

A young man with dark hair, wearing a light blue t-shirt and dark pants, stands in the center of a crowded, blue-lit indoor space, possibly a transit hub or a modern office lobby. He is looking down at a smartphone held in his hands. To his left, a man in a dark cap and jacket is partially visible, looking towards the center. To the right, a man with glasses and a purple backpack is seen from the back, looking towards the center. The background is filled with other people, some in blue uniforms, and bright blue and yellow lighting fixtures. The overall atmosphere is busy and modern.

Taboola

**INVESTOR
PRESENTATION**

Forward-Looking Statements - Disclaimer

Certain statements in this presentation are forward-looking statements, including our Q1 2024 and full-year 2024 guidance. Forward-looking statements generally relate to future events including future financial or operating performance of Taboola.com Ltd. (the "Company"). In some cases, you can identify forward-looking statements by terminology such as "may", "should", "expect", "guidance", "intend", "will", "estimate", "anticipate", "believe", "predict", "target", "potential" or "continue", or the negatives of these terms or variations of them or similar terminology. Such forward-looking statements are subject to risks, uncertainties, and other factors which could cause actual results to differ materially from those expressed or implied by such forward looking statements.

These forward-looking statements are based upon estimates and assumptions that, while considered reasonable by the Company and its management, are inherently uncertain. Uncertainties and risk factors that could affect the Company's future performance and cause results to differ from the forward-looking statements in this press release include, but are not limited to: the Company's ability to grow and manage growth profitably, maintain relationships with customers and retain its management and key employees; changes in applicable laws or regulations; the Company's estimates of expenses and profitability and underlying assumptions with respect to accounting presentations and purchase price and other adjustments; the extent to which we will voluntarily prepay additional long-term debt or buyback any of our Ordinary shares pursuant to authority granted by the Company's Board of Directors, which may depend upon market and economic conditions, other business opportunities and priorities and, with respect to the buyback of our Ordinary shares, the availability of sufficient continuing authority being approved and re-approved as necessary by the Tel Aviv District Court Economic Department to permit share buybacks (and our continued use of a net issuance mechanism to satisfy tax withholding obligations related to equity-based compensation on behalf of our directors, officers and other employees) or other factors; the Company's ability to transition to and fully launch the native advertising service for Yahoo on the currently anticipated schedule; the ability to generate or achieve the increase in Adjusted EBITDA and Free Cash Flow in 2024 or our expected revenue run-rate once Yahoo integration is live, in each case to the levels assumed in this press release or at all; ability to attract new digital properties and advertisers; ability to meet minimum guarantee requirements in contracts with digital properties; intense competition in the digital advertising space, including with competitors who have significantly more resources; ability to grow and scale the Company's ad and content platform through new relationships with advertisers and digital properties; ability to secure high quality content from digital properties; ability to maintain relationships with current advertiser and digital property partners; ability to prioritize investments to improve profitability and free cash flow; ability to make continued investments in the Company's AI-powered technology platform; the need to attract, train and retain highly-skilled technical workforce; changes in the regulation of, or market practice with respect to, "third party cookies" and its impact on digital advertising; continued engagement by users who interact with the Company's platform on various digital properties; reliance on a limited number of partners for a significant portion of the Company's revenue; changes in laws and regulations related to privacy, data protection, advertising regulation, competition and other areas related to digital advertising; ability to enforce, protect and maintain intellectual property rights; risks related to the fact that we are incorporated in Israel and governed by Israeli law; the potential impacts of the war in Israel to the Company's operations; and other risks and uncertainties set forth in the Company's Annual Report on Form 10-K for the year ended December 31, 2023 under Part 1, Item 1A "Risk Factors" and in the Company's subsequent filings with the Securities and Exchange Commission.

Nothing in this presentation should be regarded as a representation by any person that the forward-looking statements set forth herein will be achieved or that any of the contemplated results of such forward-looking statements will be achieved. You should not place undue reliance on these forward-looking statements, which speak only as of the date they were made. The Company undertakes no duty to update these forward-looking statements except as may be required by law.

Non-GAAP Financial Measures

This Presentation includes ex-TAC Gross Profit, Adjusted EBITDA, Ratio of Adjusted EBITDA to ex-TAC Gross Profit, Free Cash Flow and Non-GAAP Net Income (Loss), which are non-GAAP financial measures. These non-GAAP financial measures are not measures of financial performance in accordance with GAAP and may exclude items that are significant in understanding and assessing the Company's financial results. Therefore, these measures should not be considered in isolation or as an alternative to revenues, gross profit, net income, cash flows from operations or other measures of profitability, liquidity or performance under GAAP. You should be aware that the Company's presentation of these measures may not be comparable to similarly-titled measures used by other companies.

The Company believes non-GAAP financial measures provide useful information to management and investors regarding future financial and business trends relating to the Company. The Company believes that the use of these measures provides an additional tool for investors to use in evaluating operating results and trends and in comparing the Company's financial measures with other similar companies, many of which present similar non-GAAP financial measures to investors. Non-GAAP financial measures are subject to inherent limitations because they reflect the exercise of judgments by management about which items are excluded or included in calculating them. Please refer to the appendix at the end of this presentation for reconciliations to the most directly comparable measures in accordance with GAAP.

About Cash Investment in Publisher Prepayments (Net)

We calculate cash investment in publisher prepayments (net) for a specific measurement period as the gross amount of cash publisher prepayments we made in that measurement period minus the amortization of publisher prepayments that were included in traffic acquisition cost during that measurement period, which were the result of cash publisher prepayments made in that measurement period and previous periods.

Industry and Market Data

In this presentation, the Company relies on and refer to certain information and statistics obtained from third-party sources, which it believes to be reliable. The Company has not independently verified the accuracy or completeness of any such third-party information. You are cautioned not to give undue weight to such industry and market data.

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TODAY'S PRESENTERS



ADAM SINGOLDA
FOUNDER & CEO

- Founded Taboola in 2007
- Has led the company as its CEO ever since



STEPHEN WALKER
CFO

- 9+ years at Taboola
- Led several of Idealab's portfolio companies, including Perfect Market
- Prior experience at Disney & General Electric



AGENDA

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Capturing Share of \$80B
Open Web Ad Market &
Taboola Overview

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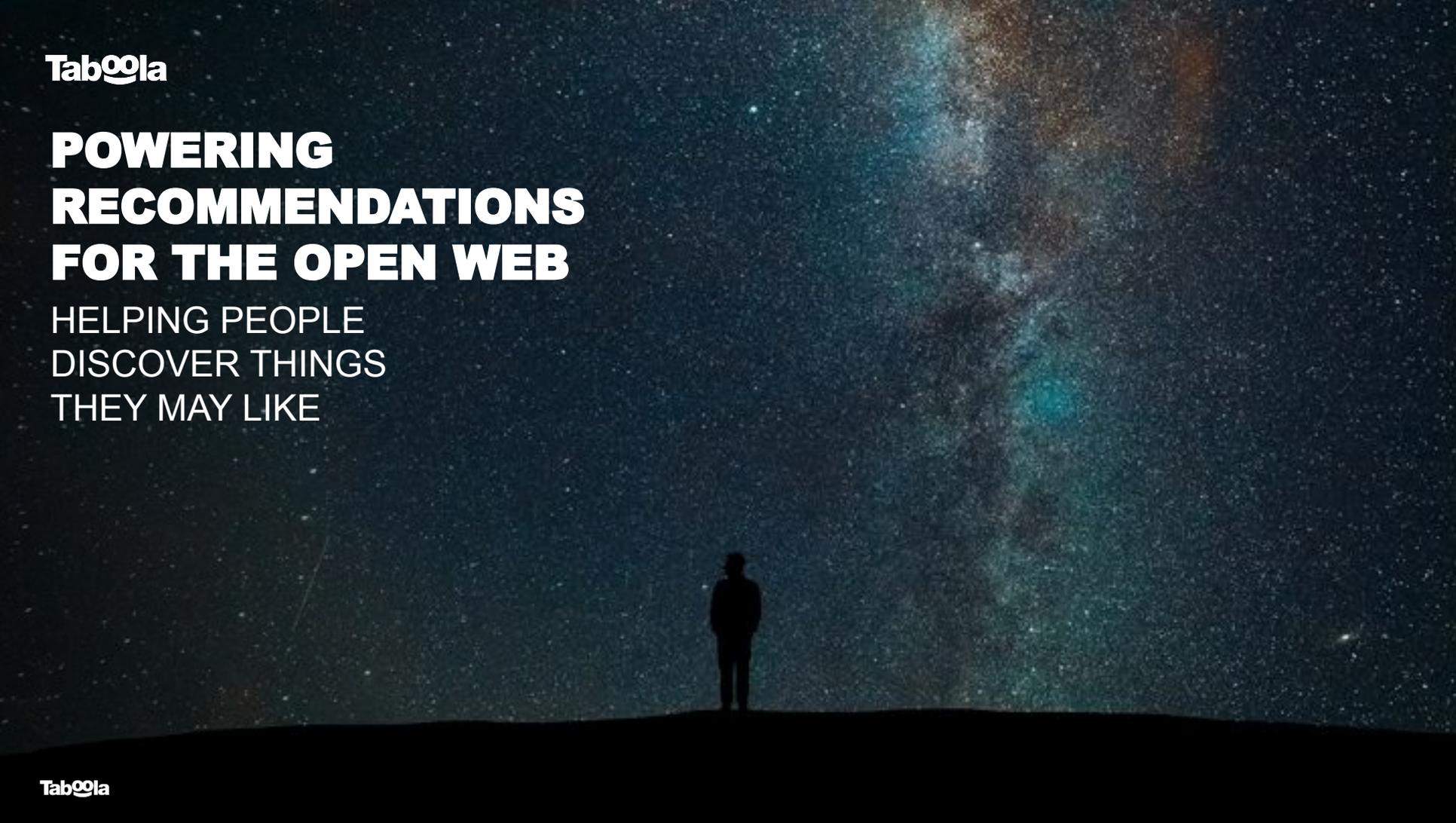
Taboola's Differentiation
and Why We Win

3

Q4 Updates &
Momentum

4

Financial Update

A person stands in silhouette on a dark, rounded hill under a vast, starry night sky. The Milky Way galaxy is visible as a bright, colorful band of stars stretching across the upper right portion of the frame. The overall scene is dark and atmospheric, with the person's presence providing a sense of scale and contemplation.

Taboola

POWERING RECOMMENDATIONS FOR THE OPEN WEB

HELPING PEOPLE
DISCOVER THINGS
THEY MAY LIKE

Taboola

THE OPEN WEB

where we spend
25% of our time

RECOMMENDATION

AI, personalized, relevant,
based on the user and the context



WHERE

article page, homepage,
app, ctv,...

WHA

video, product, TV show, app,...

* Company estimate

...DONE RIGHT

Walled garden integrated ad experience

facebook.

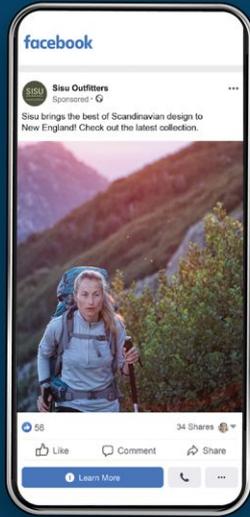
Google

twitter

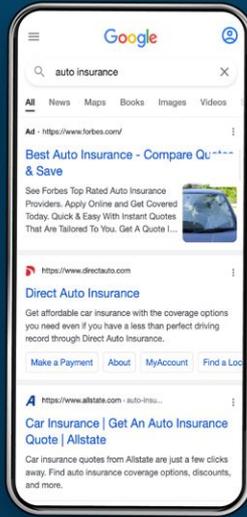
amazon

SnapChat

Paid

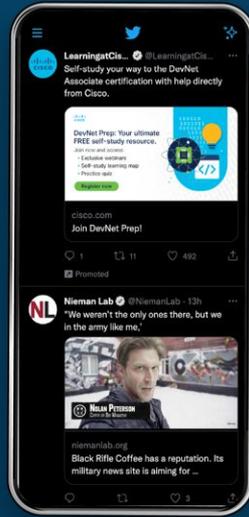


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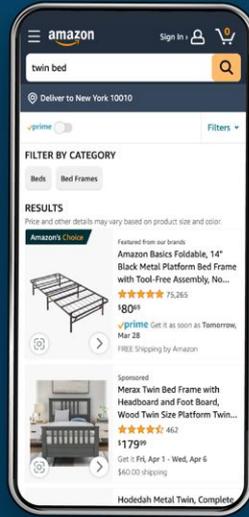
Organic

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Organic

Organic



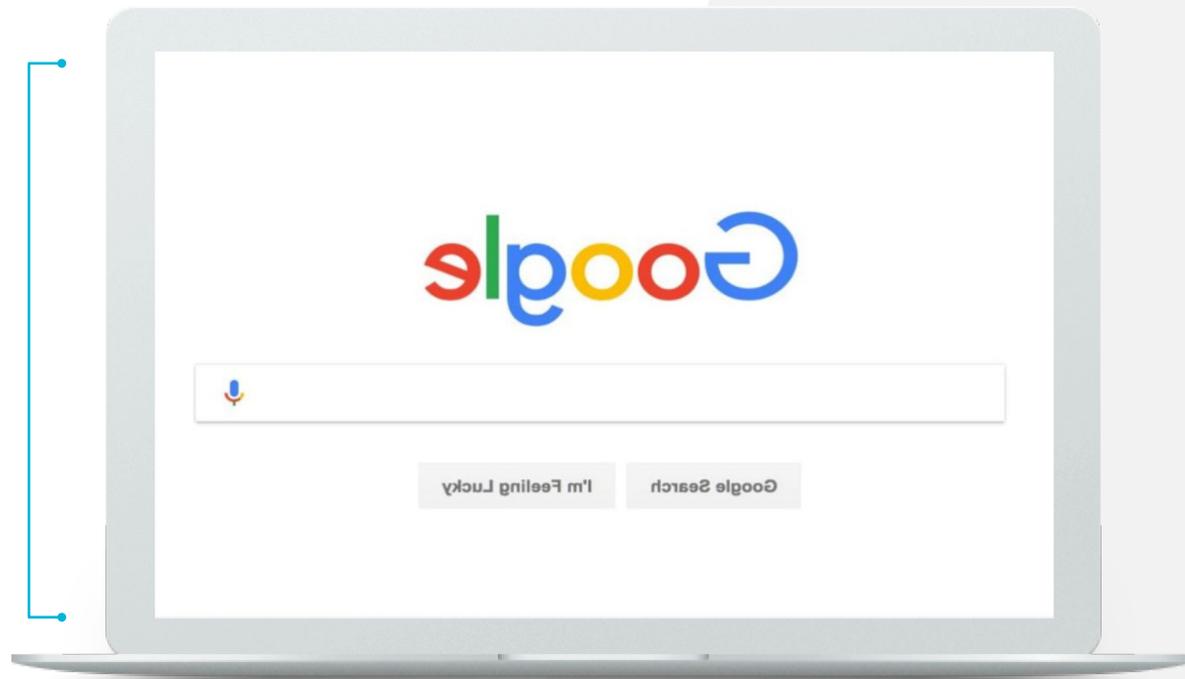
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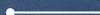


TABOOLA = SEARCH “IN REVERSE”

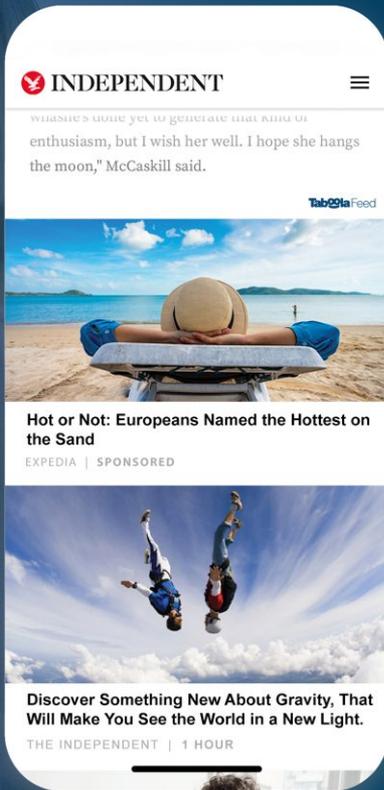
FROM PEOPLE LOOKING
FOR INFORMATION
**TO INFORMATION
LOOKING FOR PEOPLE**



Paid



Editorial

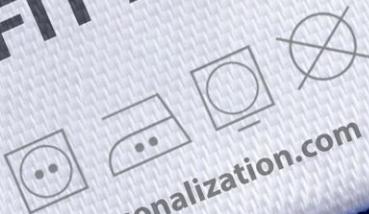


TABOOLA REVOLUTION

Bring power of walled gardens to open web with Tens of billions clicks a year

**(BUT) OPEN WEB
TODAY IS NOT
PERSONALIZED**

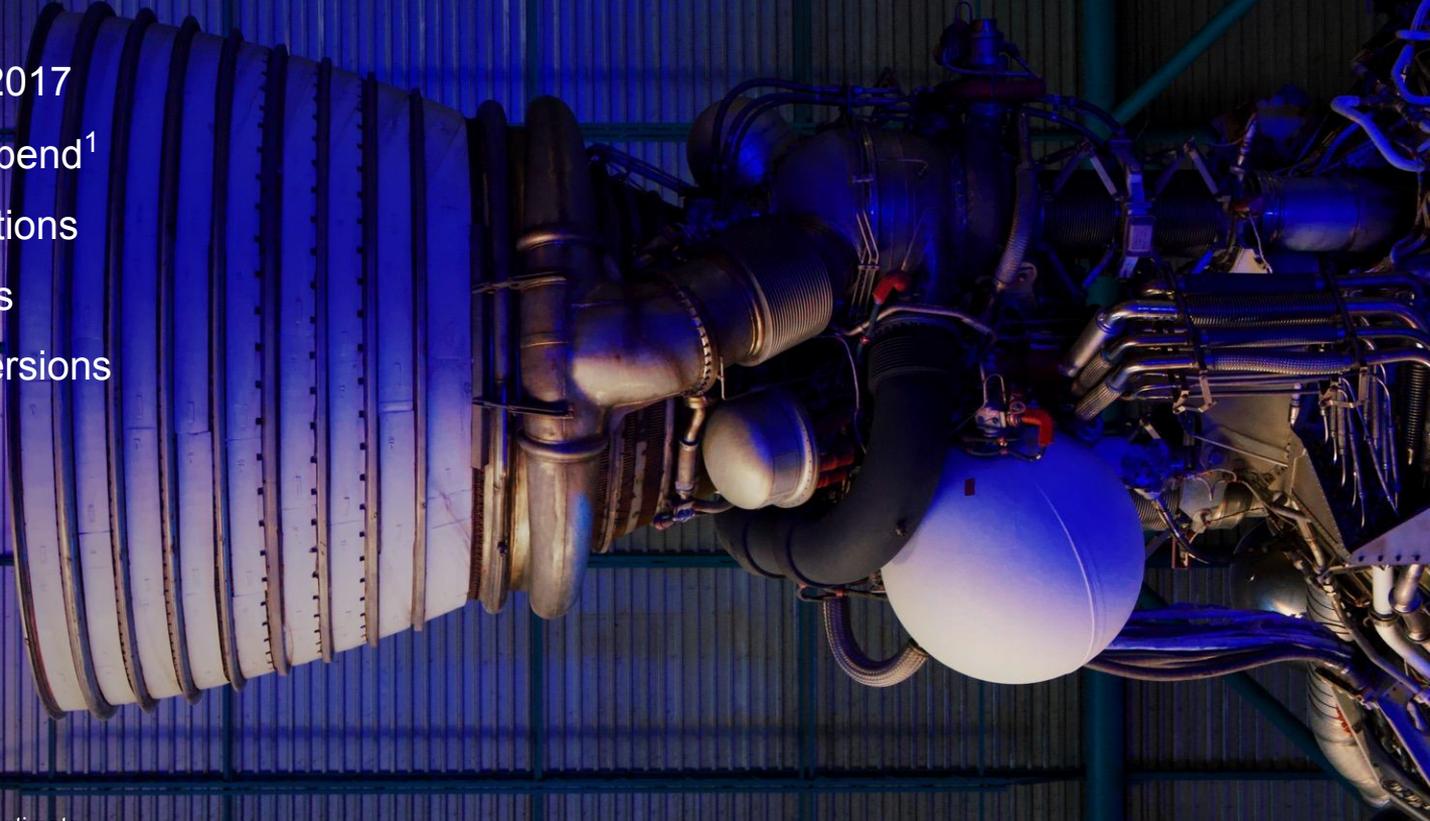
**ONE SIZE
DOES NOT
FIT ALL**



personalization.com

ROCKET ENGINE (AI)

- Deep Learning since 2017
- \$100M Annual R&D Spend¹
- Editorial recommendations
- Paid recommendations
- SmartBid / Max Conversions



ROCKET FUEL

- ~600M DAU
- Context
- Tens of billions clicks a year
- Curiosity graph (“people who read this also do this”)
- 90% of revenue direct (pixel on page)

Source: Company data



AI
Engine



DATA
Fuel

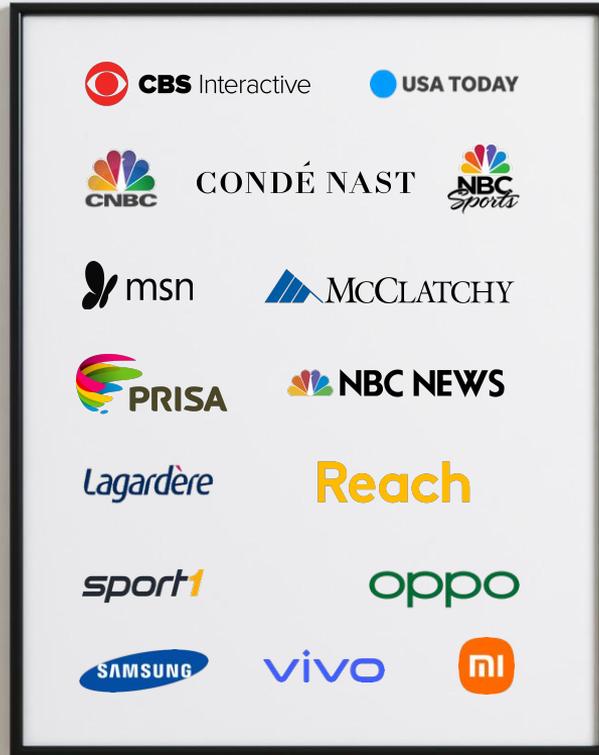
WE BUILD **THE BEST ROCKETS**

Walled Garden Dynamics for The Open Web

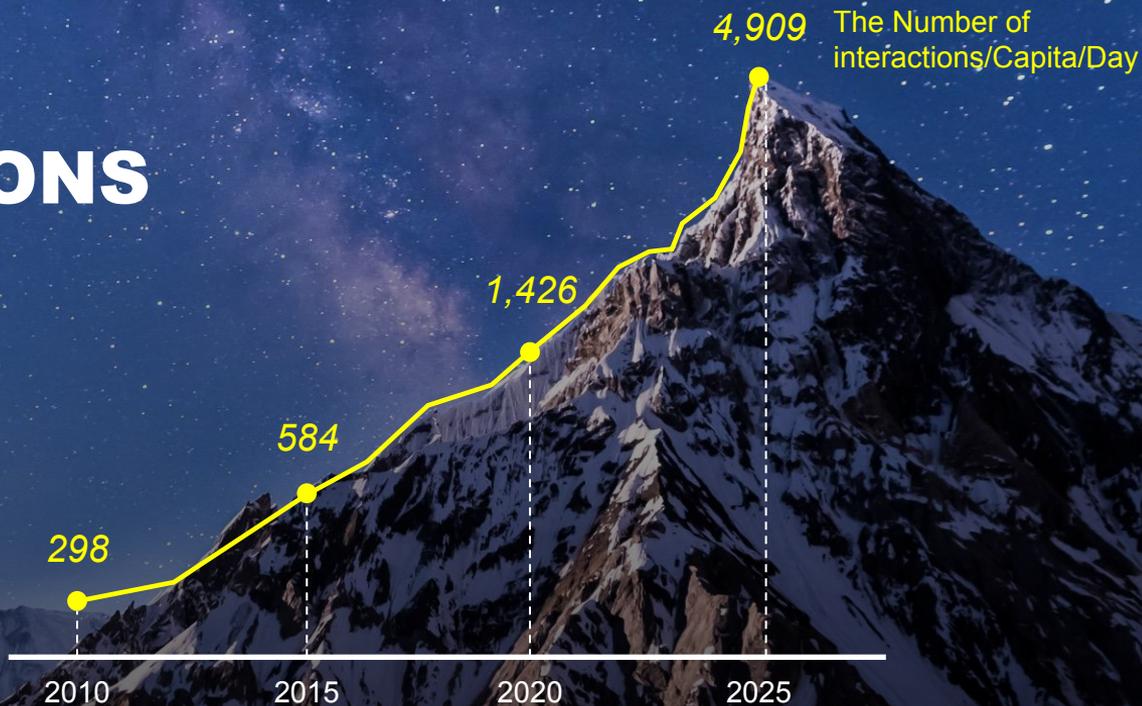


TECH DIFFERENTIATION

Long-term, multi-year partnerships built on trust



AN OPEN WEB POWERED BY TABOOLA RECOMMENDATIONS



Source:

Data Age 2025, sponsored by Seagate with data from IDC Global DataSphere Nov 2018



Over the next 3 years

**WE EXPECT TO CROSS \$1B
EX-TAC WHILE MAINTAINING
OUR MARGINS**

ANYTHING.
ANYWHERE.





ANYTHING.
ANYWHERE.

THE INDEPENDENT

Subscribe LOGIN

WHAT ARE BLUE ZONES AND WHY THEY ARE THE SECRET TO LIVING LONGER?

Helen Coffey · 5 hours ago · Comments

Facebook Twitter YouTube

Phone, Wi-Fi, Music, Settings icons

Navigation map with "Autonomous Driving" label

Speed limit "21" indicator

Navigation controls: Home, Search, Recent, Favorites, Recent, Recent

Navigation status: "AUTO" "AUTO"

Latest Videos (16)

Video thumbnails

SPORT

NEWS

MOVIES

MUSIC

Taboola logo

2:28 PM 75 MPH

Navigation icons: Home, Search, Recent, Favorites, Recent, Recent

Navigation status: "AUTO" "AUTO"

AUTOMOBILE MODE



What are Blue Zones and
why they are the secret to



**ANYTHING.
ANYWHERE.**





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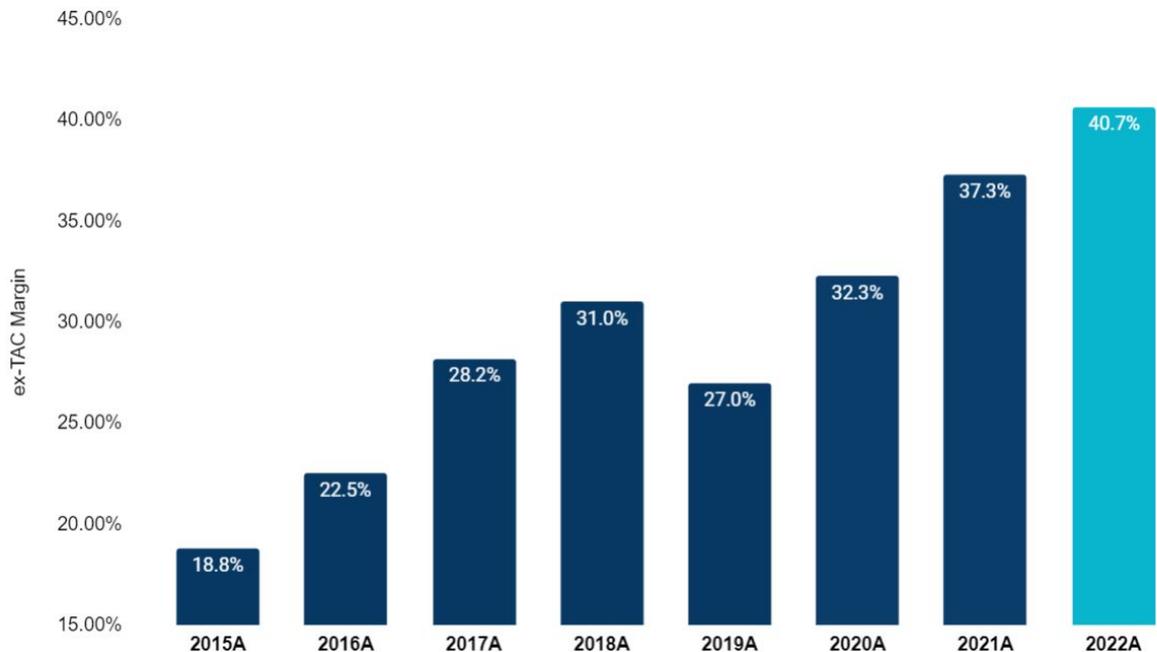
TABOOLA'S DIFFERENTIATION

HOW IT DRIVES SUPERIOR
FINANCIAL PERFORMANCE &
EXPANDING MARGINS

- 1 Growth fueled by a network effect
- 2 Long-term yield increases
- 3 Taboola's technology is resilient to the future disappearance of third-party cookies
- 4 Platform advantage driven by Taboola's technology (Brands & Agencies, Taboola News, Newsroom)
- 5 Connexity provides further differentiation

EXPANDING EX-TAC MARGINS POINT TO COMPETITIVE ADVANTAGE

ex-TAC Margin By Year

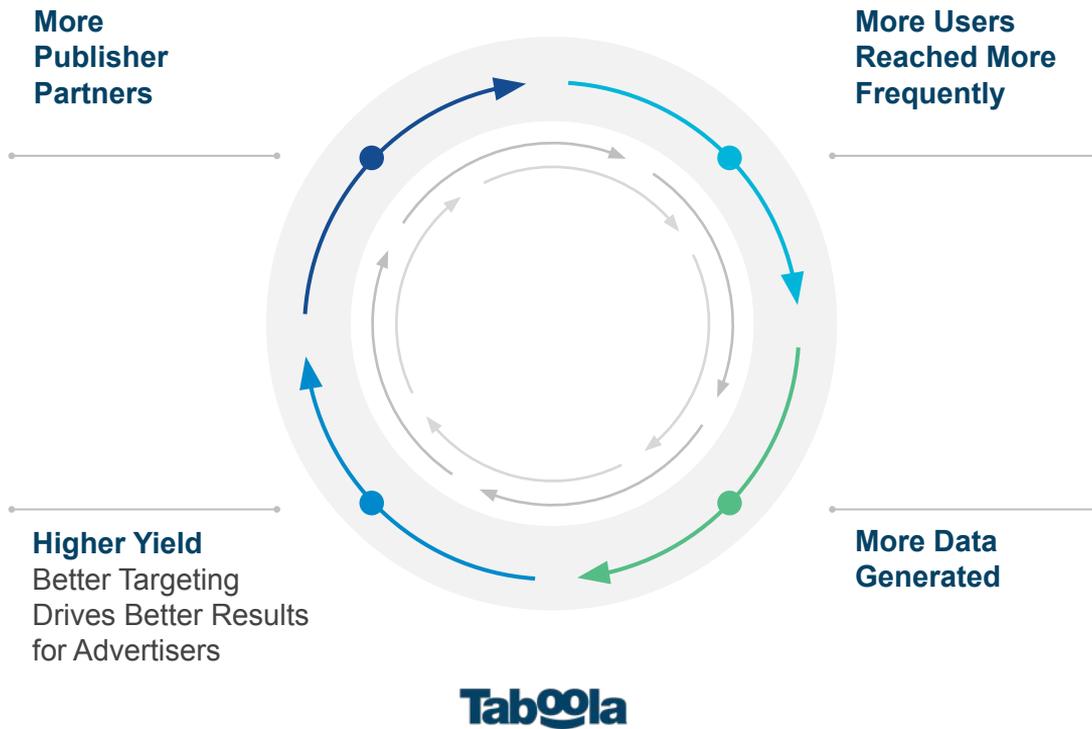


- ex-TAC Margin has increased significantly since 2015
- Competitive landscape has not changed significantly in that time period
- Margins increase as competitive advantages increase

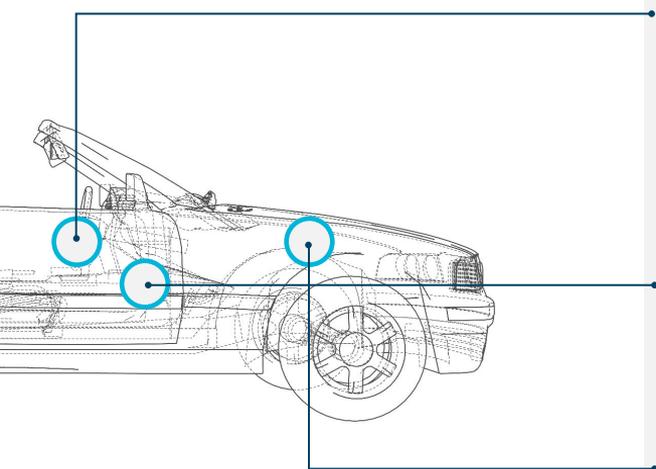
1

SCALE MATTERS IN OUR INDUSTRY

GROWTH WITH A BUILT-IN
NETWORK EFFECT



WHAT MAKES UP YIELD



Click Through Rate (CTR):

- The number of clicks that an ad receives divided by the number of times the ad is shown (impressions)
- A high CTR is a good indication that users find your ads relevant

Cost Per Click (CPC):

The amount advertisers pay for each click on their ads.

Conversion Rate:

The percentage of users who have completed a desired action (e.g. purchase) after clicking on an ad.



CTR
Click Through
Rate



CPC
Cost Per
Click

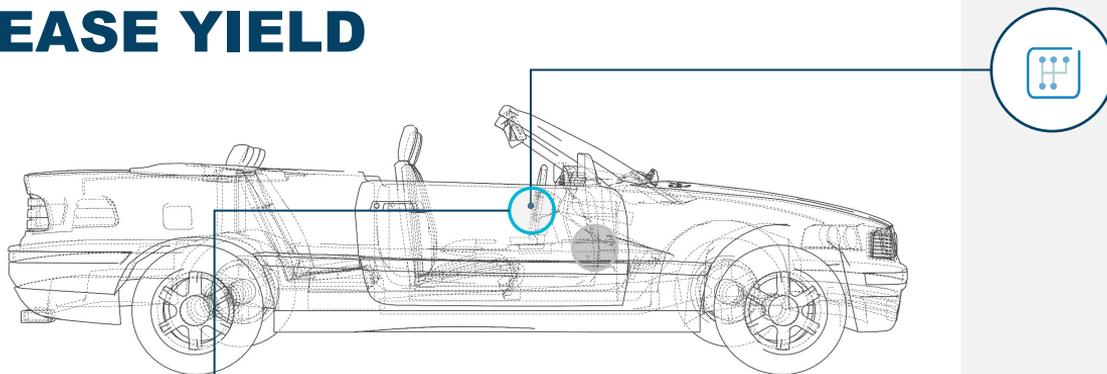


**Conversion
Rate**



YIELD

HOW WE INCREASE YIELD



CPC

Cost Per Click

- **More advertisers** on the platform increases auction density
- **Better attribution** measurement better reflects the value of conversions
- **Automated bidding (SmartBid)** optimizes bids dynamically



CTR and Conversions

Click Through Rate, Conversion Rates

- **Algorithmic** improvements drive better prediction of what users will engage with
- **More advertisers** on the platform and higher diversity of campaigns
- **More data** that provides more contextual signals enables more accurate targeting
- **Better user experience** increases the likelihood of engagement with the ad

TABOOLA TECH IS BUILT FOR A COOKIE-LESS, IDFA / ATT WORLD



Taboola has its own 1st party cookie – recommending personalized editorial content enables serving our own 1st party identifier

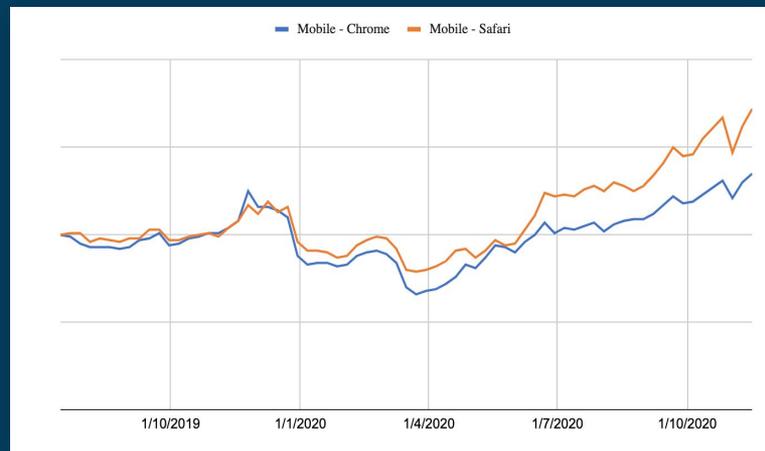


Unique readership context – deep access to the context of the page, allowing advertisers to target context (vs. “3rd party cookie behavior”)



People click on Taboola recommendations tens of billions of times a year¹

(1) Source: Company data. Clicks represent total clicks on Taboola recommendations, including paid advertisements (“sponsored content”) and editorial (“organic”) content



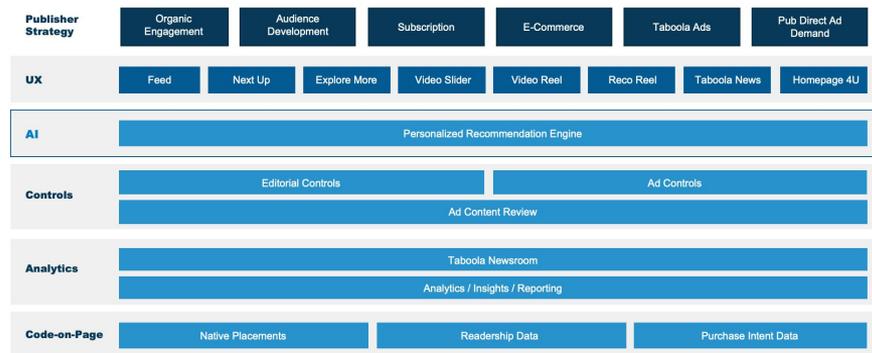
Taboola’s strong yield performance despite 3rd party cookies being blocked in the industry for years:

- Apple started blocking 3rd party cookies in 2017
- Firefox, Edge, etc are also blocking 3rd party cookies
- GDPR launched in 2018
- CCPA launched in 2019
- IDFA launched April, 2021

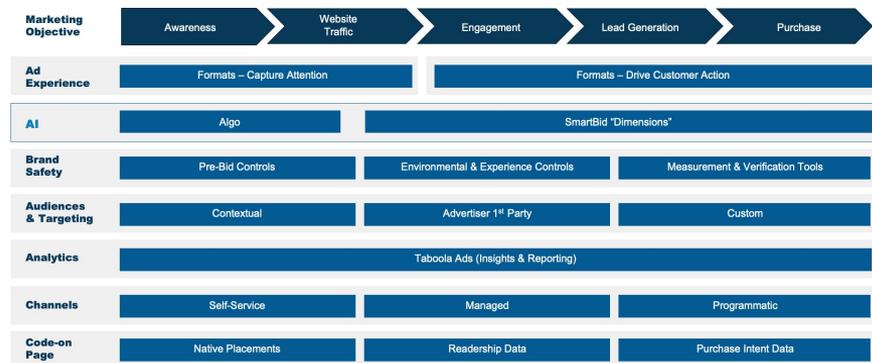
PLATFORM ADVANTAGE DRIVEN BY INVESTMENT IN TECHNOLOGY

CAPABILITIES NOT AVAILABLE FROM OUR COMPETITORS

COMPREHENSIVE PUBLISHER PLATFORM



COMPREHENSIVE ADVERTISER PLATFORM



4

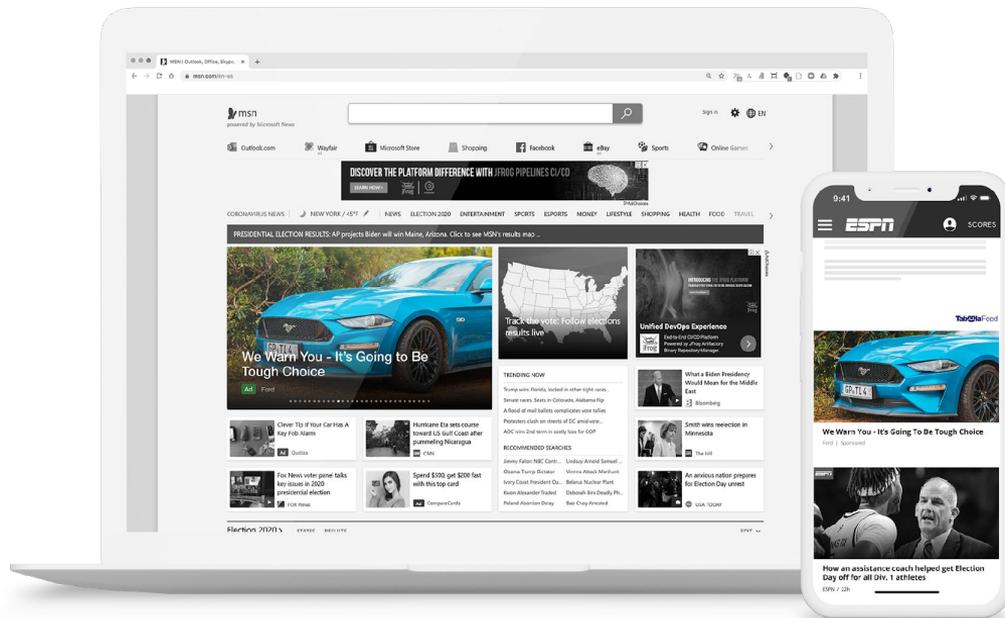
TABOOLA FOR BRANDS & AGENCIES

High Impact Placements: a premium solution for achieving brand awareness

Premium Ad Placements & Experiences

Brand Safety & Adjacency Control

Unique Readership Data & Insights



4

TABOOLA NEWS

Bringing Premium Content To People Everywhere & Driving Audience For Our Publisher Partners

Taboola News delivers relevant content from our premium publisher partners, integrated into mobile phones and other user touchpoints.

It creates new opportunities for engagement and revenue for mobile carriers, device manufacturers, publishers and brands.

- Running in more than 60 markets around the world
- With over 85M Monthly devices
- Becoming a meaningful source of traffic to our publishers

WORKING WITH THE TOP OEMS:

SAMSUNG



vivo

oppo



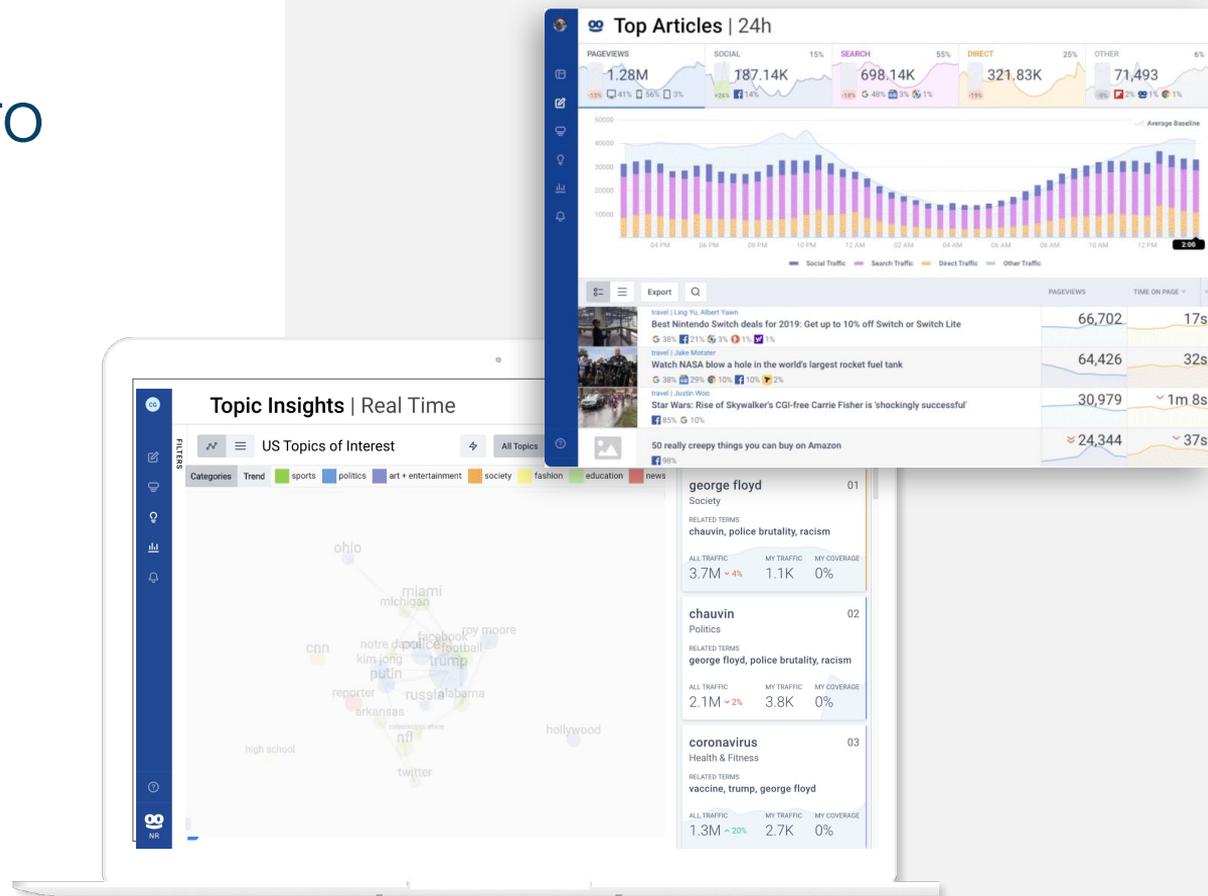
ACTIONABLE INSIGHTS TO GROW READERSHIP & ENGAGEMENT

Easily **ANALYZE**:

- Real-Time Audience Data
- Article Engagement Metrics
- Trending Topic Insights
- Subscription Analytics

Instantly **ACT**:

- Identify high-performing content
- A/B test Headlines & Images
- Boost subscriptions



1/3 OF OPEN WEB PUBLISHER REVENUE WILL BE E-COMMERCE



5 CONNEXITY FURTHERS OUR COMPETITIVE ADVANTAGE

INTRINSIC VALUE OF BUSINESS

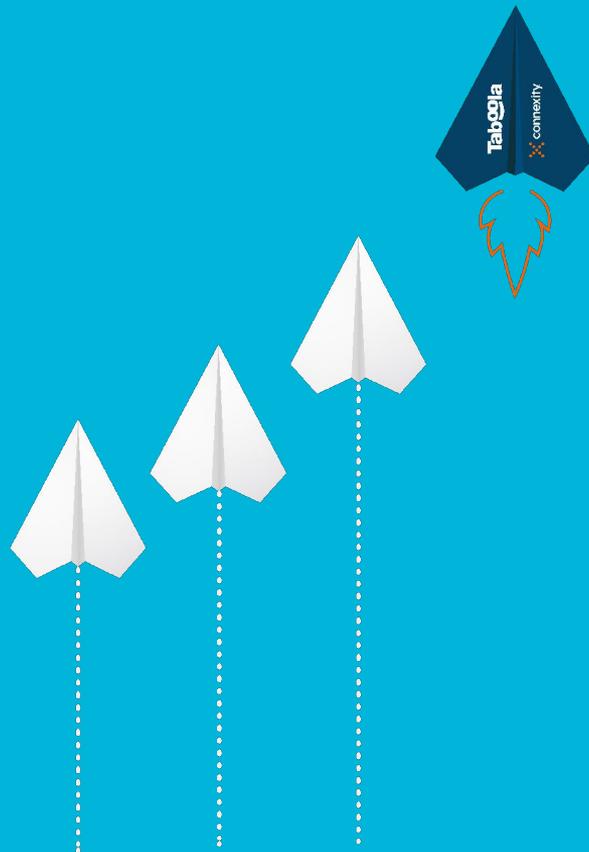
Significant expansion of our addressable TAM with long runway of growth

SYNERGIES

Tremendous opportunity to leverage our scale, combined relationships and Connexity's e-commerce market maker capabilities

STRATEGIC VALUE

1/3 of Open Web Publisher Revenue will be e-commerce¹ and Taboola with Connexity is uniquely differentiated



CONNEXITY SYNERGIES

SHORT-TERM

1. Connexity on Taboola Publishers, growing publishers % of traffic with intent
2. Take Connexity Global
3. Expanding Connexity's Client base by Leveraging Taboola Ad Sales

MEDIUM-TERM

4. Connexity merchant demand on Taboola publisher supply
5. Better personalization/yield by merging data: recommendations + e-commerce



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Q4 2023 BUSINESS IN REVIEW -

Strong exiting momentum sets up strong 2024

Renewing and building new long term relationships

- Publisher wins that were new and from competitors included A360 Media, Postmedia, Diario, Deutsche Welle, Times Internet, Nine Entertainment.
- Signed key long-term renewals with publishers, including NBC News, McClatchy, Editora Globo, R7, Prisa, Alayans Media, and Ynet.

Seeing strength in key business areas

- eCommerce outperforming - growing double digits reaching ~20% of ex-TAC Gross Profit in 2023
- Taboola News growing fast and exceeding \$100M in revenue in 2023
- Significant growth in Header Bidding, which together with Taboola News account for ~10% of ex-TAC Gross Profit
- Yahoo revenue pacing to \$100M+ in Q1 2024, led by strong surge in Omnichannel advertisers

a360media

Taboola

PRISA



POSTMEDIA

DW Deutsche Welle



Q4 2023 - STRONG NET INCOME AND ADJ. EBITDA; PROFITS BEAT HIGH END OF GUIDANCE

	Q4 2023 Actuals	Guidance
Revenues	\$420M	\$418 to \$449M
Gross profit	\$138M	\$132 to \$148M
ex-TAC Gross Profit ¹	\$169M	\$164 to \$179M
Adj. EBITDA ¹	\$50M	\$26 to \$33M

(1) Non-GAAP measures, see appendix for reconciliation to GAAP

FY 2023 - STRONG NET INCOME AND ADJ. EBITDA; PROFITS BEAT HIGH END OF GUIDANCE

	FY 2023 Actuals	Guidance
Revenues	\$1,440M	\$1,438 to \$1,469M
Gross profit	\$426M	\$420 to \$436M
ex-TAC Gross Profit ¹	\$536M	\$531 to \$546M
Adj. EBITDA ¹	\$99M	\$75 to \$82M

(1) Non-GAAP measures, see appendix for reconciliation to GAAP

2024 GUIDANCE - EXPECTING RECORD YEAR WITH SUBSTANTIAL GROWTH ACROSS ALL KEY METRICS

	Q1 2024 GUIDANCE ⁽³⁾	FY 2024 GUIDANCE ⁽³⁾
Revenues	\$387 to \$413M (+22% YoY)	\$1,892 to \$1,942M (+33% YoY)
Gross profit	\$94 to \$106M (+12% YoY)	\$535 to \$555M (+28% YoY)
ex-TAC Gross Profit ¹	\$123 to \$135M (+12% YoY)	\$656 to \$679M (+24% YoY)
Adj. EBITDA ²	\$10 to \$17M (+34% YoY)	\$200M+ (2x+ YoY)

(1) Non-GAAP measure, see appendix for reconciliation to GAAP

(2) Non-GAAP measure, see appendix for note regarding reconciliation

(3) Y/Y growth rates represent the midpoint of guidance ranges



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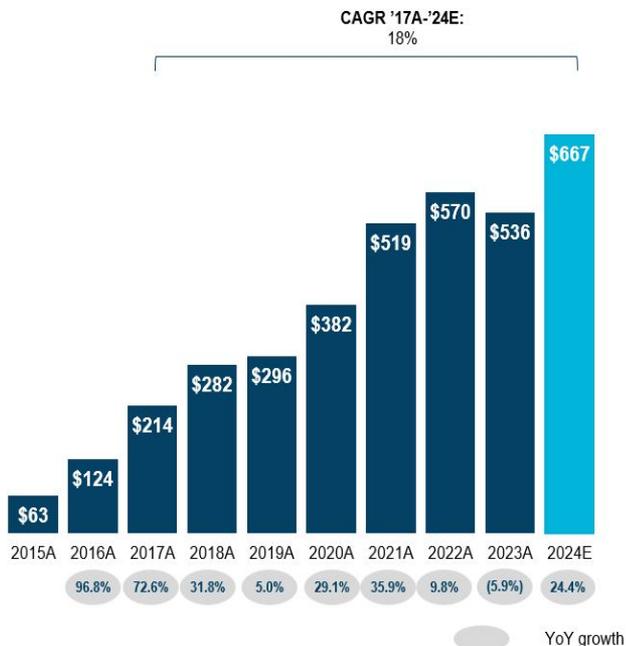
4

Financial Update

TABOOLA FOCUSES ON PROFITABLE GROWTH

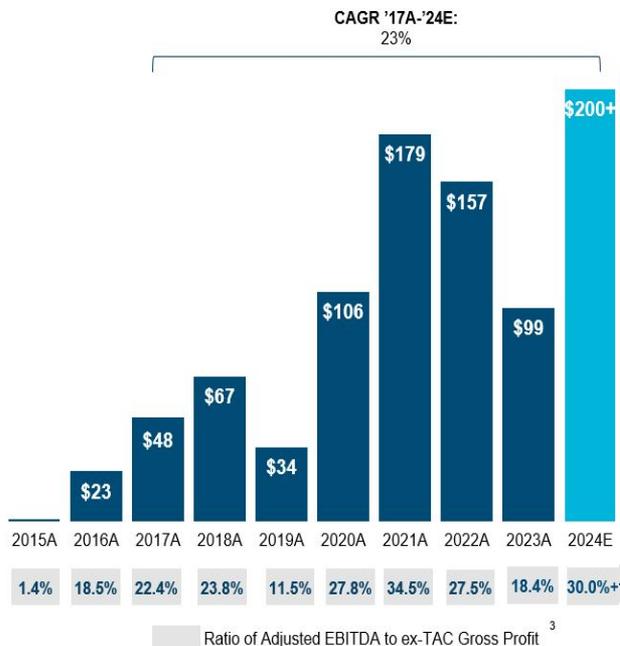
ex-TAC Gross Profit

(\$ in millions)



Adj. EBITDA²

(\$ in millions)



PROFITABLE GROWTH

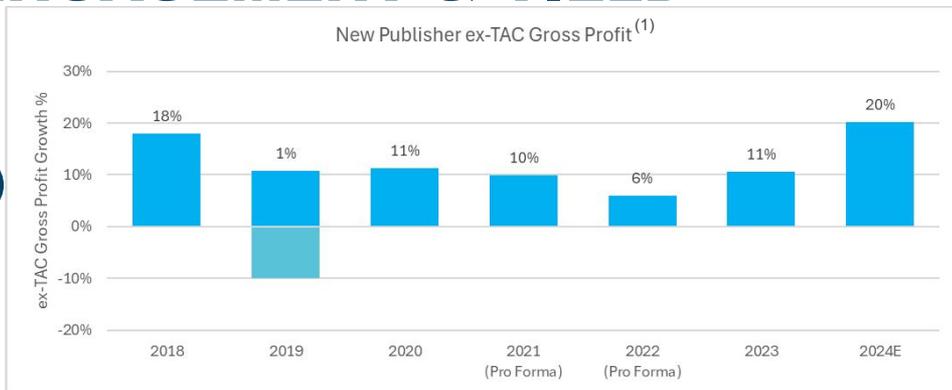
Rule of 40 Business

Long-term model

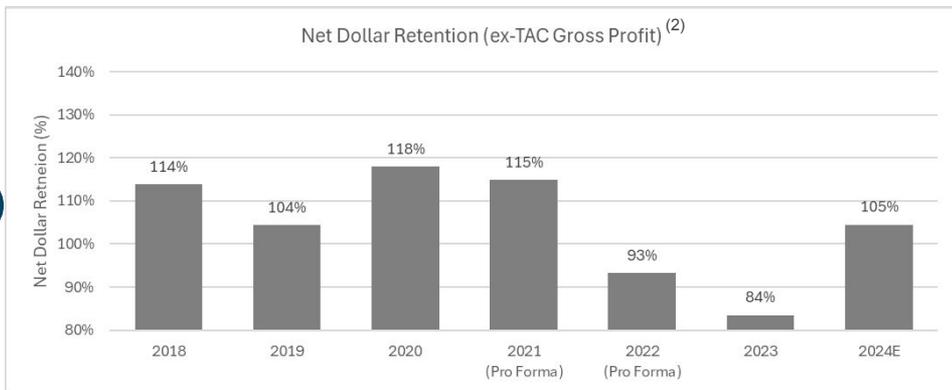
- ~20% ex-TAC Gross Profit Growth
- 30%+ Ratio of Adjusted EBITDA to ex-TAC Gross Profit

GROWTH DRIVEN BY USER ENGAGEMENT & YIELD

1



2



1

User Engagement Growth Driven Primarily By New Publisher Supply

- Historically ~10% new supply growth
- Projecting similar range going forward over the long term

2

Yield Is Primary Driver Of Growth Of Existing Base, Which Shows Up in Net Dollar Retention

- Improvements in yield
- More supply from existing pubs
- Historically ~105% on average

(1) New digital property partners within the first 12 months that were live on our network. Pro forma effect of the Connexity acquisition as if completed on January 1, 2021.

(2) Net Dollar Retention (ex-TAC Gross Profit) is the net growth of ex-TAC Gross Profit from existing digital property partners, including the growth of new digital property partners (beyond the revenue contribution determined based on the run-rate revenue generated by them when they are first on-boarded) for the given period divided by the ex-TAC Gross Profit from the same period in the prior-year. Pro forma effect of the Connexity acquisition as if completed on January 1, 2021.

STRONG FINANCIAL PROFILE

FAST GROWING

\$667M
2024
ex-TAC Gross Profit¹

18%

Seven Year
Compounded
ex-TAC
Growth Rate³



HIGH PROFITABILITY

\$200M+
2024
Adj. EBITDA¹

30%

2024 Adjusted
EBITDA
Margin %¹



STRONG BALANCE SHEET

\$181.8M Cash
Balance At End
Of 2023²

~1.5x

Net Debt to
Adj. EBITDA
Leverage Ratio



GENERATING CASH FLOW

\$100M+
2024
Free Cash Flow¹

50%+

Free Cash Flow
Conversion



- (1) Non-GAAP measure; see Appendix: Non-GAAP Guidance Reconciliation for more information for this Non-GAAP measure.
- (2) Comprised of cash, cash equivalents and short-term investments.
- (3) Growth Rate reflects actual results for 2017 - 2024
- (4) The calculations is based on 2023 FY net debt,(total ST and LT loan) of \$145M divided by 2023 Adj. EBITDA of ~\$99M

Taboola

Thank you.

APPENDIX

OUR MODEL IN A NUTSHELL

Model components:	Sample inputs / financials:	Illustrative Taboola economics:
Revenues ⁽¹⁾	\$909	\$1.00 (100%)
−		
Traffic Acq Cost (Value to publishers)	(\$627)	(\$0.69)
=		
ex-TAC Gross Profit ⁽²⁾	\$282	\$0.31
−		
Cost of Revenues	(\$48)	(\$0.05)
=		
Gross profit	\$234	\$0.26
−		
R&D	(\$73)	(\$0.08)
−		
S&M	(\$110)	(\$0.12)
−		
G&A	(\$34)	(\$0.04)
=		
Operating Income	\$17	
+		
Dep, Amort, Share Based Comp, Other item	\$50	
=		
Adjusted EBITDA ⁽³⁾	\$67	
+		
Change in WC, Other items ⁽⁴⁾ + PP&E and Capitalized Platform Costs	(\$22)	
=		
Free Cash Flow ⁽³⁾	\$45	



(1) Revenue paid by Advertisers, before traffic acquisition costs (TAC) paid to Publishers. CNX Revenues paid by advertisers after traffic acquisition costs paid to Publishers.

(2) Revenue to Taboola after TAC paid to Publishers. Non-GAAP measure, see appendix for reconciliation to GAAP

(3) Non-GAAP measure, see appendix for reconciliation to GAAP

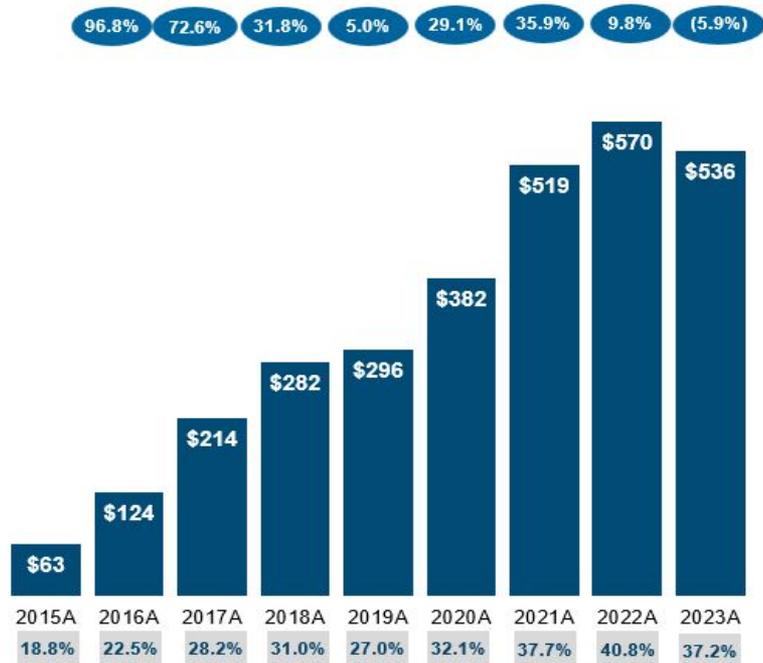
(4) Non cash charges, Cash charges excluded from Adjusted EBITDA

HISTORICAL REVENUES & EX-TAC GROSS PROFIT¹ (REPORTED BASIS)

Gross Revenue



ex-TAC Gross Profit



(1) Non-GAAP measure, see appendix for reconciliation to GAAP

● YoY growth

■ ex-TAC Revenue Margin

SELECTED GAAP AND NON-GAAP METRICS

(\$ in millions, FYE)	2018A	2019A	2020A	2021A	2022A	2023A	2024E	Long-Term Model
Revenues	\$ 909	\$1,094	\$1,189	\$1,378	\$1,401	\$1,440	\$1,917	
% YoY Growth	20.0%	20.3%	8.7%	15.9%	1.7%	2.8%	33.1%	
Gross Profit	\$ 234	\$ 232	\$ 319	\$ 441	\$ 464	\$ 426	\$ 545	
% Adj margin	83.1%	78.4%	83.4%	85.0%	81.5%	79.4%	81.6%	
ex-TAC Gross Profit¹	\$ 282	\$ 296	\$ 382	\$ 519	\$ 570	\$ 536	\$ 667	
% YoY Growth	31.8%	5.0%	29.1%	35.9%	9.8%	-5.9%	24.5%	20%+
% ex-TAC Gross Profit margin	31.0%	27.1%	32.2%	37.7%	40.7%	37.2%	34.8%	
Adjusted EBITDA¹	\$ 67	\$ 34	\$ 106	\$ 179	\$156.7	\$ 99	\$ 200+	
% margin	23.8%	11.5%	27.7%	34.5%	27.5%	18.4%	30% +	30%+

FY 2024 GUIDANCE

(\$ in millions)	Actual	Actual	Actual	Guidance		
	FY 2021	FY 2022	FY 2023	FY 2024	YoY%	
Revenues	\$1,378	\$1,401	\$1,440	\$1,892 to \$1,942	31%	to 35%
Gross Profit	\$441	\$464	\$426	\$535 to \$555	26%	to 30%
ex-TAC Gross Profit ¹	\$519	\$570	\$536	\$656 to \$679	22%	to 27%
Adjusted EBITDA ¹	\$179	\$157	\$99	\$200+	103% +	
Non GAAP Net Income ¹	\$114	\$91	\$33	\$84 to \$104	158%	to 219%

(1) Non-GAAP measure, see appendix for reconciliation to GAAP

ADDITIONAL MODELING ASSUMPTIONS

- Interest payments of approximately \$3.7M per quarter associated with \$152.7M term loan related to the Connexity acquisition (reflecting our \$50M voluntary prepayment in October 2023).
- Share based compensation of \$128M in 2021 unusually high as a result of going public triggering event, 2022 at \$75M, 2023 at \$64M and 2024 estimated at \$70M.
- Depreciation & Amortization of \$53M in 2021; increase related to Connexity Purchase Price Accounting allocation, 2022 at \$91M, 2023 at \$97M and 2024 estimated at \$92M.
- CAPEX of \$35M in 2022 includes investments in property and equipment, leasehold improvements and capitalized software, 2023 at \$32M and 2024 estimated at \$34M.
- Free Cash Flow before publisher prepayments (net) expected to be 50 - 60% of Adjusted EBITDA in long-term models.
- Over the long term, the estimated effective tax rate is expected to fall within the range of 16% to 18%

ADJUSTED EBITDA RECONCILIATION

(\$ in millions)

	2016A	2017A	2018A	2019A	2020A	2021A	2022A	2023A
Net income (loss)	\$ (2.7)	\$ 2.8	\$ 10.7	\$ (28.0)	\$ 8.5	\$ (24.9)	\$ (12.0)	\$ (84.1)
Adjustments:								
Financial expenses (income), net	0.8	(0.3)	1.3	3.4	2.7	(11.3)	(9.2)	12.8
Tax expenses	4.3	5.1	5.3	5.0	14.9	23.0	7.5	7.5
Depreciation and amortization	13.3	28.2	35.3	39.4	34.0	53.1	91.2	96.5
Share-based compensation expenses ¹	6.3	10.8	10.5	8.2	28.3	124.1	63.8	53.7
Revaluation of Contingent Liability	1.4	1.6	3.8	-	-	-	-	-
M&A costs ²	-	-	-	6.1	17.8	11.7	0.8	1.6
Restructuring expenses	-	-	-	-	-	-	3.4	-
Holdback compensation expenses	-	-	-	-	-	3.7	11.1	10.6
Adjusted EBITDA	\$ 23.4	\$ 48.2	\$ 66.9	\$ 34.1	\$ 106.2	\$ 179.4	\$ 156.7	\$ 98.7

¹A substantial majority is share-based compensation expenses related to going public.

²Relates to the acquisition of ION Acquisition Corp. 1 Ltd. and going public.

2023 QUARTERLY RESULTS: ADJUSTED EBITDA RECONCILIATION

(\$ in millions)

	Q1-23A	Q2-23A	Q3-23A	Q4-23A	FY 2023
Net income (loss)	\$ (31.3)	\$ (31.3)	\$ (23.1)	\$ 1.7	\$ (84.1)
Adjustments:					
Financials expenses (income),net	3.1	3.8	4.4	1.4	12.8
Tax expenses	(0.6)	2.4	-	5.7	7.5
Depreciation and amortization	22.6	22.8	25.3	25.8	96.5
Share-based compensation expenses ¹	13.5	13.9	13.6	12.7	53.7
M&A costs and Other Costs ²	0.2	1.4	-	-	1.6
Restructuring expenses	-	-	-	-	-
Connexity holdback	2.6	2.7	2.6	2.7	10.6
Adjusted EBITDA	\$ 10.1	\$ 15.7	\$ 22.8	\$ 50.1	\$ 98.7

¹A substantial majority is share-based compensation expenses related to going public.

²Includes Commercial agreement asset acquisition costs.

EX-TAC GROSS PROFIT RECONCILIATION

(\$ in millions)

	2016A	2017A	2018A	2019A	2020A	2021A	2022A	2023A
Revenues	\$ 552.1	\$ 757.9	\$ 909.2	\$ 1,093.8	\$ 1,188.9	\$ 1,378.5	\$ 1,401.2	\$ 1,439.7
Traffic Acquisition Cost (TAC)	427.7	544.2	627.7	798.0	806.5	859.6	831.6	903.9
Other Cost of Revenues	23.2	35.1	47.3	63.9	62.9	77.8	105.3	110.3
Gross Profit	\$ 101.2	\$ 178.6	\$ 234.2	\$ 231.9	\$ 319.5	\$ 441.1	\$ 464.3	\$ 425.5
Other Cost of Revenues	23.2	35.1	47.3	63.9	62.9	77.8	105.3	110.3
ex-TAC Gross Profit	\$ 124.4	\$ 213.7	\$ 281.5	\$ 295.8	\$ 382.4	\$ 518.9	\$ 569.6	\$ 535.8

RATIO OF ADJUSTED EBITDA TO EX-TAC GROSS PROFIT RECONCILIATION

(\$ in millions)

	2016A	2017A	2018A	2019A	2020A	2021A	2022A	2023A
Gross Profit	\$ 101	\$ 179	\$ 234	\$ 232	\$ 319	\$ 441	\$ 464	\$ 426
Net Income (loss)	(3)	3	11	(28)	8	(25)	(12)	(84)
<i>Ratio of Net income (loss) to Gross profit</i>	-3%	2%	5%	-12%	3%	-6%	-3%	-20%
ex-TAC Gross Profit	\$ 124	\$ 214	\$ 282	\$ 296	\$ 382	\$ 519	\$ 570	\$ 536
Adjusted EBITDA	23	48	67	34	106	179	157	99
<i>Ratio of Adjusted EBITDA to ex-TAC Gross Profit</i>	19%	23%	24%	11%	28%	34%	28%	18%

EX-TAC GROSS PROFIT MARGIN RECONCILIATION

(\$ in millions)

	2016A	2017A	2018A	2019A	2020A	2021A	2022A	2023A
Revenues	\$ 552	\$ 758	\$ 909	\$ 1,094	\$ 1,189	\$ 1,378	\$ 1,401	\$ 1,440
Gross Profit	101	179	234	232	319	441	464	426
Gross Profit Margin	18%	24%	26%	21%	27%	32%	33%	30%
Revenues	\$ 552	\$ 758	\$ 909	\$ 1,094	\$ 1,189	\$ 1,378	\$ 1,401	\$ 1,440
ex-TAC Gross Profit	124	214	282	296	382	519	570	536
ex-TAC Gross Profit Margin	23%	28%	31%	27%	32%	38%	41%	37%

HISTORICAL ADJ. GROSS PROFIT MARGIN RECONCILIATION

(\$ in millions)

	2020A	2021A	2022A	2023A
Revenues	\$ 1,189	\$ 1,378	\$ 1,401	\$ 1,440
Traffic Acquisition Cost (TAC)	807	859	832	904
ex-TAC Gross Profit	\$ 382	\$ 519	\$ 570	\$ 536
Other Cost of Revenues	63	78	105	110
Gross Profit	\$ 319	\$ 441	\$ 464	\$ 426
<i>Gross Profit Margin</i>	27%	32%	33%	30%
<i>Adj. Gross Profit Margin</i>	84%	85%	81%	79%

HISTORICAL FREE CASH FLOW RECONCILIATION

(\$ in millions)

	2020A	2021A	2022A	Q1-23A	Q2-23A	Q3-23A	Q4-23A	2023A
Net cash from operating activities ¹	\$ 139	\$ 64	\$ 53	\$ 17	\$ 12	\$ 32	\$ 23	\$ 84
Net cash used in the following investing activities	\$ (18)	\$ (39)	\$ (35)	\$ (6)	\$ (4)	\$ (10)	\$ (12)	\$ (32)
Intangible assets	(9)	(14)	(13)	(3)	(4)	(2)	(3)	(12)
Purchase of IT equipment & Leasehold Improvement	(9)	(25)	(22)	(3)	(0)	(8)	(9)	(20)
Free Cash Flow	\$ 121	\$ 25	\$ 19	\$ 11	\$ 8	\$ 22	\$ 11	\$ 52

SUPPLEMENTAL CASH FLOW INFORMATION

	2020A	2021A	2022A	Q1-23A	Q2-23A	Q3-23A	Q4-23A	FY-23A
Free Cash Flow	\$ 121.3	\$ 24.5	\$ 18.6	\$ 11.2	\$ 7.8	\$ 22.8	\$ 10.5	\$ 52.2
<u>Add back:</u>								
Cash investment in publisher prepayment ¹	(4.5)	7.3	15.3	(4.6)	(6.9)	(7.2)	(0.9)	(19.6)
Cash interest expense for money borrowed	0.0	1.1	20.7	5.1	4.7	4.8	3.9	18.5
Total - Cash generated before cash interest and	\$ 116.8	\$ 32.8	\$ 54.6	\$ 11.6	\$ 5.6	\$ 20.4	\$ 13.5	\$ 51.1

(1) We calculate cash investment in publisher prepayments (net) for a specific measurement period as the gross amount of cash publisher prepayments we made in that measurement period minus the amortization of publisher prepayments that were included in traffic acquisition cost during that measurement period, which were the result of cash publisher prepayments made in that measurement period and previous periods.

EXAMPLE OF PUBLISHER PREPAYMENTS

Assumptions:	\$3,000 Prepayment (\$M)	50% Revenue Share	5 Year Term	\$6,000 Annual Revenue (\$M)			
<u>Accrual Accounting</u>			Year 1	Year 2	Year 3	Year 5	Year 6
Revenue			\$6,000	\$6,000	\$6,000	\$6,000	\$6,000
<u>Traffic Acquisition costs (TAC):</u>							
Rev Share			\$3,000	\$3,000	\$3,000	\$3,000	\$3,000
Amortization of prepayment			\$600	\$600	\$600	\$600	\$600
Total			\$3,600	\$3,600	\$3,600	\$3,600	\$3,600
ex-TAC Gross Profit			\$2,400	\$2,400	\$2,400	\$2,400	\$2,400
ex-TAC Gross Profit Margin %			40%	40%	40%	40%	40%
<u>Cash Basis</u>							
Revenue			\$6,000	\$6,000	\$6,000	\$6,000	\$6,000
<u>Traffic Acquisition costs (TAC):</u>							
Rev Share			\$3,000	\$3,000	\$3,000	\$3,000	\$3,000
Prepayment			\$3,000	\$0	\$0	\$0	\$0
Total			\$6,000	\$3,000	\$3,000	\$3,000	\$3,000
Cash Flow			\$0	\$3,000	\$3,000	\$3,000	\$3,000
Delta - Cash Flow vs. ex-TAC Gross Profit			-\$2,400	\$600	\$600	\$600	\$600

CONSOLIDATED BALANCE SHEET

(\$ in millions)	As of				
	As of Dec 31, 2020	Dec 31, 2021	As of Dec 31, 2022	As of Sep 30, 2023	As of Dec 31, 2023
Cash, cash equivalents, short-term deposits and investments	\$ 243	\$ 319	\$263	\$251	\$182
Total Assets	\$ 580	\$ 1,598	\$1,530	\$1,732	\$1,708
Total Liabilities & Convertible Shares	\$ 534	\$ 830	\$695	\$665	\$651
Accumulated deficit and accumulated other comprehensive loss	\$ (31)	\$ (56)	\$(68)	\$(154)	\$(150)
Additional Paid-in-capital and treasury Ordinary shares	\$ 78	\$ 824	\$903	\$1,221	\$1,207
Total Shareholders' Equity	\$ 47	\$ 768	\$835	\$1,067	\$1,057

Q1 2024 and 2024 FULL YEAR GUIDANCE: EX-TAC GROSS PROFIT RECONCILIATION

(\$ in millions)	Guidance	Guidance
	Q1-24	FY 2024
Revenues	\$387 to \$413	\$1,892 to \$1,942
Traffic Acquisition Cost (TAC)	(\$264 - \$278)	(\$1,236 - \$1,263)
Other Cost of Revenues	(\$29 - \$29)	(\$121 - \$124)
Gross Profit	\$94 to \$106	\$535 to \$555
Other Cost of Revenues	\$29 - \$29	\$121 - \$124
ex-TAC Gross Profit	\$123 to \$135	\$656 to \$679

Note Regarding Adjusted EBITDA Guidance

Although we provide guidance for Adjusted EBITDA, we are not able to provide guidance for projected Net income (loss), the most directly comparable GAAP measure. Certain elements of Net income (loss), including share-based compensation expenses, are not predictable due to the high variability and difficulty of making accurate forecasts. As a result, it is impractical for us to provide guidance on Net Income (loss) or to reconcile our Adjusted EBITDA guidance without unreasonable efforts. Consequently, no disclosure of projected Net income (loss) is included. For the same reasons, we are unable to address the probable significance of the unavailable information.

Taboola



**THANK
YOU!**