

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 26, 2021 (November 25, 2021)

**ION ACQUISITION CORP 2 LTD.**  
(Exact name of registrant as specified in its charter)

**Cayman Islands**  
(State or other jurisdiction  
of incorporation)

**001-40048**  
(Commission File Number)

**N/A**  
(IRS Employer  
Identification No.)

**89 Medinat Hayehudim Street**  
**Herzliya 4676672, Israel**  
(Address of principal executive offices, including zip code)

Registrant's telephone number, including area code: **+972 (9) 970-3620**

**Not Applicable**  
(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
Units, each consisting of one Class A ordinary share, par value \$0.0001 per share, and one-eighth of one redeemable warrant	IACB.U	The New York Stock Exchange
Class A ordinary shares, par value \$0.0001 per share	IACB	The New York Stock Exchange
Redeemable warrants, each whole warrant exercisable for one Class A ordinary share at an exercise price of \$11.50	IACB WS	The New York Stock Exchange

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 4.02. Non-Reliance on Previously Issued Financial Statements or a Related Audit Report or Completed Interim Review.**

The management of ION Acquisition Corp 2 Ltd. (the "Company") has re-evaluated the Company's application of ASC 480-10-S99-3A to its accounting classification of the redeemable Class A ordinary shares, par value \$0.0001 per share (the "Public Shares"), issued as part of the units sold in the Company's initial public offering (the "IPO") on February 16, 2021. Historically, a portion of the Public Shares were classified as permanent equity to maintain stockholders' equity greater than \$5 million on the basis that the Company will not redeem its Public Shares in an amount that would cause its net tangible assets to be less than \$5,000,001, as described in the Company's amended and restated memorandum and articles of association (the "Charter"). Pursuant to such re-evaluation, the Company's management has determined that the Public Shares include certain provisions that require classification of all of the Public Shares as temporary equity regardless of the net tangible assets redemption limitation contained in the Charter. In addition, in connection with the change in presentation for the Public Shares, the Company also revised its net loss per ordinary share calculation.

Therefore, on November 25, 2021, the Company's management, together with the Audit Committee of the Board of Directors of the Company (the "Audit Committee"), concluded that the Company's previously issued (i) audited balance sheet as of February 16, 2021, as filed in Form 8-K with the U.S. Securities and Exchange Commission (the "SEC") on February 22, 2021 (ii) unaudited interim financial statements for the quarterly period ended March 31, 2021, filed with the SEC on May 24, 2021 (the "Q1 Form 10-Q"), and (iii) unaudited interim financial statements as of and for the three and six months ended June 30, 2021, filed with the SEC on August 16, 2021 (collectively, the "Affected Periods"), should be restated to report all Public Shares as temporary equity and should no longer be relied upon. As such, the Company is restating its financial statements for the Affected Periods in an Amendment No. 1 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2021, to be filed with the SEC (the "Q3 Form 10-Q/A").

The restatement does not have an impact on the Company's cash position.

The Company's management has concluded that in light of the classification error described above, a material weakness exists in the Company's internal control over financial reporting and that the Company's disclosure controls and procedures were not effective. The Company's remediation plan with respect to such material weakness will be described in more detail in the Q3 Form 10-Q/A.

The Company's management and the Audit Committee have discussed the matters disclosed in this Current Report on Form 8-K pursuant to this Item 4.02 with the Company's independent registered public accounting firm.

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### **Forward-Looking Statements**

This current report includes "forward-looking statements" within the meaning of the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995. Innovid's and ION's actual results may differ from their expectations, estimates and projections and consequently, you should not rely on these forward-looking statements as predictions of future events. Words such as "expect," "estimate," "project," "budget," "forecast," "anticipate," "intend," "plan," "may," "will," "could," "should," "believes," "predicts," "potential," "continue," and similar expressions are intended to identify such forward-looking statements. These forward-looking statements include, without limitation, ION's and Innovid's expectations with respect to future performance and anticipated financial impacts of the Business Combination, the satisfaction of the closing conditions to the Business Combination, and the timing of the completion of the Business Combination. These forward-looking statements involve significant risks and uncertainties that could cause the actual results to differ materially from the expected results. Most of these factors are outside ION's and Innovid's control and are difficult to predict. Factors that may cause such differences include, but are not limited to: (i) the occurrence of any event, change or other circumstances that could give rise to the termination of the Merger Agreement or could otherwise cause the Business Combination to fail to close; (ii) the outcome of legal proceedings that have or may be instituted against ION and Innovid; (iii) the inability to complete the Business Combination, including due to failure to obtain the requisite approval of shareholders or other conditions to closing in the Merger Agreement; (iv) the receipt of an unsolicited offer from another party for an alternative business transaction that could interfere with the Business Combination; (v) the inability to obtain or maintain the listing of the common stock of the post-acquisition company on The New York Stock Exchange following the Business Combination; (vi) the risk that the announcement and consummation of the Business Combination disrupts current plans and operations; (vii) the ability to recognize the anticipated benefits of the Business Combination, which may be affected by, among other things, competition, the ability of the combined company to grow and manage growth profitably and retain its key employees; (viii) costs related to the Business Combination; (ix) changes in applicable laws or regulations; (x) the possibility that ION, Innovid or the combined company may be adversely affected by other economic, business, competitive and/or factors such as the COVID-19 pandemic; (xi) the potential effect of reduced advertising spend due to ongoing supply chain constraints on our customers and the ultimate impact of such constraints on our results of operations and ability to accurately predict future performance; and (xii) other risks and uncertainties indicated from time to time in the proxy statement/prospectus relating to the Business Combination, including those under "Risk Factors" in the Registration Statement, and in ION's other filings with the SEC. ION cautions that the foregoing list of factors is not exclusive. ION cautions readers not to place undue reliance upon any forward-looking statements, which speak only as of the date made. ION does not undertake or accept any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements to reflect any change in its expectations or any change in events, conditions or circumstances on which any such statement is based.

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### **SIGNATURE**

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 hereunto duly authorized.

#### **ION ACQUISITION CORP 2 LTD.**

By: /s/ Anthony Reich  
Name: Anthony Reich  
Title: Chief Financial Officer  
Date: November 26, 2021

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