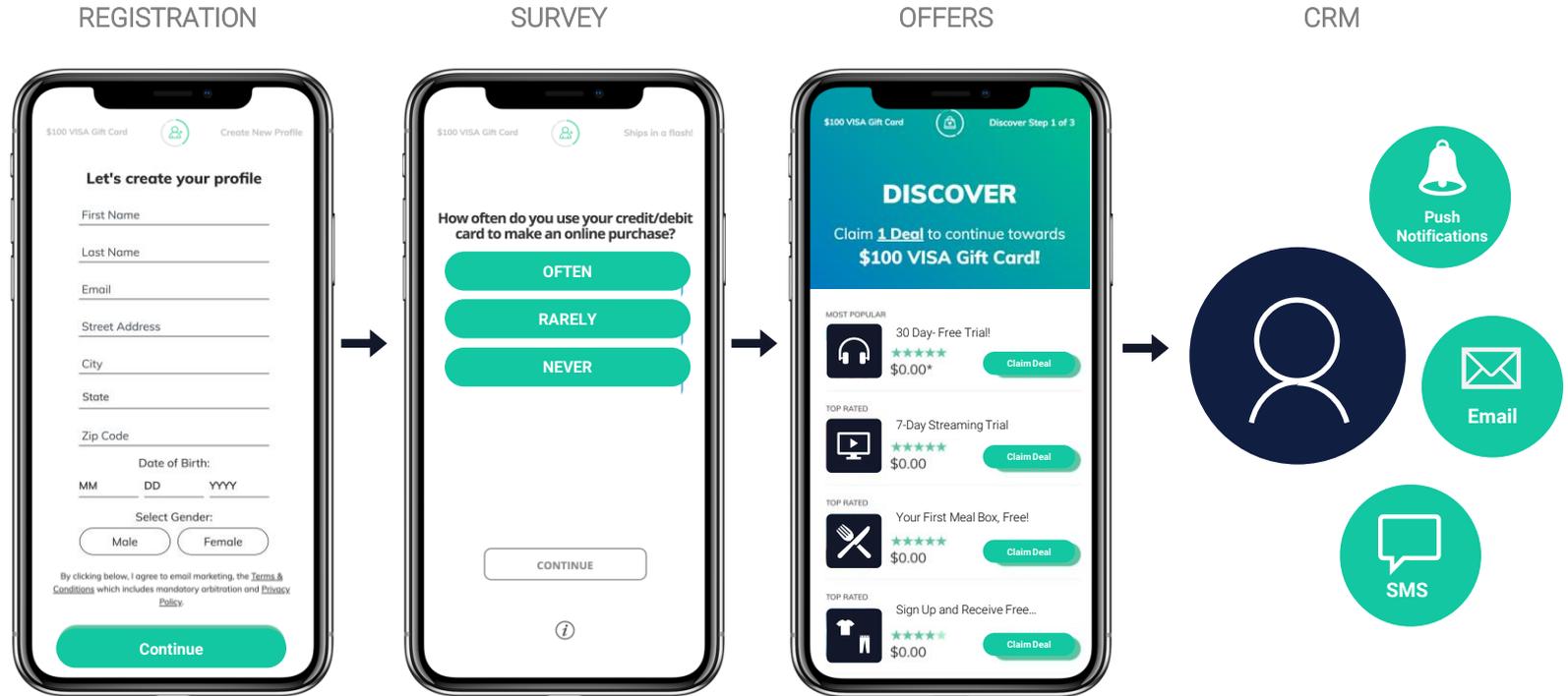


CA

DIVERSIFIED CLIENT BASE

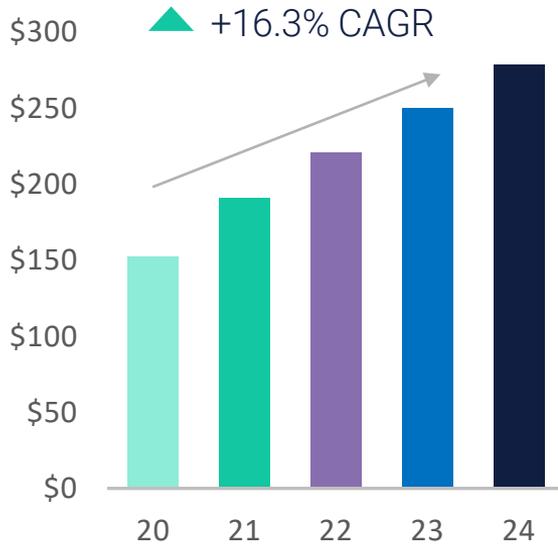


Sample Consumer Experience



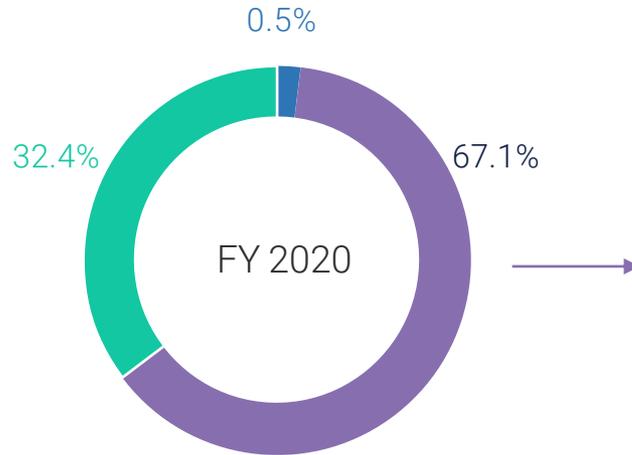
Large & Growing Market Opportunity

Digital Ad Spending 2020-24
Billions



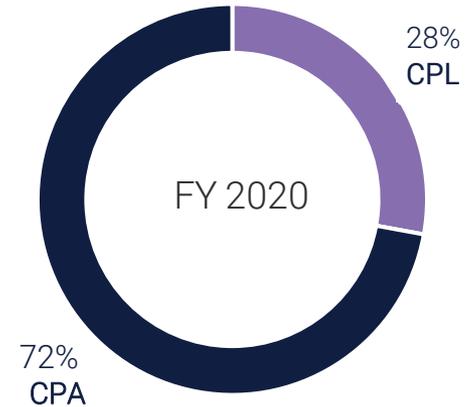
Source: eMarketer, March 2021

Industry revenue by pricing model
CPM Hybrid Performance



Note: Totals may not equal 100% due to rounding.
Source: IAB/PwC Internet Ad Revenue Report, FY 2020

Fluent's Business
100% Performance



Strategic Growth Pillars



Performance Marketplace

- 500 clients
- 1.2 Mil. billable actions daily



Media Footprint

- Publisher & media platform partnerships
- International expansion
- Lifecycle marketing / LTV

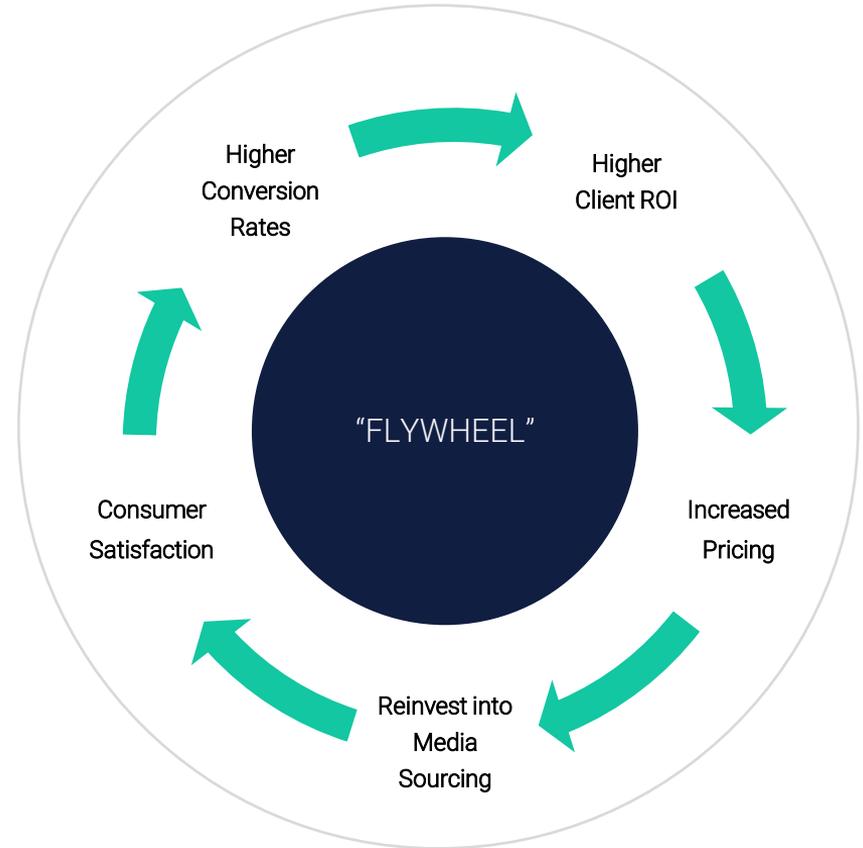


Proprietary Technology Platform

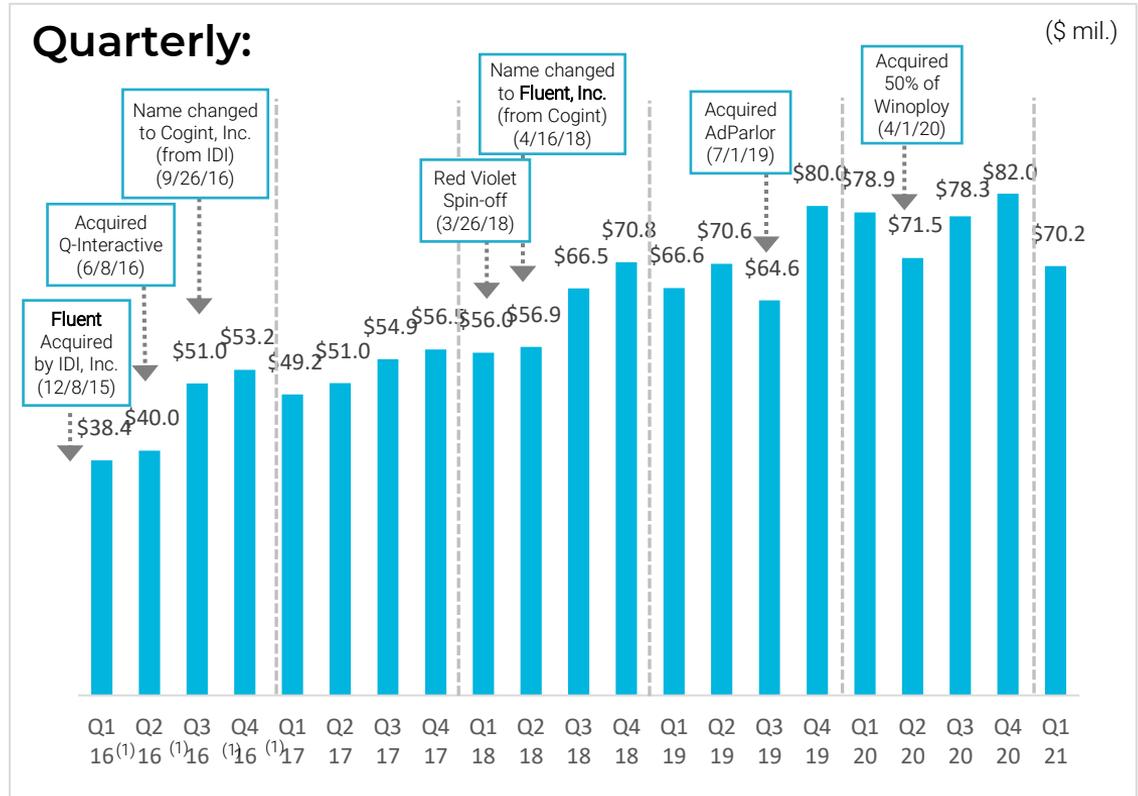
- Consumer insights
- Data science
- Proprietary analytics and technology stack

Traffic Quality Initiative

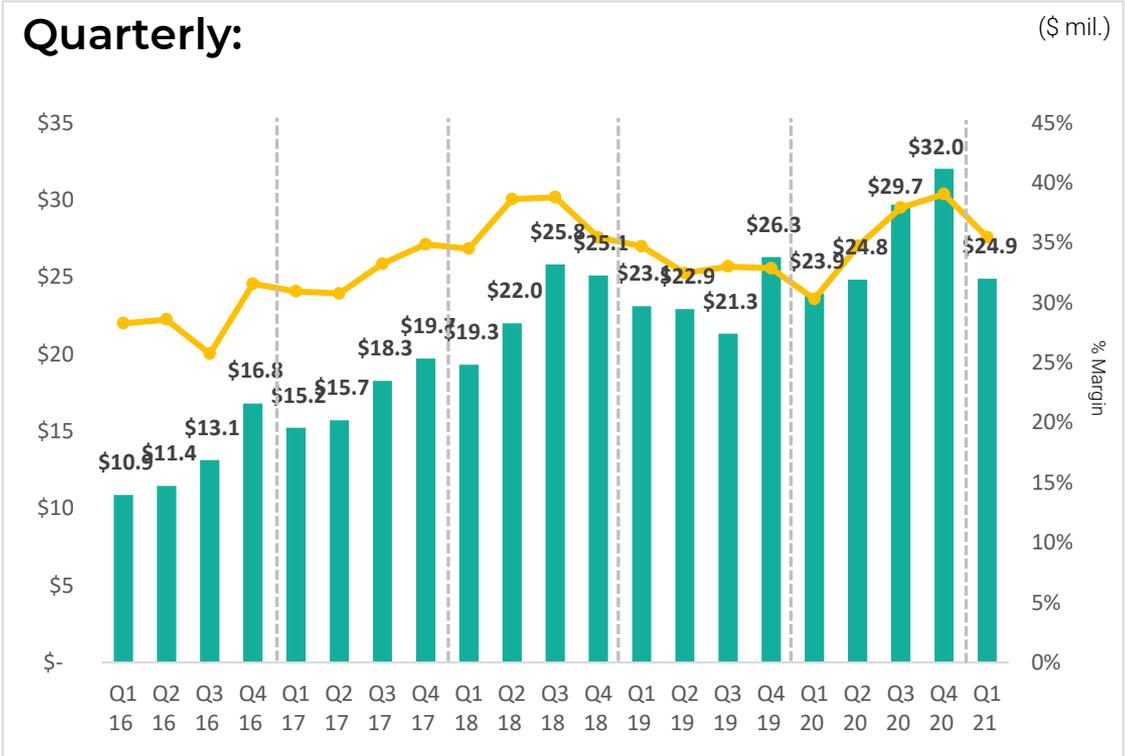
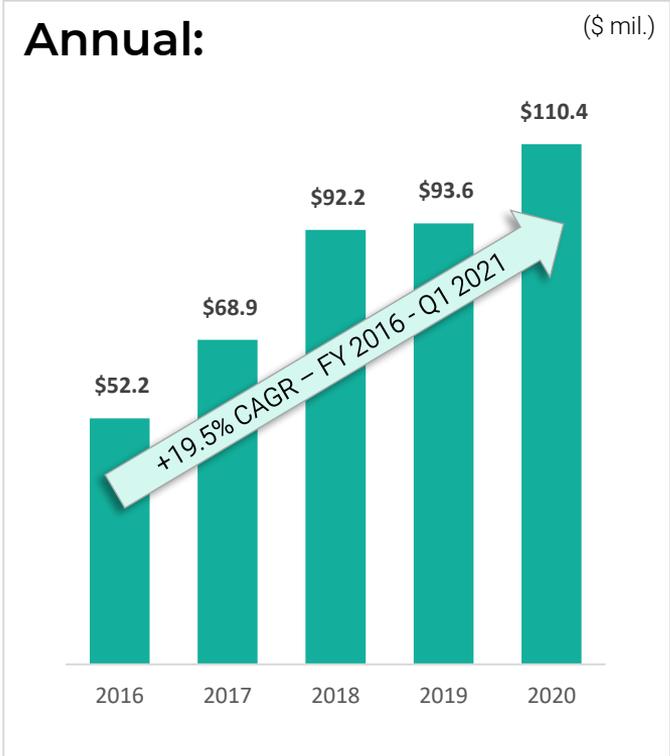
- Rapidly evolving industry landscape
 - ▶ Consumers: Demand for higher quality digital experiences
 - ▶ Marketers: More effective and sustainable solutions
 - ▶ Regulators: Greater expectations of transparency/privacy
- Traffic Quality Initiative
 - ▶ Shifting from higher volume to quality-based approach
 - ▶ Shed lower-quality affiliate traffic; currently in net-rebuild
 - ▶ Investing (via near-term forgone revenue) to achieve our strategic vision and position Fluent as an industry leader
- Long-term strategic opportunity
 - ▶ Significant, sustainable growth
 - ▶ Enhance Fluent's brand equity with clients
 - ▶ Build enterprise value for stakeholders



Revenue Profile

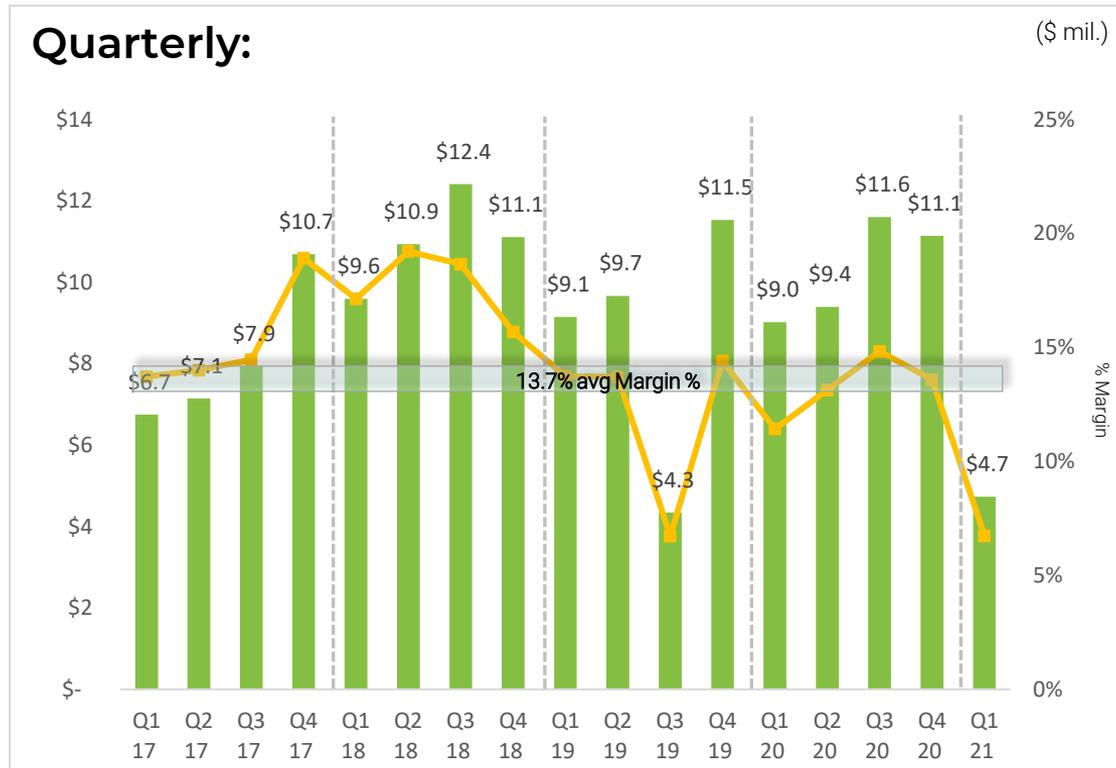
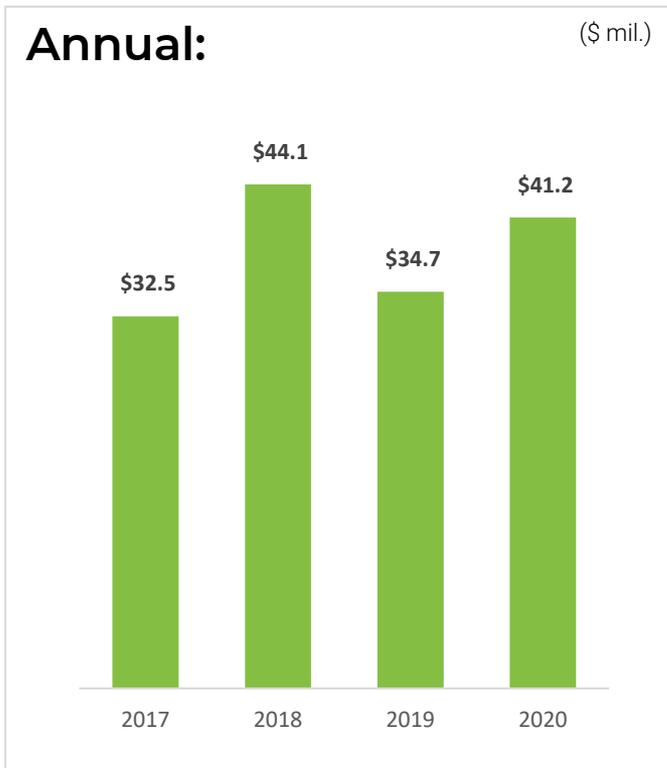


Media Margin⁽¹⁾



(1) For the definition of Media Margin and a reconciliation from net (loss) income from continuing operations, its most directly comparable financial measure presented in accordance with GAAP, see the Appendix hereto.

Adjusted EBITDA⁽¹⁾



(1) For the definition of Adjusted EBITDA and a reconciliation from net (loss) income from continuing operations, its most directly comparable financial measure presented in accordance with GAAP, see the Appendix hereto.

Note: Historical Adjusted EBITDA reported and reconciled from 2017 onward.

Balance Sheet Summary (3/31/21)

| Assets | | Liabilities & S/H Equity | |
|------------------------|----------------|---|----------------|
| | | (\$ mil.) | |
| Cash | \$32.7 | Current Liabilities excl. Debt | \$41.9 |
| Other Current Assets | 61.3 | Current Portion LT Debt ⁽¹⁾ | 6.3 |
| PP&E | 2.0 | Long-Term Debt, Net ⁽²⁾ | 43.8 |
| Goodwill & Intangibles | 208.2 | Other Long-Term Liabilities | 11.1 |
| Other Long-Term Assets | 11.1 | Shareholders' Equity | 212.2 |
| Total Assets | \$315.3 | Total Liabilities & Shareholders' Equity | \$315.3 |

- New \$65 Mil. Credit Facility @ 3/31/21
 - ▶ \$50 Mil. funded Term Loan, \$15 Mil. unfunded Revolver; @ L+ 175-275
 - ▶ Reduces current interest rate -500bps (vs. Refinanced Term Loan)
 - ▶ Improves financial flexibility; extends maturity to 2026



Investment Highlights

LEADING DIGITAL PERFORMANCE MARKETPLACE



- 500 advertiser clients
- 1.2 Mil. billable actions daily

MASSIVE MARKET OPPORTUNITY



- \$150+ Bil. US digital ad spend
- Accelerating shift to digital and performance
- CMO need for measurable ROI on spend → demand for true “performance” marketing

COMPETITIVE ADVANTAGES



- Expansive reach with omnichannel marketing permissions
- Large, proprietary database – 1st-party user insights and preferences
- Proprietary analytics, ad serving and direct marketing technologies

LEVERAGEABLE BUSINESS MODEL



- Scalable platform → enables expansion into new markets and client verticals
- High incremental margins – leverageable operating base

STRONG FINANCIAL PROFILE



- 2016 – Q1 2021 CAGRs of **12.6% revenue, 19.5% media margin**⁽¹⁾
- Robust conversion of Adj. EBITDA to cash flow from operations
- Solid balance sheet

Appendix

Non-GAAP Financial Measures

We present non-GAAP measures, such as Media Margin, Adjusted EBITDA and ratios based on these financial measures, herein as supplemental measures of our financial and operating performance because our management believes that such information provides useful information to investors about our operating performance.

Media margin, defined as revenue minus cost of revenue (exclusive of depreciation and amortization) attributable to variable costs paid for media and related expenses, is a measure of the efficiency of the Company's operating model. We use media margin and the related measure of media margin as a percentage of revenue as primary metrics to measure the financial return on our media and related costs, specifically to measure the degree by which the revenue generated from our digital marketing services exceeds the cost to attract the consumers to whom offers are made through our services. Media margin is used extensively by our management to manage our operating performance, including evaluating operational performance against budgeted media margin and understanding the efficiency of our media and related expenditures. We also use media margin for performance evaluations and compensation decisions regarding certain personnel.

Adjusted EBITDA, defined as net income (loss), excluding (1) income taxes, (2) interest expense, net, (3) depreciation and amortization, (4) loss on early extinguishment of debt, (5) non-cash loss on amendment of warrants, (6) write-off of long-lived assets, goodwill impairment, (7) accrued compensation expense for Put/Call Consideration, (8) share-based compensation expense, (9) acquisition-related costs, (10) restructuring and certain severance costs, (11) certain litigation and other related costs, and (12) one-time items, is another primary metric by which we evaluate the operating performance of our business, on which certain operating expenditures and internal budgets are based and by which, in addition to media margin and other factors, our senior management is compensated. The first three adjustments represent the conventional definition of EBITDA, and the remaining adjustments are items recognized and recorded under GAAP in particular periods but might be viewed as not necessarily coinciding with the underlying business operations for the periods in which they are so recognized and recorded. These adjustments include certain severance costs associated with department-specific reorganizations and certain litigation and other related costs associated with legal matters outside the ordinary course of business. Items are considered one-time in nature if they are non-recurring, infrequent or unusual and have not occurred in the past two years or are not expected to recur in the next two years, in accordance with SEC rules.

Media margin and adjusted EBITDA are not intended to be performance measures that should be regarded as alternatives to, or more meaningful than, net (loss) income from continuing operations as indicators of operating performance. Neither of these metrics are presented as measures of liquidity. The way we measure media margin and adjusted EBITDA may not be comparable to similarly titled measures presented by other companies and may not be identical to corresponding measures used in our various agreements.

Media Margin Reconciliation

| (\$ in millions) | 2018 | | | | | 2019 | | | | | 2020 | | | | | 2021 |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|------------------|-----------------|
| Reconciliation of net (loss) income to media margin: | Q1 | Q2 | Q3 | Q4 | FY | Q1 | Q2 | Q3 | Q4 | FY | Q1 | Q2 | Q3 | Q4 | FY | Q1 |
| Net (loss) income | (\$5,558) | \$2,645 | \$4,462 | \$1,643 | \$3,192 | \$1,045 | \$715 | (\$4,463) | \$956 | (\$1,747) | \$408 | \$452 | \$1,169 | \$178 | \$2,207 | (\$6,258) |
| Income taxes | - | - | - | 46 | 46 | (35) | - | - | 109 | 74 | - | - | 65 | 757 | 822 | (1) |
| Loss on early extinguishment of debt | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 2,964 |
| Interest expense, net | 2,394 | 1,933 | 1,882 | 1,925 | 8,134 | 1,778 | 1,767 | 1,719 | 1,628 | 6,892 | 1,532 | 1,333 | 1,317 | 1,168 | 5,350 | 1,008 |
| Spin-off transaction costs | 7,708 | - | - | - | 7,708 | - | - | - | - | - | - | - | - | - | - | - |
| Write-off of long-lived assets, Goodwill impairment | - | - | - | 1,517 | 1,517 | - | - | 280 | 145 | 425 | - | 817 | - | 1 | 818 | - |
| Depreciation and amortization | 3,331 | 3,338 | 3,352 | 3,153 | 13,174 | 3,317 | 3,306 | 3,642 | 3,675 | 13,940 | 3,733 | 3,853 | 3,906 | 3,810 | 15,302 | 3,373 |
| General and administrative | 6,659 | 8,954 | 9,775 | 10,620 | 36,007 | 10,043 | 10,294 | 14,049 | 13,687 | 48,065 | 11,076 | 10,044 | 12,772 | 12,906 | 46,798 | 11,699 |
| Product development | 734 | 1,142 | 1,680 | 1,723 | 5,279 | 2,150 | 2,287 | 2,040 | 1,570 | 8,055 | 2,731 | 3,115 | 3,355 | 3,403 | 12,604 | 3,434 |
| Sales and marketing | 3,102 | 3,166 | 3,640 | 3,754 | 13,663 | 3,434 | 3,058 | 2,717 | 2,336 | 11,545 | 2,830 | 2,888 | 2,925 | 3,040 | 11,683 | 2,961 |
| Non-media cost of revenue ⁽¹⁾ | 943 | 814 | 1,010 | 706 | 3,473 | 1,361 | 1,475 | 1,323 | 2,182 | 6,341 | 1,603 | 2,312 | 4,173 | 6,749 | 14,837 | 5,690 |
| Media margin | \$19,313 | \$21,992 | \$25,801 | \$25,087 | \$92,193 | \$23,093 | \$22,902 | \$21,307 | \$26,288 | \$93,590 | \$23,913 | \$24,814 | \$29,682 | \$32,012 | \$110,421 | \$24,870 |
| Revenue | 55,989 | 56,935 | 66,535 | 70,821 | 250,280 | 66,561 | 70,560 | 64,552 | 80,011 | 281,684 | 78,934 | 71,509 | 78,280 | 81,996 | 310,719 | 70,170 |
| Media margin % of revenue | 34.5% | 38.6% | 38.8% | 35.4% | 36.8% | 34.7% | 32.5% | 33.0% | 32.9% | 33.2% | 30.3% | 34.7% | 37.9% | 39.0% | 35.5% | 35.4% |



Media Margin Reconciliation (cont'd)

| (\$ in millions) | 2016 | | | | | 2017 | | | | |
|--|------------------|------------------|-----------------|------------------|-------------------|------------------|------------------|-------------------|------------------|-------------------|
| | Q1 | Q2 | Q3 | Q4 | FY | Q1 | Q2 | Q3 | Q4 | FY |
| Reconciliation of net (loss) income from continuing operations to media margin: | | | | | | | | | | |
| Net (loss) reported by IDI/Cogint | (\$6,772) | (\$7,184) | (\$9,744) | (\$5,386) | (\$29,086) | (\$12,725) | (\$20,409) | (\$14,095) | (\$5,977) | (\$53,206) |
| Net (loss) income from discontinued operations ⁽¹⁾ | (2,955) | 2,223 | (12,480) | (3,657) | (16,869) | (2,893) | (12,133) | (3,334) | (3,140) | (21,500) |
| Net (loss) income from continuing operations | (\$3,817) | (\$9,407) | \$2,736 | (\$1,729) | (\$12,216) | (\$9,832) | (\$8,276) | (\$10,761) | (\$2,837) | (\$31,706) |
| Income taxes | (3,536) | (3,503) | (4,493) | (2,531) | (14,063) | - | - | - | - | - |
| Non-cash loss on amendment of warrants | 297 | 976 | - | 224 | 1,497 | - | - | - | 1,005 | 1,005 |
| Interest expense, net | 1,825 | 1,856 | 1,879 | 2,032 | 7,593 | 2,227 | 2,445 | 2,426 | 2,585 | 9,683 |
| Write-off of long-lived assets, Goodwill impairment | - | - | - | - | - | 3,626 | - | - | - | 3,626 |
| Depreciation and amortization | 2,534 | 2,847 | 3,320 | 3,323 | 12,024 | 3,205 | 3,234 | 3,297 | 3,319 | 13,055 |
| General and administrative expenses | 10,051 | 15,287 | 5,386 | 10,664 | 41,388 | 11,286 | 13,921 | 18,392 | 11,495 | 55,094 |
| Product development | 622 | 660 | 490 | 632 | 2,404 | 662 | 612 | 647 | 657 | 2,578 |
| Sales and marketing expenses | 2,381 | 2,197 | 2,786 | 3,282 | 10,647 | 3,169 | 3,053 | 3,161 | 2,590 | 11,973 |
| Non-media cost of revenue ⁽²⁾ | 497 | 523 | 1,012 | 900 | 2,931 | 873 | 709 | 1,100 | 889 | 3,571 |
| Media margin | \$10,853 | \$11,437 | \$13,118 | \$16,796 | \$52,205 | \$15,216 | \$15,698 | \$18,262 | \$19,703 | \$68,879 |
| Revenue | 38,393 | 40,016 | 50,991 | 53,214 | 182,614 | 49,194 | 51,031 | 54,942 | 56,523 | 211,690 |
| Media margin % of revenue | 28.3% | 28.6% | 25.7% | 31.6% | 28.6% | 30.9% | 30.8% | 33.2% | 34.9% | 32.5% |

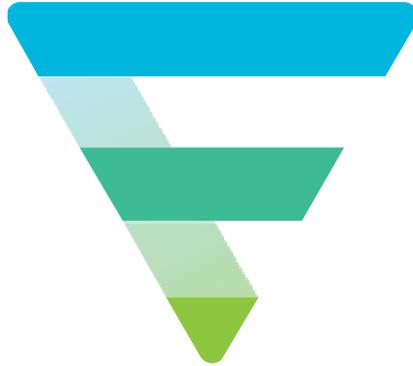
(1) Represents the portion of net (loss) income reported by IDI/Cogint attributable to the business operations discontinued in connection with the Red Violet Spin-off.
(2) Represents the portion of cost of revenue (exclusive of depreciation and amortization) not attributable to variable costs paid for media and related expenses.

Adjusted EBITDA Reconciliation

| (\$ in millions) | 2019 | | | | | 2020 | | | | | 2021 |
|---|----------------|----------------|----------------|-----------------|-----------------|----------------|----------------|-----------------|-----------------|-----------------|----------------|
| Reconciliation of net (loss) income to adjusted EBITDA: | Q1 | Q2 | Q3 | Q4 | FY | Q1 | Q2 | Q3 | Q4 | FY | Q1 |
| Net (loss) income | \$1,045 | 715 | (\$4,463) | \$956 | (\$1,747) | \$408 | \$452 | \$1,169 | \$178 | \$2,207 | (\$6,258) |
| Income taxes | (35) | - | - | 109 | 74 | - | - | 65 | 757 | 822 | (1) |
| Interest expense, net | 1,778 | 1,767 | 1,719 | 1,628 | 6,892 | 1,532 | 1,333 | 1,317 | 1,168 | 5,350 | 1,008 |
| Depreciation and amortization | 3,317 | 3,306 | 3,642 | 3,675 | 13,940 | 3,733 | 3,853 | 3,906 | 3,810 | 15,302 | 3,373 |
| Loss on early extinguishment of debt | - | - | - | - | - | - | - | - | - | - | 2,964 |
| Write-off of long-lived assets, Goodwill impairment | - | - | 280 | 145 | 425 | - | 817 | - | 1 | 818 | - |
| Accrued compensation expense for Put/Call Consideration | - | - | - | - | - | - | 530 | 654 | 591 | 1,775 | 1,746 |
| Share-based compensation expense | 2,275 | 2,954 | 2,790 | 2,322 | 10,341 | 2,397 | 1,281 | 1,170 | 546 | 5,394 | 1,231 |
| Acquisition-related costs | - | 448 | - | 35 | 483 | 47 | 15 | 89 | 22 | 173 | - |
| Restructuring and certain severance costs | 110 | 250 | - | 1,596 | 1,956 | - | - | 565 | 50 | 615 | - |
| Certain litigation and other related costs | 489 | 227 | 375 | 1,044 | 2,135 | 907 | 1,115 | 2,671 | 4,022 | 8,715 | 668 |
| One-time items ⁽¹⁾ | 168 | - | - | 17 | 185 | - | - | - | - | - | - |
| Adjusted EBITDA | \$9,147 | \$9,667 | \$4,343 | \$11,527 | \$34,684 | \$9,024 | \$9,396 | \$11,606 | \$11,145 | \$41,171 | \$4,731 |
| Revenue | 66,561 | 70,560 | 64,552 | 80,011 | 281,684 | 78,934 | 71,509 | 78,280 | 81,996 | 310,719 | 70,170 |
| Adjusted EBITDA % of revenue | 13.7% | 13.7% | 6.7% | 14.4% | 12.3% | 11.4% | 13.1% | 14.8% | 13.6% | 13.3% | 6.7% |

Adjusted EBITDA Reconciliation

| (\$ in millions) | 2017 | | | | | 2018 | | | | |
|---|----------------|----------------|----------------|-----------------|-----------------|----------------|-----------------|-----------------|-----------------|-----------------|
| Reconciliation of net (loss) income to adjusted EBITDA: | Q1 | Q2 | Q3 | Q4 | FY | Q1 | Q2 | Q3 | Q4 | FY |
| Net (loss) income | (\$9,832) | (\$8,276) | (\$10,761) | (\$2,837) | (\$31,706) | (\$5,558) | \$2,645 | \$4,462 | \$1,643 | \$3,192 |
| Income taxes | - | - | - | - | - | - | - | - | 46 | 46 |
| Interest expense, net | 2,227 | 2,445 | 2,426 | 2,585 | 9,683 | 2,394 | 1,933 | 1,882 | 1,925 | 8,134 |
| Depreciation and amortization | 3,205 | 3,234 | 3,297 | 3,319 | 13,055 | 3,331 | 3,338 | 3,352 | 3,153 | 13,174 |
| Non-cash loss on amendment of warrants | - | - | - | 1,005 | 1,005 | - | - | - | - | - |
| Write-off of long-lived assets, Goodwill impairment | 3,626 | - | - | - | 3,626 | - | - | - | 1,517 | 1,517 |
| Accrued compensation expense for Put/Call consideration | - | - | - | - | - | - | - | - | - | - |
| Share-based compensation expense | 6,854 | 8,094 | 10,508 | 5,669 | 31,125 | 6,648 | 2,614 | 2,593 | 2,826 | 14,681 |
| Acquisition-related costs | - | 1,144 | 1,799 | 482 | 3,425 | 417 | 140 | 119 | - | 676 |
| Restructuring and certain severance costs | 668 | 505 | 675 | 269 | 2,117 | 2,322 | 269 | - | - | 2,591 |
| Certain litigation and other related costs | - | - | 3 | 199 | 202 | 46 | - | - | - | 46 |
| Adjusted EBITDA | \$6,748 | \$7,146 | \$7,947 | \$10,691 | \$32,532 | \$9,600 | \$10,939 | \$12,408 | \$11,110 | \$44,057 |
| Revenue | 49,194 | 51,031 | 54,942 | 56,523 | 211,690 | 55,989 | 56,935 | 66,535 | 70,821 | 250,280 |
| Adjusted EBITDA % of revenue | 13.7% | 14.0% | 14.5% | 18.9% | 15.4% | 17.1% | 19.2% | 18.6% | 15.7% | 17.6% |



Fluent, Inc.

Fluent, Inc. – Investor Relations

www.investors.fluentco.com

InvestorRelations@fluentco.com

(917) 310-2070