
Q3-'23



Poised for Transformational Growth Driven by AI Wins with Five of the Largest Global Tech Companies and Leading Enterprises

NASDAQ: INOD

DISCLAIMERS

Forward-looking Statements

This presentation contains certain forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended, and Section 27A of the Securities Act of 1933, as amended. Words such as “project,” “believe,” “expect,” “can,” “continue,” “could,” “intend,” “may,” “should,” “will,” “anticipate,” “indicate,” “forecast,” “predict,” “likely,” “goals,” “estimate,” “plan,” “potential,” “promises,” “possible,” or the negatives thereof and other similar expressions generally identify forward-looking statements, which speak only as of the date hereof. These forward-looking statements are based on management’s current expectations, assumptions and estimates and are subject to a number of risks and uncertainties, including without limitation, impacts resulting from the continuing conflict between Russia and the Ukraine and Hamas’ attack against Israel and the ensuing conflict; investments in large language models; that contracts may be terminated by customers; projected or committed volumes of work may not materialize; pipeline opportunities and customer discussions which may not materialize into work or expected volumes of work; continuing reliance on project-based work in the Digital Data Solutions (“DDS”) segment and the primarily at-will nature of such contracts and the ability of these customers to reduce, delay or cancel projects; the likelihood of continued development of the markets, particularly new and emerging markets, that our services support; continuing DDS segment revenue concentration in a limited number of customers; potential inability to replace projects that are completed, canceled or reduced; our dependency on content providers in our Agility segment; difficulty in integrating and deriving synergies from acquisitions, joint venture and strategic investments; potential undiscovered liabilities of companies and businesses that we may acquire; potential impairment of the carrying value of goodwill and other acquired intangible assets of companies and businesses that we acquire; a continued downturn in or depressed market conditions; changes in external market factors; the ability and willingness of our customers and prospective customers to execute business plans that give rise to requirements for our services; changes in our business or growth strategy; the emergence of new, or growth in existing competitors; various other competitive and technological factors; our use of and reliance on information technology systems, including potential security breaches, cyber-attacks, privacy breaches or data breaches that result in the unauthorized disclosure of consumer, customer, employee or Company information, or service interruptions; and other risks and uncertainties indicated from time to time in our filings with the Securities

and Exchange Commission.

Our actual results could differ materially from the results referred to in forward-looking statements. Factors that could cause or contribute to such differences include, but are not limited to, the risks discussed in Part I, Item 1A. “Risk Factors,” Part II, Item 7. “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” and other parts of our Annual Report on Form 10-K, filed with the Securities and Exchange Commission on February 24, 2023, as updated or amended by our other filings that we may make with the Securities and Exchange Commission. In light of these risks and uncertainties, there can be no assurance that the results referred to in the forward-looking statements will occur, and you should not place undue reliance on these forward-looking statements. These forward-looking statements speak only as of the date hereof .

We undertake no obligation to update or review any guidance or other forward-looking statements, whether as a result of new information, future developments or otherwise, except as may be required by the Federal securities laws.

Non-GAAP financial measures

Financial information contained in this presentation includes certain financial measures that are calculated and presented on the basis of methodologies other than in accordance with generally accepted accounting policies in the United States of America (GAAP), such as Adjusted EBITDA, which include or exclude certain items from the most directly comparable GAAP financial measure. These non-GAAP measures differ from reported GAAP measures and are intended to illustrate what management believes are relevant period-over-period comparisons and are helpful to investors as an additional tool for further understanding and assessing Innodata’s expected ongoing operating performance. A reconciliation of historical non-GAAP financial measures to the most directly comparable GAAP financial measure is included in this presentation. Any non-GAAP financial measure used in this presentation is in addition to, and not meant to be considered superior to, or a substitute for, measures prepared in accordance with GAAP.



We're Excited for Today's Discussion

01. INVESTOR HIGHLIGHTS

02. GENERATIVE AI OPPORTUNITY

03. HOW WE HELP

04. CASE STUDIES

05. DIFFERENTIATORS

06. COMMERCIAL STRATEGY

07. FINANCIAL OVERVIEW

08. MANAGEMENT AND BOARDS

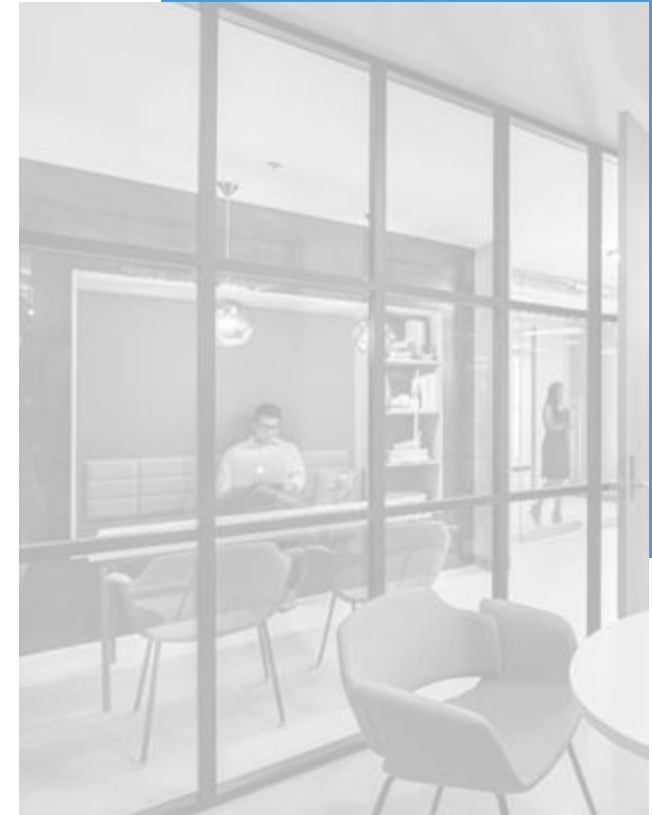
01. INVESTOR HIGHLIGHTS

About **Innodata**.

We're a global technology and data engineering company recently laying down a track record of mega-wins in generative AI foundation model development.

We have the fundamentals in place for long-term secular growth:

- Recently won transformative generative AI engagements with five of the largest technology companies deploying billions over the next several years in generative AI.
- 30+ years' experience in data engineering makes us uniquely qualified for the generative AI opportunity.
- "Picks-and-shovels" pure-play in large language model (LLM)* arms race with strong secular tailwinds.
- Poised for accelerating QoQ and YoY organic revenue growth.
- Clean balance sheet with no debt.



*A large language model (LLM) is a large-scale artificial intelligence system trained on extensive textual data that leverages deep learning to comprehend, generate, and work with human language effectively. Generative AI refers to a category of AI technologies, including LLMs, designed to create original content, such as text, images, music or other forms of media.



Growing Momentum – frequency and size of mega-wins has steadily increased in 2023

Innodata Signs New Big Tech for Generative AI Development - November 2023

Innodata Lands Significant LLM Expansion with New “Big Five” Customer Announced July 18, 2023

Raises Previously Provided Guidance to \$25 Million of End-of-Year Run Rate Revenue, up by \$10 Million

August 2023

Innodata Announces Agreement Signed with Big Five Tech Customer

August 2023

Innodata Announces Another Big Five Tech New Customer Win

August 2023

Innodata Signs Deal with New “Big Five” Tech Customer for AI LLM Development

July 2023

Leading Hyperscale Cloud Platform Selects Innodata to Provide LLM Fine-Tuning and AI Data Annotation for Its Cloud Customers

June 2023

Innodata Announces Start of Generative AI Development with Top-Five Big-Tech Existing Customer

June 2023

Innodata Announces Potentially Transformative Deals in Generative AI with Three of the Largest Global Tech Companies

May 2023

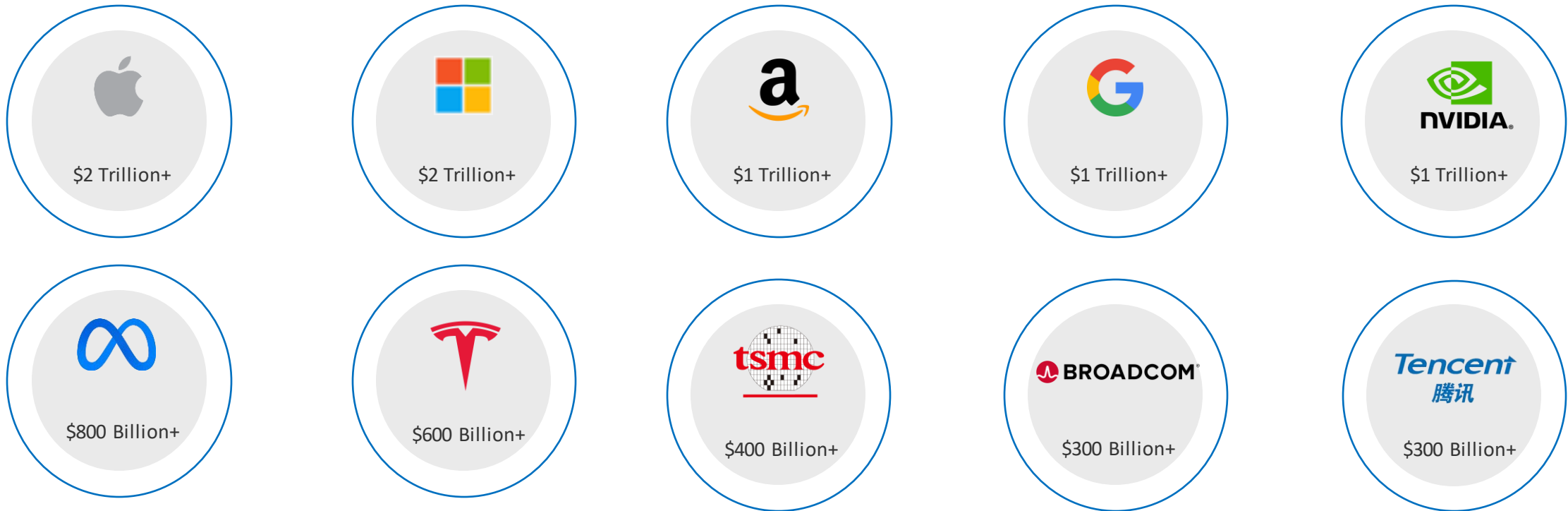
Innodata Selected by Leading Cloud Platform to Provide Large-Scale Data Collection for AI Computer Vision Initiative

January 2023

03. INVESTOR HIGHLIGHTS

Our customers now include five of the ten largest global tech companies building the generative AI ecosystem.

The ten largest global technology companies by market capitalization:



Approximate market capitalization for reference based on: <https://companiesmarketcap.com/tech/largest-tech-companies-by-market-cap/>

01. INVESTOR HIGHLIGHTS

Our customers also include leading enterprises seeking to deploy generative and classical AI in a range of products and operations.



Audio-Based Assistants
Avatar Generation
Autonomous Vehicles
Content Operations
Contract Extraction
Content Moderation
Conversational AI
Customer Service
Diffusion Models
Image/Video Generation
Large Language Models
Sales Automation
Speech Transcriptions
Text-to-Image/Video/Audio
Workflow Augmentation
And So Much More...

02. GENERATIVE AI OPPORTUNITY

Generative AI is anticipated to be the next-generation computation platform. We believe it will rival the internet and mobile in significance.

- Big Five AI arms race now underway – billions allocated¹
- McKinsey & Co. believes generative AI will potentially:
 - Automate work activities that absorb 60-70% of employee time today by midpoint 2045
 - Add \$2.6 trillion - \$4.4 trillion to global economy across 63 immediate use cases alone.²
- Enterprises rank gen AI/LLM as #1 software spending priority³

¹ 2023 earnings call transcripts for GOOG, AMZN, and META. See also: <https://www.nytimes.com/2023/08/05/technology/tech-nvidia-chips.html>.

² Big Five Companies: Meta, Amazon, Microsoft, Google and Apple also commonly referred to as FAAMG

² "The Economic Potential of Generative AI: The Next Productivity Frontier", [McKinsey & Company, June 2023](#).

³ "Generative AI: Fuel for Growth Across Tech", Bloomberg Intelligence, August 2023.



We're just “two steps into the [generative AI] marathon”.⁴

Opportunities (and challenges) abound

- Big Five Global Tech in virtual arms race deploying *billions of capex* to forge path forward and discover emergent properties
- Enterprises seeking to adopt to stay competitive
- Alignment & safety concerns abound
 - Hallucination
 - IP Violations
 - Bias

⁴ Q2 2023 earnings call transcript for AMZN.



02. GENERATIVE AI OPPORTUNITY


Seizing opportunities and addressing challenges is requiring large-scale **data engineering.**


High-quality, robust training data is key AI ingredient for seizing opportunities and overcoming challenges:



03. HOW WE HELP

We have a full set of services and platforms to support both *the builders* and *the adopters* of generative AI.

 Builders (Large Tech)	
Generative AI model development	Generative AI model evaluation and fine-tuning

 Adopters (Enterprises)	
Open-source model fine-tuning	Closed-source foundation model integration

Services

- ✓ Data Collection + Normalization
- ✓ Training Datasets Across Data Modalities
- ✓ Synthetic Data
- ✓ Reinforcement Learning (RLHF) Datasets
- ✓ Red Teaming
- ✓ Model Training & Performance Evaluation
- ✓ LLM Integration
- ✓ AI Model Building and Management
- ✓ AI Application Development
- ✓ Data Science
- ✓ Business Process Management

Platforms

- ✓ Annotate (for Supervised ML)
- ✓ Goldengate Enterprise LLMs*
- ✓ Document Intelligence
- ✓ Agility Media Intelligence
- ✓ Synodex Medical Data Analytics
- ✓ Horizon Scanning*

*in testing/development

Our data engineering capabilities span data modalities, languages, and domains, and **nine categories of tasks required by generative AI.**

1- Translation

- Source Language to Target Language

2- Question Answering

- Answer Verification
- Answerability Classification
- Explanation (how it works, idiom meaning)
- Suggestion (e.g., breakfast suggestion)
- Fact Verification
- Question Decomposition
- Question Generation
- Question Rewriting
- Question Understanding
- Recommendation
- Multiple Choice QA
- Input inversion (Jeopardy style)
- Closed QA / Open QA

3- Logic & Semantics

- Coherence Classification
- Commonsense Classification
- Cause Effect Classification
- Mathematics
- Intent Identification
- Irony Detection
- Negotiation Strategy Detection
- Stance Detection
- Stereotype Detection
- Sentiment Analysis
- Textual Entailment
- Toxic Language Detection
- Harmful Content Detection
- Inference
- Chain-of-thought
- Find Repeated Patterns
- Find Differences / Similarities

4- Textual Information

- Coreference Resolution
- Data to Text
- Entity Generation
- Entity Relation Classification
- Information Extraction
- Keyword Tagging
- Language Identification
- Named Entity Recognition
- Number Conversion
- Word Analogy
- Word Relation Classification
- Wrong Candidate Generation
- Word Sense Disambiguation

[continued, next page...](#)

Our data engineering capabilities span data modalities, languages, and domains, and **nine categories of tasks required by generative AI.**

...continued, from last page

5- Document information

- Section Classification
- Spam Classification
- Style Transfer
- Text Categorization
- Text Completion
- Text Matching
- Text Quality Evaluation
- Text Simplification

6- Creation

- Paper Review
- Summarization
- Title Generation
- Email Subject Generation
- Poem Generation
- Story Composition
- Checklist
- Jokes
- Culinary recipe
- Brainstorming

7- Editing

- Grammar Error Correction
- Grammar Error Detection
- Spelling Error Detection
- Punctuation Error Detection
- Paraphrasing
- Sentence Composition
- Sentence Compression
- Sentence Expansion
- Sentence Ordering
- Sentence Perturbation
- Synonyms / Antonyms

8- Dialog

- Dialogue Act Recognition
- Dialogue Generation
- Dialogue State Tracking
- Discourse Connective Identification
- Discourse Relation Classification
- Speaker Identification
- Speaker Relation Classification

9- Programming

- Code to Text
- Text to Code
- Program Execution
- Data to Text
- Document the Code
- Find the Bug
- Synthetic Data Gen

Our training data results in better performance across key LLM objectives and assessments.

Key Objectives

- Improved model performance
- Model behavior control
- Bias mitigation
- Adapting to domains or contexts
- Data efficiency
- User experience and interactivity

Assessment of Prompts and Responses

- Diversity (forms, styles, tasks and domains)
- Helpfulness (e.g., follows the prompt intent)
- Correctness (provides correct information)
- Locale orientation (e.g., use of standard units)
- Neutrality (neutral perspective)
- Harmlessness (free of toxicity and bias)
- Truthfulness (verification of stated facts)
- Originality (high quality original content)
- Hallucination (response does not contradict or add information requested in prompt)
- Language and writing (spelling, grammar, etc.)

Response ID:	8903X
Assessed by:	D.Rue
Date:	5.26.23

Error Category	Severity	# Errors	Error Details
Accuracy / Interpretation	Critical	0	
Objectivity / Neutrality	Critical	0	
Sensitivity / Harmlessness	Critical	0	
Helpfulness	Critical	0	
Sentence Format	Major	0	
Missing Essential Information	Major	0	
Extraneous Information	Major	0	
Direct Lift	Major	0	
Structure	Minor	0	
Grammar	Minor	0	
Spelling	Minor	0	
Format / Style	Minor	0	

# Critical Errors	0
# Major Errors	0
# Minor Errors	0
Rating Score	5

We Help Train World-Class Foundation Models



CASE STUDY: HYPERSCALER CLOUD PROVIDER BUILDING FOUNDATION MODEL

An LLM was trained to perform specific tasks based on user prompts or instructions. We then assessed the model's helpfulness and identified instances where the output violated explicit constraints or contained information that did not logically follow from the given input. Based on this analysis, we conducted further training and refinement.

What we provide:

- Proprietary platforms and automation tools
- Human expertise, handling a substantial volume within an ambitious timeline of less than one month
- Evaluation of model outputs and strengths/weaknesses to inform additional training required.
- Additional refinement and optimization of the model, ultimately leading to improved performance and user experience.

We Fine-Tune LLMs on (Private) Vertical Domain Data



CASE STUDY: INFORMATION COMPANY TRAINING LLMs TO SUPPORT PRODUCT SET

Our customer sought to support a range of information products with a multi-lingual private LLM foundation model in a virtual private cloud using its proprietary data. Looking to expand its reach into new vertical markets, a critical challenge emerged: the LLM required additional fine-tuning to ensure accurate and effective coverage.

What we provide:

- LLM training: Prompts and completions, enabling the LLM to generate relevant and contextually accurate responses.
- Addressing Ambiguity: Ambiguity detection and resolution workflows to enhance the model's ability to understand and respond accurately to complex queries.
- Improving Visuals: Visual elements related to questions and answers to enhance the quality of insights.
- Assessing Model Outputs: Assessment of output generated by the LLM, ensuring that the insights provided were valuable and aligned with objectives.

04. CASE STUDIES

We **Reimagine** Work Through Generative AI-Enabled Platforms



CASE STUDY: ONE OF TOP THREE GLOBAL BANKS REINVENTING REGULATORY CHANGE MANAGEMENT

Leading global financial institution seeks to drive efficiency and performance in internal regulatory compliance workflows, reduce compliance penalties and automate manual processes.

What we provide:

- Aggregated and delivered automated regulatory data from global regulators
- Business process management for ground truth data acquisition
- AI models deeply trained on domain-specific data
- Integrated workflow application enabling global legal and compliance teams to make informed decisions

05. DIFFERENTIATORS

Our Unique Credentials are helping us *win*

One of our largest customers calls Innodata
its “secret weapon.”



WE LEVERAGE:

- 30+ years providing quality data to the world’s leading data-centric businesses.
- Early investments in applied AI (beginning 2016)

WE BRING:

- 4,000 global subject matter experts that create consistently accurate complex data at scale in 40+ languages.
- Cutting-edge AI models built on transformer architecture and trained on domain-specific data.
- A reputation for agility, scalability, customer-centricity, and the highest-quality data.

05. DIFFERENTIATORS

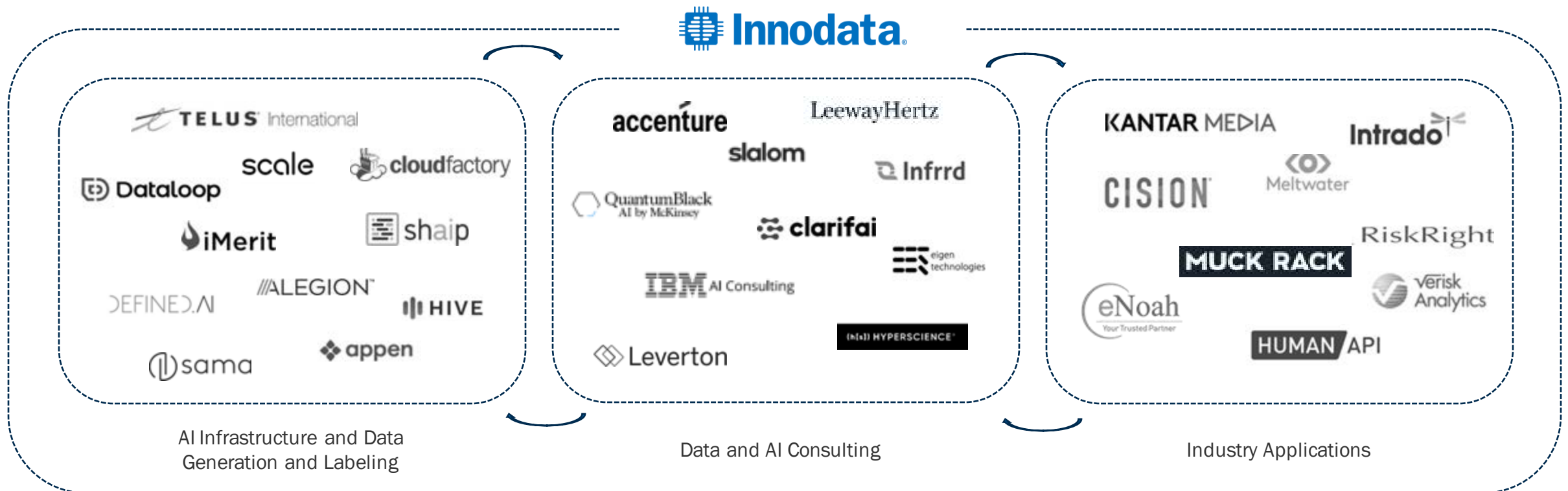
Our competitive advantages **are getting stronger every day.**

- Skills and referenceability acquired helping five of the 10 largest technology companies build the very foundation models enterprises seek to integrate or fine-tune
- Experience gained across wide range of use cases working with early-adopter enterprises through white-label arrangements with hyperscalers
- Real-world experience gained in integrating both classical and generative AI into our own operations and products
- Technology platforms for transforming enterprise data into LLM-ready context for model fine-tuning and prompt engineering
- Technology platforms to help enterprises generate reliable fact-based responses and insights from foundation models using retrieval augmented generation and other technologies
- Pre-trained proprietary foundation model deeply trained over past 6 years (Goldengate) – we believe it to be state-of-the-art for over 50 knowledge tasks. At core of many of our engagements, tools, and enterprise deployments.
- Enterprise-wide ISO 27001 information security certification; HIPAA compliant; SSAE 18 SOC 1 Type 2 report.
- On prem data centers and VPC platforms.

05. DIFFERENTIATORS

We are uniquely positioned in our competitive set.

We serve both tech companies building foundation models and enterprises integrating and fine-tuning models. We uniquely span three AI submarkets, creating a virtuous circle of competitive advantage.



We're successfully executing a Significant **Market Opportunity**

Generative AI-Focused IT Services:

100% 10-Year CAGR (2022 – 2032)

From \$83M (2022) to \$21.7B (2027E) to \$85.9B (2032E)

Generative AI Revenue Potential

Bloomberg		Bloomberg Intelligence Interactive Calculator: Generative AI Market Opportunity			
(\$ million, unless otherwise specified)					
Generative AI Revenue Projections	2022	2027E	2032E	2022-32E CAGR	
Hardware	\$37,973	\$223,615	\$641,737	33%	
Devices (Inference)					
Computer Vision AI Products	\$4,128	\$82,965	\$168,233	45%	
Conversational AI Products	\$1,032	\$22,124	\$60,564	50%	
Infrastructure (Training)	\$3,096	\$60,841	\$107,669	43%	
Infrastructure (Training)	\$33,845	\$140,650	\$473,505	30%	
AI Server	\$22,563	\$49,641	\$133,817	19%	
AI Storage	\$9,025	\$33,094	\$92,642	26%	
Generative AI Infrastructure as a Service	\$2,256	\$57,915	\$247,046	60%	
Software	\$1,493	\$58,826	\$279,899	69%	
Specialized Generative AI Assistants	\$447	\$20,864	\$89,035	70%	
Coding, DevOps and Generative AI Workflows	\$213	\$12,617	\$50,430	73%	
Generative AI Workload Infrastructure Software	\$439	\$13,468	\$71,645	66%	
Generative AI Drug Discovery Software	\$14	\$4,042	\$28,343	113%	
Generative AI Based Cybersecurity Spending	\$9	\$3,165	\$13,946	109%	
Generative AI Education Spending	\$370	\$4,669	\$26,500	53%	
Generative AI Based Gaming Spending	\$190	\$20,668	\$69,414	80%	
Generative AI Driven Ad Spending	\$57	\$64,358	\$192,492	125%	
Generative AI Focused IT Services	\$83	\$21,690	\$85,871	100%	
Generative AI Based Business Services	\$38	\$10,188	\$34,138	97%	
Total	\$39,834	\$399,345	\$1,303,551	42%	

Source: Bloomberg Intelligence, IDC, eMarketer, Statista

Where we are **headed**

- **Accelerating Revenue Growth**
 - Servicing Customers at the Highest Point of Value
 - Right Place Right Time with Our AI Offerings
- **Improving Economics**
 - Higher Mix of Subscription/Platform Revenue
 - Operating Leverage (Incremental Margin)
- **Accelerating Free Cash Flow and Adjusted EBITDA Growth**



Our execution is guided by a concrete vision, four strategic pillars and five defined opportunities

Our Vision: To Be the Leading Global AI Technology Company Serving Both AI Builders and AI Adopters

Four Strategic Pillars



Landing

New Customers and Grow Revenue

Drive growth in targeted segments.



Expanding

Engagement with Existing Customers

Listen to the needs of our customers and be the highest quality provider.



Innovating

New Capabilities and Platforms

Expand addressable market by developing new offerings and capabilities.



Eating

Our own Cooking

Harness the power of AI to drive continuous improvement and long-term value creation.

Actions

Focus Sales and Marketing efforts around priority customers.

Utilize our deep domain expertise when engaging with our customers and ensure that our teams are well-versed in our solutions.

Continue to invest in our AI technology stack and in our dev/engineering capabilities.

Regularly evaluate cost structure and investments to simplify and streamline.

Opportunity 1/5: World's largest global technology companies.



POINT OF VIEW

The world's largest technology companies will continue to commit billions of dollars to their LLM strategies over the next decade, including developing in-house foundational LLMs optimized for their own cloud infrastructures.

- Big Techs' 2023 earnings calls confirm LLM capex commitments
- Building LLMs foundation models to support products and cloud ecosystems
- Likely to address multiple languages, data domains, data modalities

RECENT ACCOMPLISHMENTS

Since our Q1 earnings call, announced potentially transformative LLM wins with five of the ten largest global technology companies. Includes:

- Three new AI customers: framework agreements to support expansion; anticipate multi-million dollar spend
- One existing AI customer: forecast \$8M revenue (2023) vs. \$3M (2022)

Opportunity 2/5: 50-100 technology companies also building foundation models.



POINT OF VIEW

Beyond the world's largest tech companies, 50-100 tech companies, including well-funded startups, are now building or are likely to build LLMs.

RECENT ACCOMPLISHMENTS

Continuing to build pipeline and seeing positive momentum with several of these companies.

Opportunity 3/5: Enterprise LLMs via white label distribution.



POINT OF VIEW

A decade from now, all successful companies will be AI companies. Companies with ability to leverage proprietary data for training LLMs will seek to fine-tune closed-source and commercially available open-source generative AI models. Companies without proprietary data will seek to integrate foundation model capabilities.

White label arrangements with hyperscalers are particularly strategic:

- Tens of thousands of serviceable customers.
- One-stop-shop for all things AI (compute, storage, foundation models, ML, database, data services)
- Potential to scale independent of our own sales & marketing reach
- Gain exposure to wide variety of early-adopter use cases

RECENT ACCOMPLISHMENTS

WON FIRST WHITE LABEL ARRANGEMENT WITH HYPERSCALER, announced June 27, 2023.

- Expecting approximately \$0.3M of revenue in Q4'23
- Several million \$s in pipeline opportunities for 2024
- One of these pipeline opportunities may give us access to a new market

Opportunity 4/5: Enterprise LLMs via direct distribution.



POINT OF VIEW

We believe that many of our existing, legacy customers are likely to require our LLM services.

We also believe that our sales and marketing will enable us to build out an increased pipeline of direct customer prospects and that our acumen and experience will enable us to win.

RECENT ACCOMPLISHMENTS

- Closed three important enterprise generative AI opportunities in Q3'23
- Scope of the work ranges from strategy to implementation

Opportunity 5/5: AI-enabled platforms.



POINT OF VIEW

Successfully re-inventing the way work is done through LLM-augmentation will require a constellation of technologies, significant data science expertise, and large amounts of domain-specific training data.

Abstracting this out in a platform will be an attractive alternative to many enterprises.

RECENT ACCOMPLISHMENTS

- **AI-Enabled Regulatory Change Management Platform:**
Multi-year subscription agreement with one of the world's largest banks; development on track.
- **AI-Enabled Agility Media Intelligence Platform:**
Ranked ahead of the largest two competitors that have combined revenues of >\$1B. AEBITDA positive, strong YOY growth, robust bookings, and advancements in ASP.
- **Synodex Medical Data Intelligence Platform:**
Adopted by leading life insurance companies. New automation product extensions in development.

07. FINANCIAL OVERVIEW

FY2022 Financial Performance.

Revenue

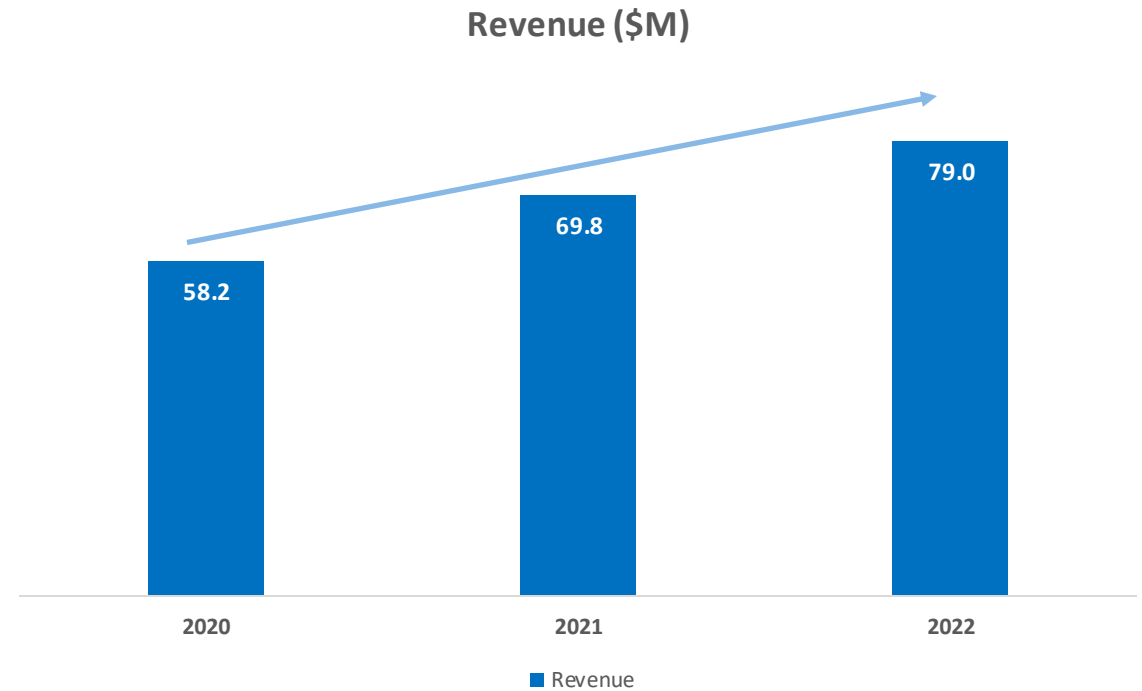
\$79.0M
(+13% y/y)

Adjusted Gross Profit ¹

\$31.5M
(40%)

Adjusted EBITDA ¹

\$-3.3M
(-211% y/y)



¹ Non-GAAP measure. Please see "Reconciliation to Non-GAAP Measures"

07. FINANCIAL OVERVIEW

3Q2023

Financial Performance.

Revenue

\$22.2M
(20% y/y)*

Adjusted Gross Profit ¹

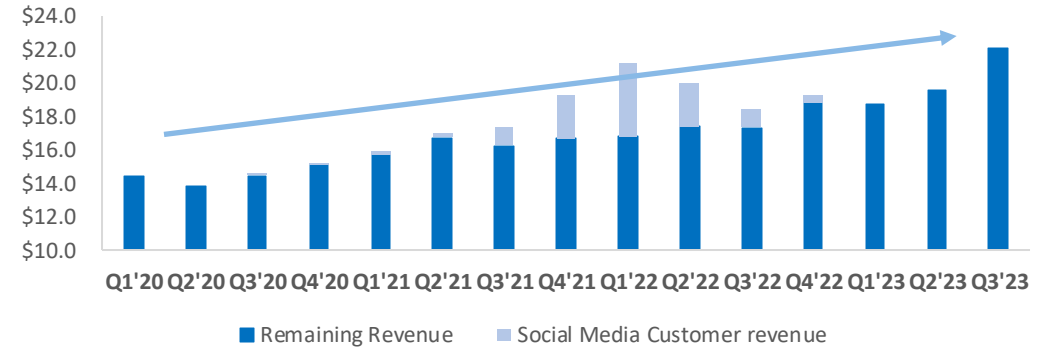
\$9.5M
(43%)

Adjusted EBITDA ¹

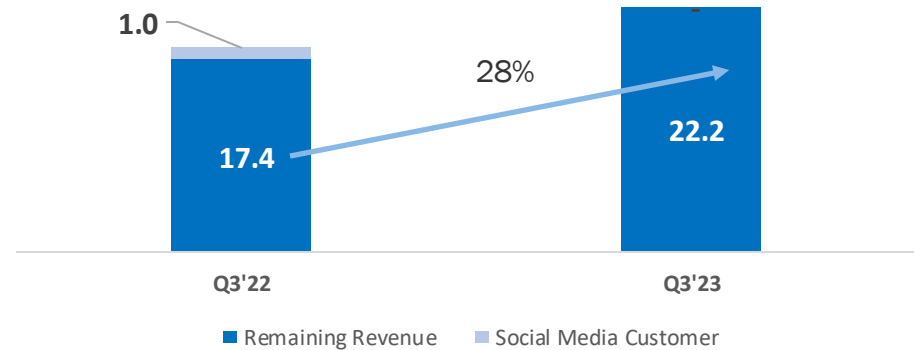
\$3.2M
(+355% y/y)

*27% revenue growth if exclude revenue from the large social media customer that paused spending after management change.

Revenue (\$M)



Revenue (\$M)



¹ Non-GAAP measure. Please see "Reconciliation to Non-GAAP Measures"

07. FINANCIAL OVERVIEW

YTD2023

Financial Performance.

Revenue

\$60.7M
(2% y/y)*

Adjusted Gross Profit ¹

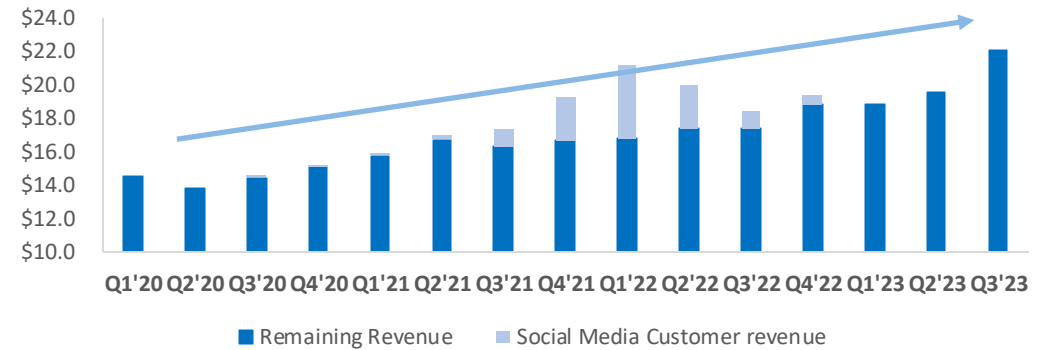
\$25.1M
(41%)

Adjusted EBITDA ¹

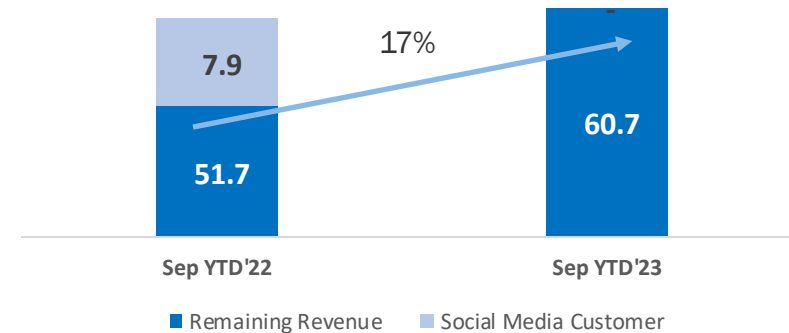
\$5.6M
(+258% y/y)

*17% revenue growth if exclude revenue from a large social media customer that paused spending after management change.

Revenue (\$M)



Revenue (\$M)



07. FINANCIAL OVERVIEW

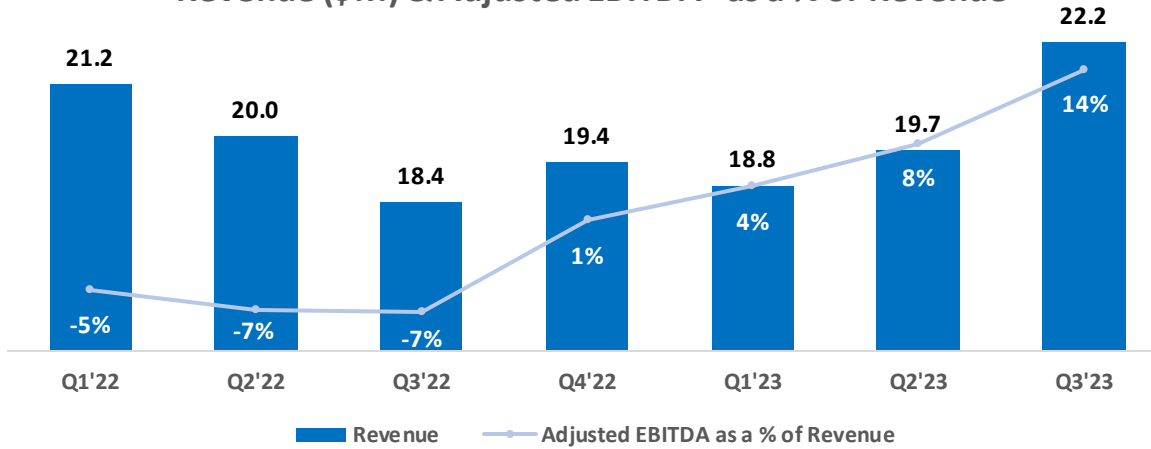
We have a clean **balance sheet**.

- **Cash and short-term investments**
 - \$14.8M of cash and short-term investments at the end of Q3'23
- **No external debt**
 - Clean balance sheet with no external debt/borrowings
- **Secured Line of credit**
 - Access to Wells Fargo secured credit line of up to \$10M (subject to a borrowing base limitation) to support working capital requirements
- **Low number of shares on issue**
 - Since inception (30+ years), we have not raised any capital from external investors, and our operations and investments have been funded through our organic cash-flow



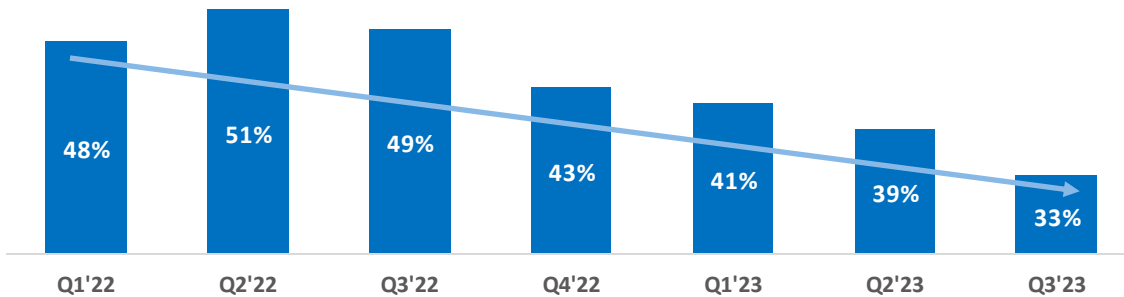
There's leverage in our operating model.

Revenue (\$M) & Adjusted EBITDA¹ as a % of Revenue



Strategic investments were made to support growth during FY21 and FY22. We identified opportunities to further streamline our operations in FY23 while staying growth-aligned.

Selling and Admin as a % of Revenue



Q4 2023 guidance points to **continued growth and margin expansion.**



We are forecasting the following in Q4'23:

- Revenue of \$24.5 million or more, representing 26% or higher year-over-year growth (30% if excluding comparative period revenue from the large social media company).
- Adjusted EBITDA of \$3.7 million or more which is approximately 15 or more times the Adjusted EBITDA from Q4'22. This equates to ~\$15 million of Adjusted EBITDA on an annualized basis.

07. FINANCIAL OVERVIEW

Reconciliation to Non-GAAP Measures

\$ in Millions	FY'22	Q3'23	Sep YTD'23
Consolidated Net Income (Loss)	-\$11.9	\$0.4	-\$2.6
Tax Provision	\$1.5	\$0.4	\$0.8
Interest Expense	\$0.0	\$0.2	\$0.3
Depreciation and Amortization	\$3.9	\$1.2	\$3.5
Severance	\$0.0	\$0.0	\$0.6
Stock-based compensation	\$3.3	\$1.0	\$3.0
NCI	-\$0.1	\$0.0	\$0.0
Adjusted EBITDA	-\$3.3	\$3.2	\$5.6

\$ in Millions	FY'22	Q3'23	Sep YTD'23
Gross Profit attributable to Innodata Inc. and Subsidiaries	\$27.5	\$8.2	\$21.1
Depreciation and amortization	\$3.8	\$1.2	\$3.4
Severance	\$0.0	\$0.0	\$0.3
Stock-based compensation	\$0.2	\$0.1	\$0.2
Adjusted Gross Profit	\$31.5	\$9.5	\$25.1

08. MANAGEMENT AND BOARDS

Focused on **Winning Through Well-Defined Strategies and Superior Execution**



Jack Abuhoff
CHIEF EXECUTIVE OFFICER



AK Mishra
CHIEF OPERATING OFFICER



Rahul Singhal
CHIEF PRODUCT OFFICER



Marissa Espineli
INTERIM CHIEF FINANCIAL OFFICER

MANAGEMENT



Eduardo Kassner
MICROSOFT CHIEF DATA OFFICER



Dr. Rada Mihalcea
PROFESSOR, UNIVERSITY OF MICHIGAN & HEAD OF AI LAB

ADVISORY BOARD



Nauman (Nick) Toor
INDEPENDENT DIRECTOR, CHAIRPERSON



Louise C. Forlenza
INDEPENDENT DIRECTOR



Stewart R. Massey
INDEPENDENT DIRECTOR

BOARD OF DIRECTORS



Innodata is a global data engineering company delivering the promise of AI to many of the world's most prestigious companies. We provide AI-enabled software platforms and managed services for AI data collection/annotation, AI digital transformation, and industry-specific business processes. Our low-code Innodata AI technology platform is at the core of our offerings. In every relationship, we honor our 30+ year legacy delivering the highest quality data and outstanding service to our customers.