

The background of the slide is a photograph of a mountain range at sunset. The sun is low on the horizon, creating a warm, golden glow across the sky and the mountain peaks. In the foreground, two hikers with backpacks and trekking poles are walking up a rocky, grassy slope. The overall mood is serene and adventurous.

Taboola

Taboola E-Commerce with Connexity

Powering e-Commerce Recommendations for
the Open Web

September 28, 2021

DISCLAIMER

Forward-Looking Statements

Certain statements in this Presentation may be considered forward-looking statements. Forward-looking statements generally relate to future events or Taboola.com Ltd.'s (the "Company") future financial or operating performance. In some cases, you can identify forward-looking statements by terminology such as "may", "should", "expect", "intend", "will", "estimate", "anticipate", "believe", "predict", "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 presentation include, but are not limited to: the ability to recognize the anticipated benefits of the transactions with ION Acquisition Corp. I Ltd. (the "Business Combination") and Shop Management, LLC (the "Connexity Acquisition), including expected synergies, which may be affected by, among other things, competition, the ability of the combined company to grow and manage growth profitably, maintain relationships with customers and retain its management and key employees; costs related to the Business Combination and the Connexity Acquisition; changes in applicable laws or regulations; 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 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; the impact of the ongoing COVID-19 pandemic; 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; and risks related to the fact that we are incorporated in Israel and governed by Israeli law; and other risks and uncertainties set forth in the section entitled "Risk Factors" and "Cautionary Note Regarding Forward-Looking Statements" in the Company's registration statement on Form F-4 relating to the Business Combination filed on July 13, 2021, and the registration statement on Form F-1 filed on September 1, 2021 and in subsequent filings with the Securities and Exchange Commission ("SEC").

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 forward-looking statements, which speak only as of the date they were made. The inclusion of these projections does not constitute republication or affirmation thereof as any other date. The Company undertakes no duty to update these forward-looking statements except as required by law.

Non-GAAP Financial Measures

This Presentation includes certain financial measures not presented in accordance with GAAP including, but not limited to, ex-TAC Gross Profit, Adjusted EBITDA, Free Cash Flow and certain ratios and other metrics derived therefrom and related margin 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 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 these non-GAAP measures of financial results provide useful information to management and investors regarding certain financial and business trends relating to the Company's financial condition and results of operations. The Company believes that the use of these non-GAAP financial measures provides an additional tool for investors to use in evaluating ongoing operating results and trends in and in comparing the Company's financial measures with other similar companies, many of which present similar non-GAAP financial measures to investors. These non-GAAP financial measures are subject to inherent limitations as they reflect the exercise of judgments by management about which expense and income are excluded or included in determining these non-GAAP financial measures. Please refer to footnotes where presented on each page of this Presentation or to the appendix found at the end of this Presentation for a reconciliation of these measures to what the Company believes are the most directly comparable measure evaluated in accordance with GAAP.

Use of Projections

This Presentation contains financial forecasts with respect to the Company's projected financial results, including Revenue, Gross Profit, ex-TAC Gross Profit, Net Income and Adjusted EBITDA for the Company's third quarter of 2021 and full years 2021 and 2022. The Company's independent auditors have not audited, reviewed, compiled or performed any procedures with respect to the projections for the purpose of their inclusion in this Presentation, and accordingly, they did not express an opinion or provide any other form of assurance with respect thereto for the purpose of this Presentation. As discussed under "Financial Information" above, all financial information, including the projected information, was prepared in accordance with GAAP. These projections should not be relied upon as being necessarily indicative of future results. The assumptions and estimates underlying the prospective financial information are inherently uncertain and are subject to a wide variety of significant business, economic and competitive risks and uncertainties that could cause actual results to differ materially from those contained in the prospective financial information. Accordingly, there can be no assurance that the prospective results are indicative of the future performance of the Company or that actual results will not differ materially from those presented in the prospective financial information or that the prospective financial information will be the same as that presented in the proxy statement related to the Business Combination. Inclusion of the prospective financial information in this Presentation should not be regarded as a representation by any person that the results contained in the prospective financial information will be achieved.

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



Stephen Walker
CFO



Bill Glass
CEO of Connexity



Tom Inbal
VP Strategy &
Corporate Development

E-COMMERCE IS REVOLUTIONIZING THE OPEN WEB

e-Commerce is skyrocketing with \$5 trillion in online retail sales a year and \$40 billion in ad spend¹

Social Media platforms such as Instagram and WeChat are becoming e-Commerce networks

e-Commerce is set to become a primary revenue source for open web publishers

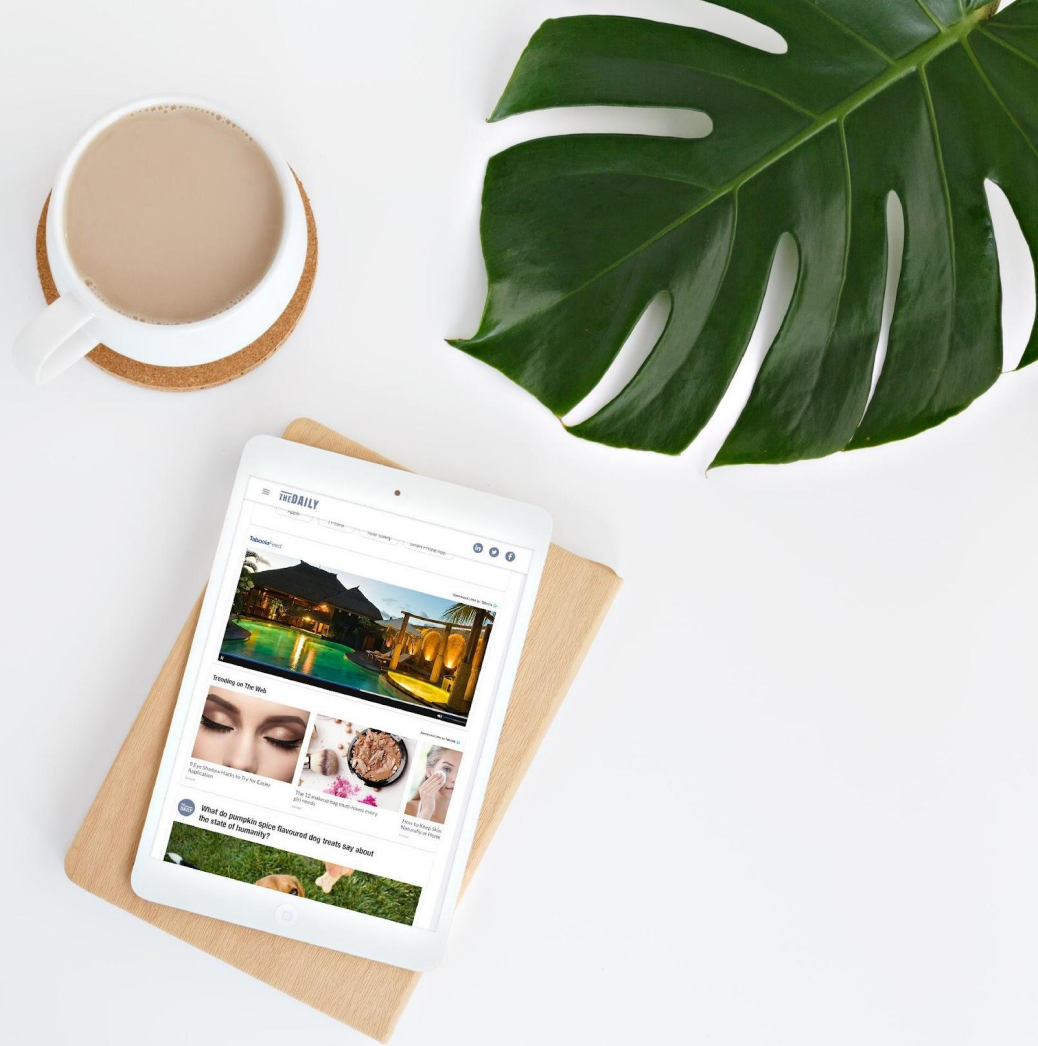
Merchants need an alternative to Amazon

With Connexity now part of Taboola, we are well positioned to capitalize on this opportunity and drive top-line and ex-TAC growth through e-Commerce



AGENDA

- **About Taboola**
- Market Opportunity
- Taboola E-Commerce (with Connexity)
- Synergies Mid Term (3-5 years)
- Financial Information - 2021, 2022 Guidance



A silhouette of a person wearing a hat stands on a dark, rounded hill. The background is a vast, dark night sky filled with stars and the glowing, multi-colored band of the Milky Way galaxy stretching across the upper right portion of the frame.

We Power Recommendations for The Open Web

Helping people discover things they may like

TABOOLA = SEARCH “IN REVERSE”

From people looking for information
to information looking for people

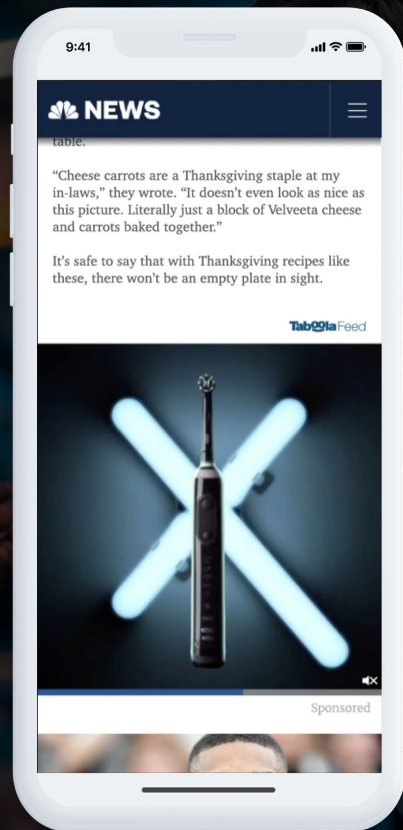


I'm Feeling Lucky

Google Search

Taboola

**YOU HAVE
SEEN
TABOOLA
BEFORE**



SOLVING TREMENDOUSLY DIFFICULT TECHNOLOGICAL CHALLENGES

Predicting what people might be interested in without the intent data that Google has or the personal data that Facebook has and doing it at massive scale.

516M DAILY ACTIVE USERS¹

  More than Twitter and Snap combined²

1 Petabyte

Data Processed by Taboola AI Daily³

330K+

CPU & GPU Cores⁴

1 Trillion

Monthly Recommendations⁵

(1) Daily Active Users measures the 7-day average number of users exposed to Taboola recommendations

(2) Twitter and Snap reported 187M and 249M (respectively) in Q3-2020 Earnings reports

(3)(4)(5)Source: Company estimates

FULL TECH STACK FOR PUBLISHERS: MISSION CRITICAL FOR THE OPEN WEB



**\$2B+ Paid To Publishers
Over 3 Years¹**

Monetization

Monetizing with non-interruptive,
native ads

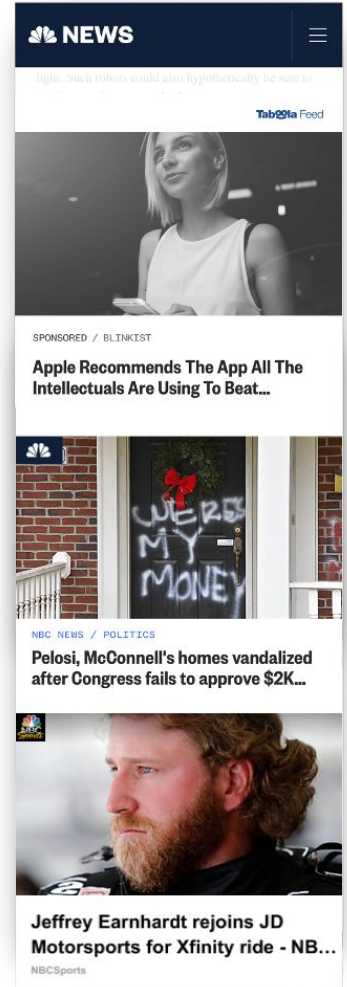
Engagement

Engaging users by recommending
organic content

Audience

Driving quality audiences from
across the network

Empowering editorial teams with
actionable data insights



THAT'S WHY TABOOLA GETS LONG-TERM, EXCLUSIVE PARTNERSHIPS WITH PUBLISHERS

“NBC News Group is excited to continue working with Taboola to expand the reach of our content and continue driving our already impressive growth. We recognize the value of Taboola’s technology and their ability to drive meaningful engagement with NBC News content, especially at a time when competition for user attention is at an all-time high.”

- Elisabeth Sami, SVP of Global Strategy and Business Development for NBC News Group

- 118% NDR in 2020¹
- 9,000 publishers
- Global

Publishers on a 5+ Year Contract with Taboola



Bloomberg



sport1



NBC NEWS



SYNACOR

USA TODAY

axel springer

Lagardère

Daily Mail

(1) Source: Company Data. 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.

LEADING PREMIUM NETWORK OF TRUSTED PUBLISHERS

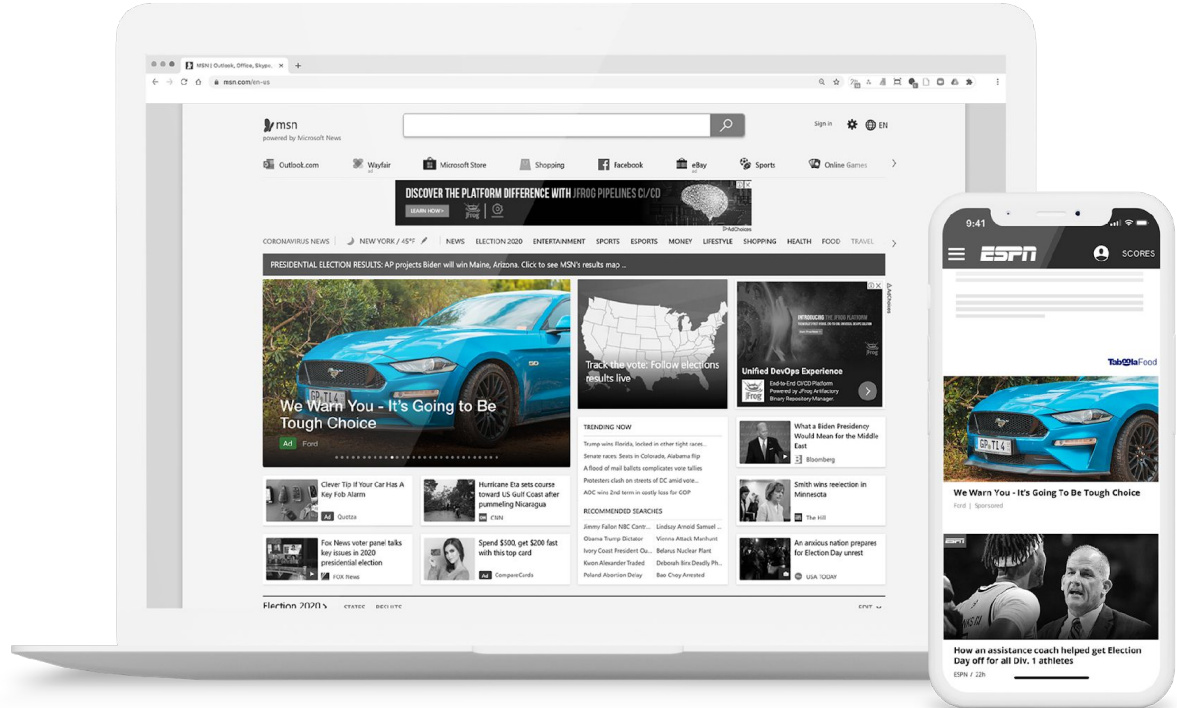


MOAT

IAS Integral Ad Science

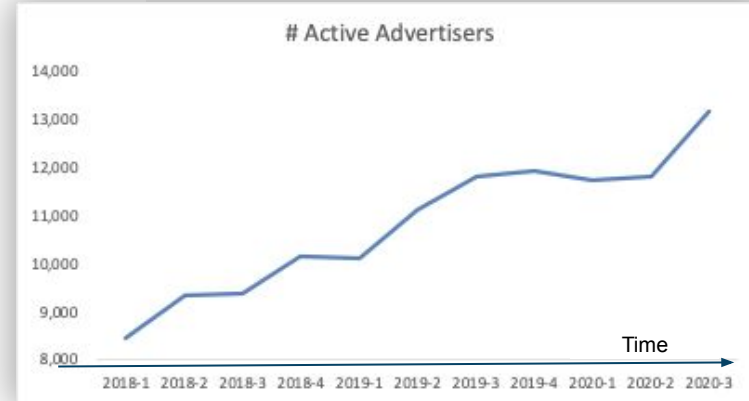
White Ops

DV DoubleVerify



ADVERTISERS CHOOSE TABOOLA FOR THE OPEN WEB

- **Massive reach** – 516M Daily Active Users¹
- **Performance** focus with measurable ROI
- **Brand safe** ad placements
- **Target ads** based on what people truly care about



Largest advertiser is 3% of total ad spend¹

10th largest advertiser is 1% of total ad spend¹

101% Net Dollar Retention over the period Q4 2018 - Q3, 2020²

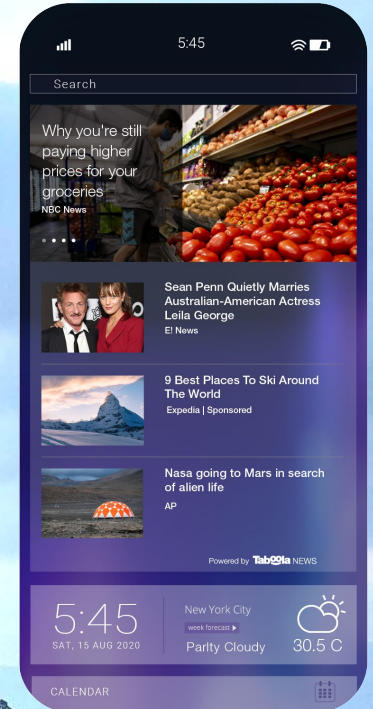
HAVING AN AMAZING YEAR AND IT'S JUST THE BEGINNING

Went public, raised \$500M+ from great investors - Fidelity, Federated, Baron, others

Beat Q1 and Q2 projections, raising expectations each quarter

Winning incredible partners, and progressing on our growth initiatives organically and inorganically with Connexity

TaboolaNews



xiaomi

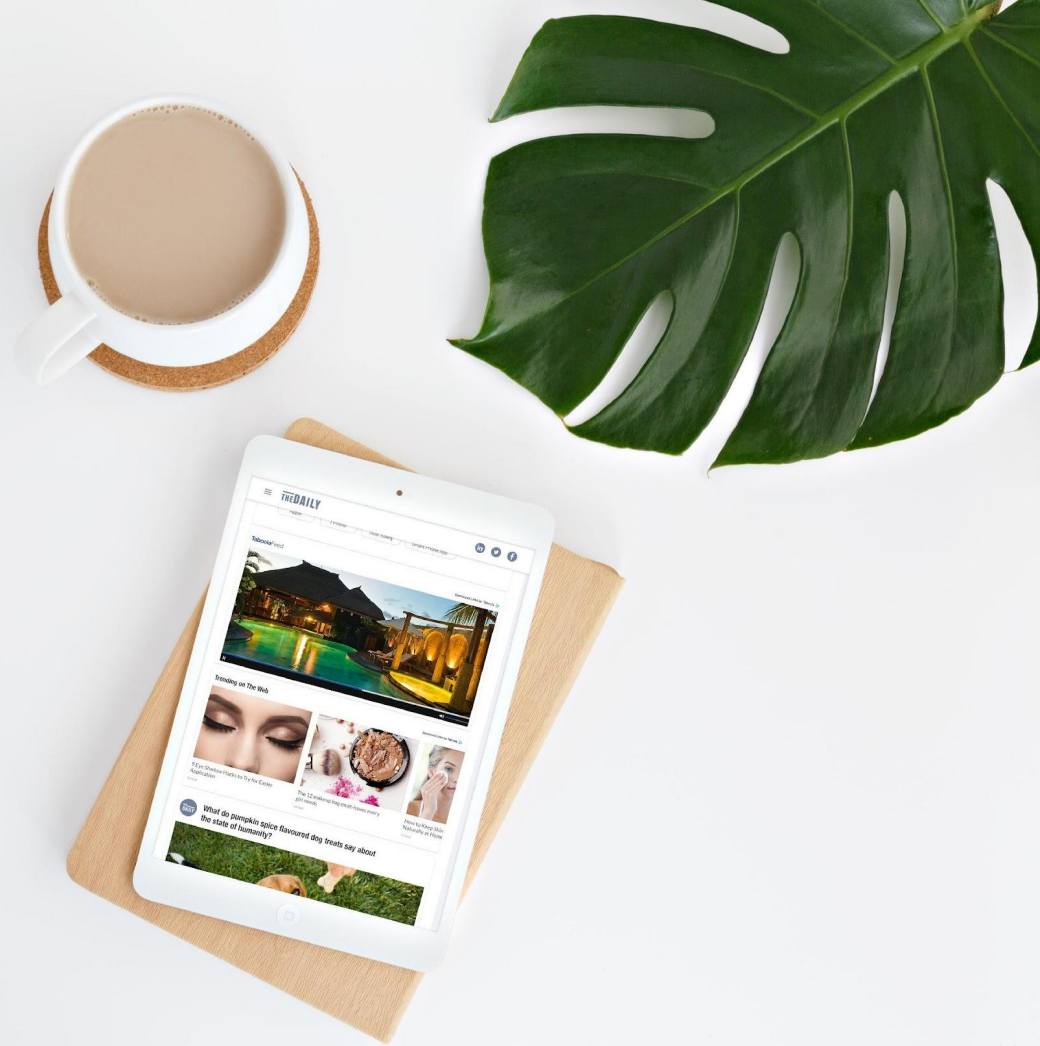


RECOMMENDING ANYTHING, ANYWHERE A MULTI BILLION DOLLAR OPPORTUNITY



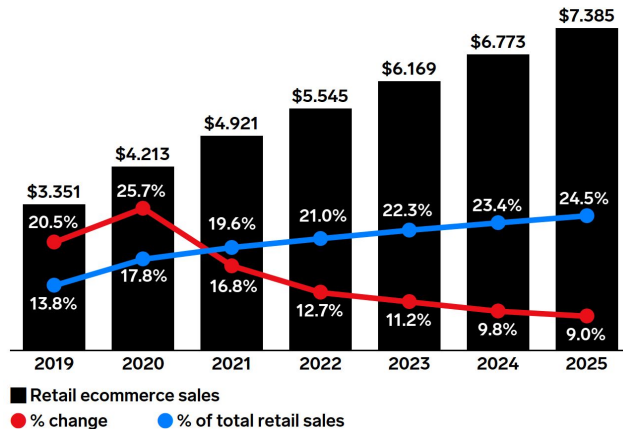
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THE E-COMMERCE MARKET IS GROWING FAST AND IS EXPECTED TO CONTINUE DOING SO

Retail Ecommerce Sales Worldwide, 2019-2025
trillions, % change, and % of total retail sales

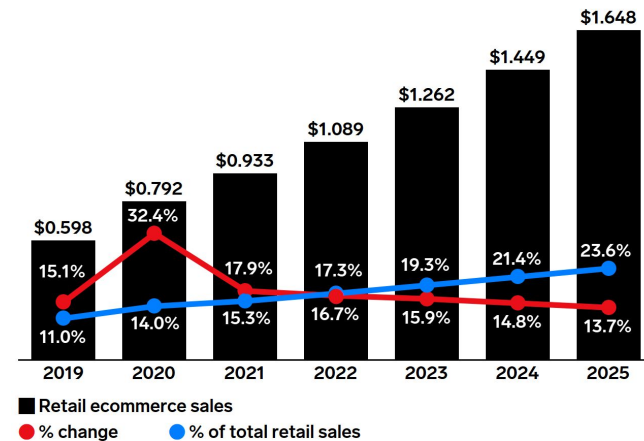


Note: includes products or services ordered using the internet, regardless of the method of payment or fulfillment; excludes travel and event tickets, payments such as bill pay, taxes, or money transfers, food services and drinking place sales, gambling, and other vice goods sales
Source: eMarketer, May 2021

T11547

eMarketer | InsiderIntelligence.com

Retail Ecommerce Sales in the US, 2019-2025
trillions, % change, and % of total retail sales



Note: 2019-2025 CAGR=18.4%; includes products or services ordered using the internet, regardless of the method of payment or fulfillment; excludes travel and event tickets, payments such as bill pay, taxes, or money transfers, food services and drinking place sales, gambling, and other vice goods sales
Source: eMarketer, May 2021

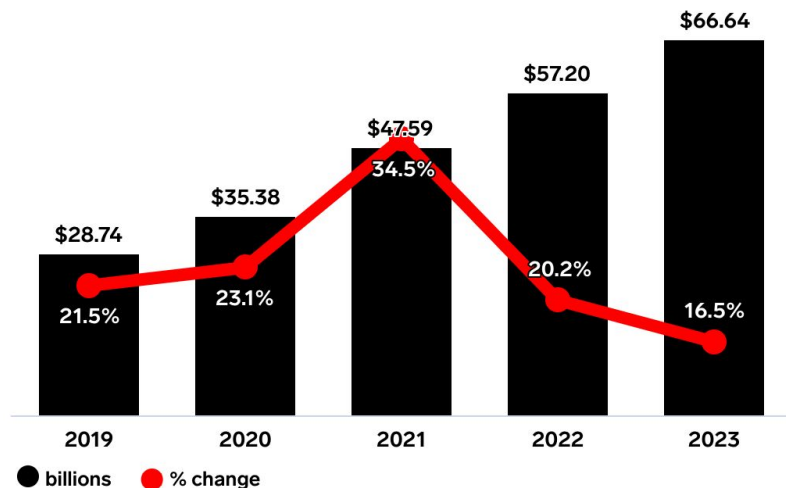
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eMarketer | InsiderIntelligence.com

E-COMMERCE IS ONE OF THE FASTEST GROWING DIGITAL AD SEGMENTS AND DRIVEN BY INTENT

Retail Industry Digital Ad Spending

US, 2019-2023

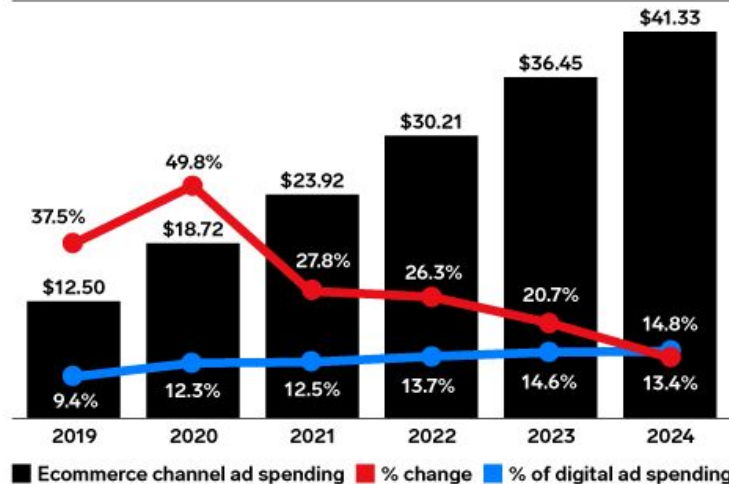


Source: eMarketer, June 2021

eMarketer | InsiderIntelligence.com

US Ecommerce Channel Ad Spending, 2019-2024

billions, % change, and % of digital ad spending



Note: digital advertising that appears on websites or apps that are primarily engaged in retail ecommerce; examples include advertising on Amazon, Walmart, and eBay; excludes advertising on social networks or search engines

Source: eMarketer, March 2021

264881

eMarketer | InsiderIntelligence.com

THE FUTURE OF THE OPEN WEB IS E-COMMERCE

60% of publishers list e-commerce as a top revenue opportunity.¹

Publishers generating revenue from e-commerce has grown over 3x in the last year.²

There are nearly 150 Commerce Editors currently in the US - one of the fastest growing roles in the newsroom.³

- (1) Source: eMarketer, Publishers and Commerce 2021
- (2) Source: Digiday, Digiday Research: Commerce is now a revenue stream for a majority of publishers
- (3) Source: LinkedIn



\$1b GMS in 2020, 47% of H1 2021 media revenue, 56% YoY growth



\$500m GMS in 2020, ecommerce to be 31% of revenue by 2024

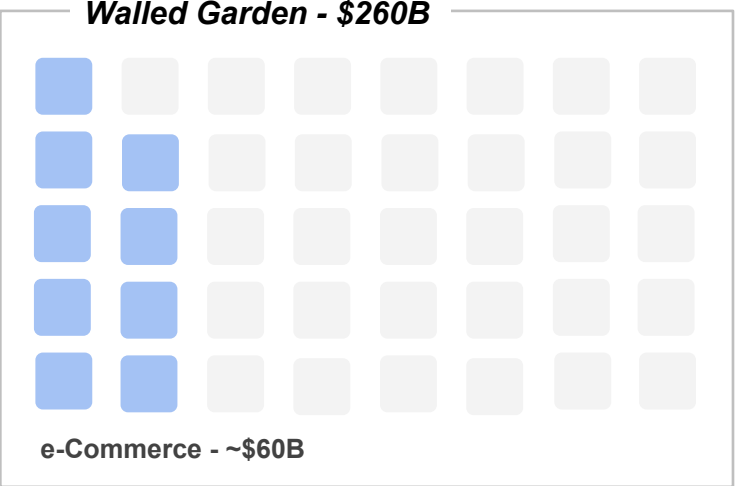


\$1b GMS in FY 2021, over 25% YoY growth in related revenue

GANNETT

Reviewed.com - 50% YoY top line growth for the last 3 years

EXPANDED TABOOLA TAM TO \$124B WITH E-COMMERCE AD BUDGETS



Taboola

\$64B

+

\$60B

=

\$124B
TAM

Merchants need effective channels beyond the walled gardens.

“For advertisers seeking brand-safe, transparent partners, reputable publishers deliver exposure and qualified customers from among their audiences.”



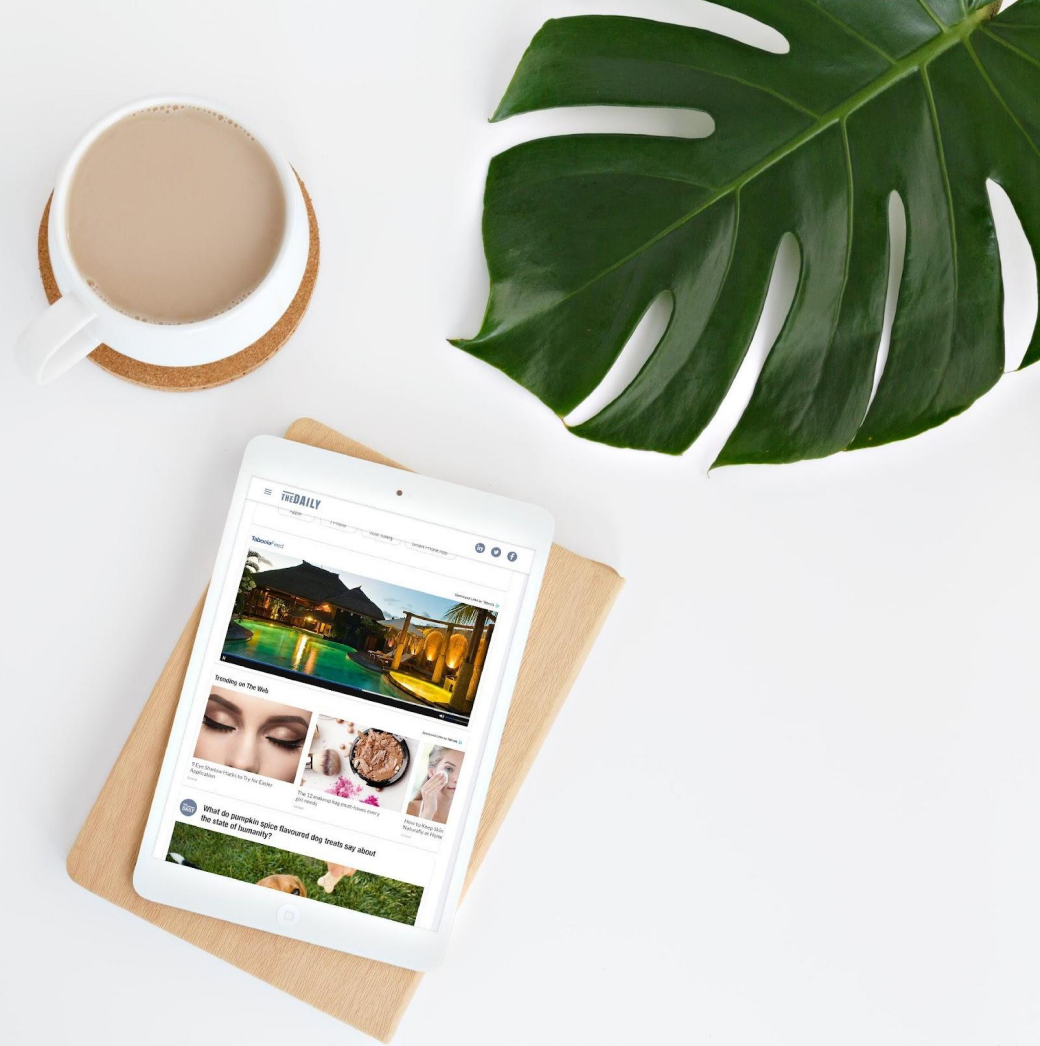
\$40B of the Open Web \$60B is eCommerce. With Connexity we can fully tap into it for the first time.

\$60B of Walled Garden TAM is eCommerce. With Connexity we can now tap into it.

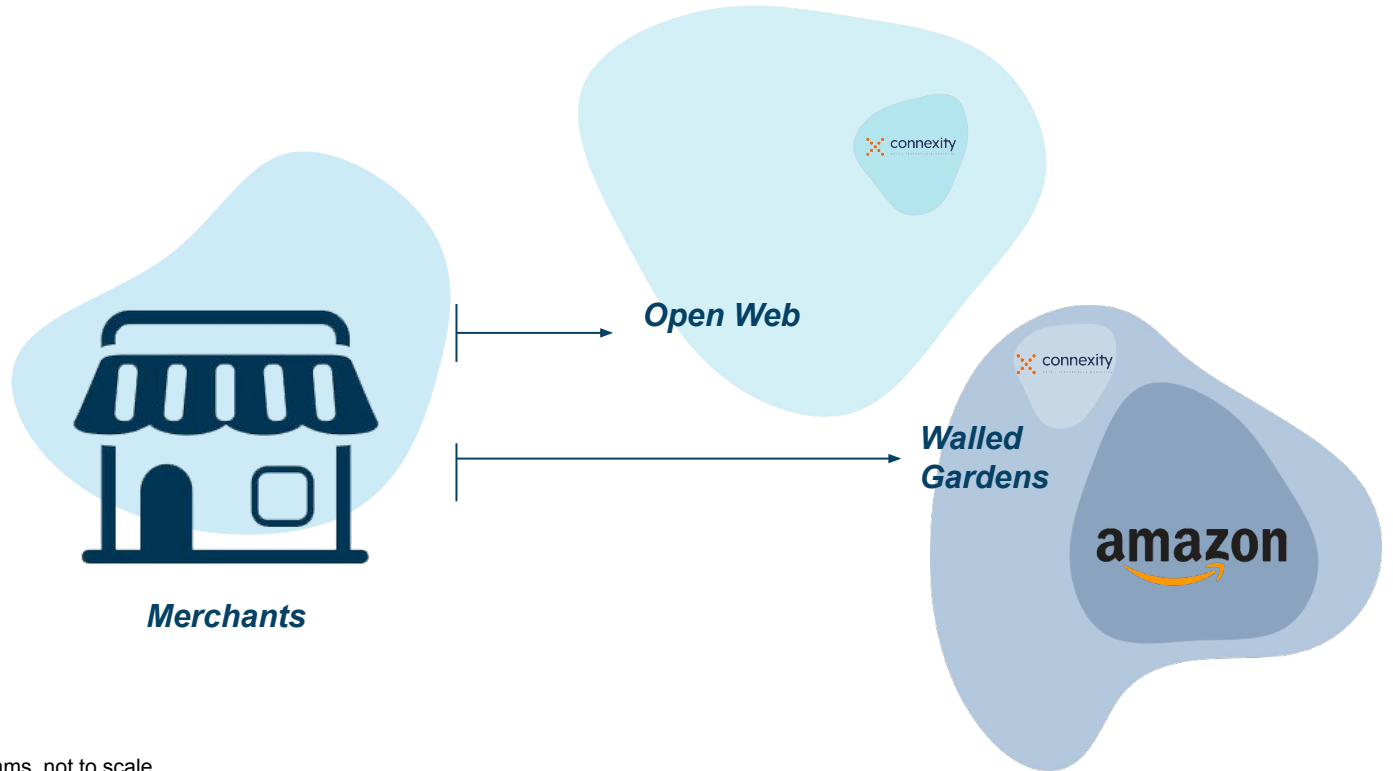
Source: eMarketer, Statista, Harris Poll, Jounce, Company analysis, 2020

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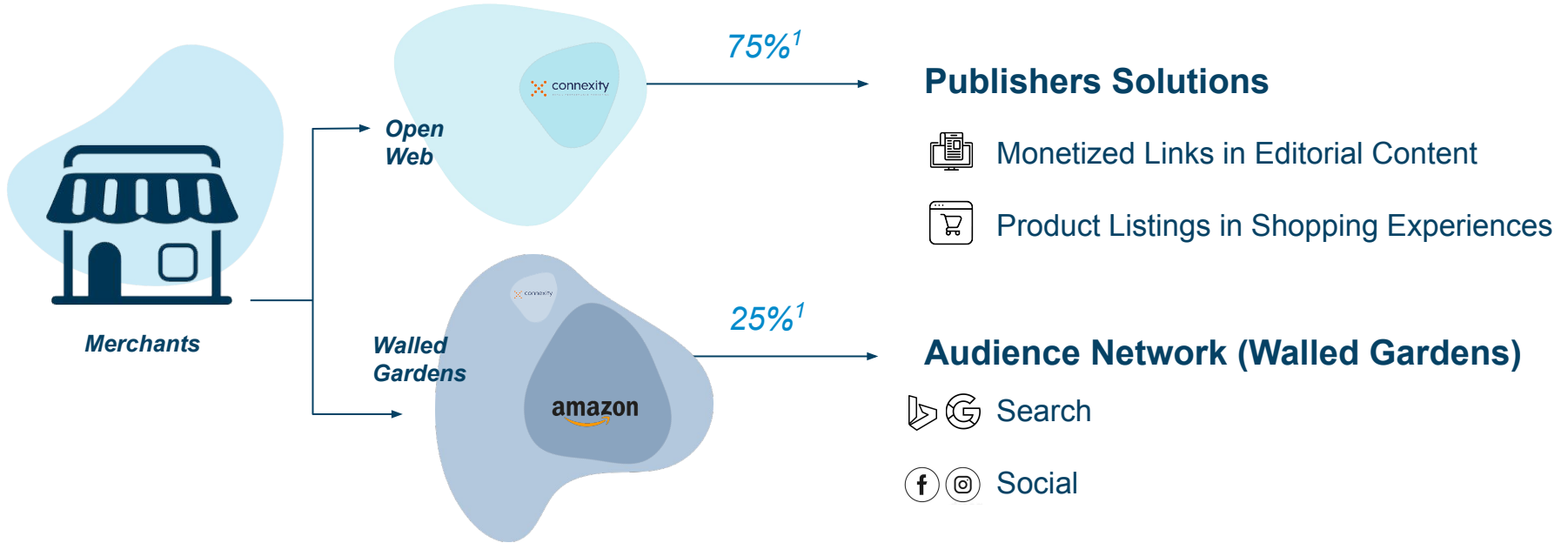


CONNEXITY IS ONE OF THE LARGEST OPEN WEB E-COMMERCE MEDIA PLATFORMS



HOW CONNEXITY DRIVES SHOPPERS TO MERCHANTS IN THE OPEN WEB

¹ Percentage of ex-TAC Gross Profit in 2020.



OTTO

overstock.

ebay

SKECHERS

★ macy's

wayfair

Walmart*

BED BATH & BEYOND

Disney

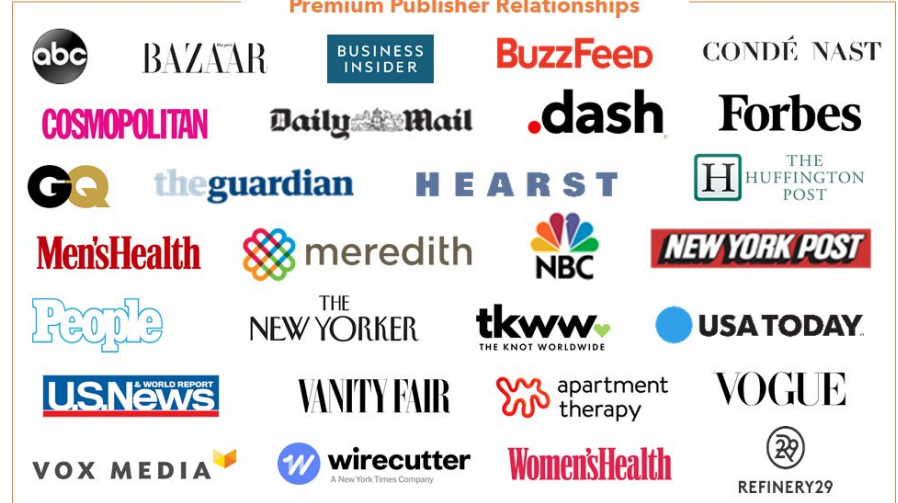
SEPHORA

CONNEXITY'S DIRECT RELATIONSHIPS WITH BLUE CHIP PARTNERS

Select Direct Merchant Relationships



Premium Publisher Relationships



PUBLISHER EVOLUTION WITH IN COMMERCE CONTENT

Plugging in eCommerce

Connexity enabling monetization for shopping leads from content that was already being written



Investing in Commerce Content Strategy

Dedicated “commerce” editors using Connexity insights and data analytics platform for content prioritization and optimization



Building Branded, Curated Shopping Experiences

Using enriched, dynamic product listings to drive engagement and tools for real-time performance feedback



Connexity Value-Add

- One line of code = easy access to thousands of “always on” merchant budgets
- Premium negotiated CPC and CPA rates drive yield maximization
- 750M structured product inventory updated in real-time to ensure accuracy and conversion
- Industry insights and real-time page-level analytics drive content strategy and optimization

CONNEXITY PUBLISHER PRODUCTS ON EDITORIAL CONTENT

HEARST

The screenshot shows the top portion of a web article. At the top, there is a navigation menu with the GH logo and a disclaimer: "We may earn commission from links on this page, but we only recommend products we back. Why trust us?". The main heading is "12 Best Mattresses of 2021" with a sub-headline "Say goodbye to back pain and hello to deep sleep." Below the heading is the author information: "BY LEXIE SACHS, GOOD HOUSEKEEPING INSTITUTE, Sep 6, 2021". A large image of a white Saatva mattress on a bed is featured. Below the image, there is a text box that reads: "We updated this guide in September 2021 to update pricing and/or replace link to sold-out mattresses. These selections still reflect the top picks from our most recent survey by Good Housekeeping Institute Textiles Lab Director Lexie Sachs." Another text box below that says: "Not to add more pressure, but buying a new mattress is one of the most important purchases you'll make for your home. It needs to be comfortable and support you the best possible sleep, and durable so you won't have to replace it within a few years. And because mattresses can get pricey, you want to make sure you're investing in one that's actually worth the cost." The bottom part of the screenshot shows the beginning of a paragraph: "The Good Housekeeping Institute Textiles Lab reviews mattresses of all kinds, from traditional innerspring mattress that you buy in stores to memory foam mattresses and mattress-in-a-box styles that you buy online, cooling mattresses, mattresses for back pain, hybrid mattresses that blend coil and foam, organic mattresses, mattresses for side sleepers and more." At the very bottom, it starts another paragraph: "In addition to researching the brands, materials and features, we have product experts and consumer testers try each mattress out and we survey our tester panel to get in-

Lexie Sachs.

*Connexity Link

The screenshot shows a product page for HOKA Clifton 8. The main heading is "The 10 Best Walking Shoes Of 2021, According To Podiatrists And User Reviews" with a sub-headline "You'll never want to take them off." Below this is the author information: "BY HALLORY CREVELING, ELIZABETH BAGHARACH AND JASMINE GOMEZ, JUN 19, 2021". A large image of the HOKA Clifton 8 shoe is shown. To the right of the shoe, there is a text box that reads: "Pull out all the stops to see what you can achieve." Below the shoe image, there is a "SHOP NOW" button. To the right of the "SHOP NOW" button, there is a text box that reads: "BEST FOR PLANTAR FASCITIS HOKA Clifton 8 Outdoor Voices outdoorvoices.com \$130.00 SHOP NOW". Below the "SHOP NOW" button, there is a text box that reads: "Because these shoes allow your feet to rock off the ground rather than pound with your toes, podiatrist Casey P. DPM, recommends these supportive models to patients (and has even treated HLL). 'A friend of mine with painful flat feet ran the NYC marathon in these!' he says. The Cliftons are made with a breathable mesh upper and feel super lightweight despite all their comfy cushioning. Since". At the bottom right, there is a "SHOP NOW" button and a "BUY NOW" button. A callout box on the right side of the screenshot contains the text "SHOP NOW" and "*Connexity Link".

The screenshot shows a product page for e-bikes. The main heading is "Awesome E-Bikes You Can Buy Right Now" with a sub-headline "COMPUTER, CARTEL, CRUISER, ROAD, AND MOUNTAIN - ELECTRIC BIKES FOR EVERY TYPE OF RIDER (AND BUDGET)". Below this is the author information: "BY THE BICYCLING EDITORS, MAY 19, 2021". A large image of an e-bike is shown. Below the image, there is a text box that reads: "It's official: Electric bikes are here to stay, and their popularity is through the roof. Liberated from some of the normal constraints of standard bike design like weight and gearing, e-bike design has exploded; if you can imagine it, someone has built it. From cargo bikes to city and commuter bikes, mountain bikes, road bikes, folding bikes, and even beach cruisers and tandem bikes, there is something for everyone. The beauty of e-bikes is that they make the joy of cycling accessible to so many people in so many ways. See at-a-glance reviews below of five of our top-rated e-bikes that are available for preorder or in stock now and available to ship deeper for full reviews of these and other high-ranking options." Below the text, there is a table of e-bikes with columns for "CUSTOMIZABLE COLORS", "BITE & SAVE BIKES", and "HIGHER VALUE & DEER". The table lists five e-bikes: Model X, City, Pace 350, RoadRunner, and Level Computer E-bike. Each e-bike has a "BUY TODAY" button. A callout box on the right side of the screenshot contains the text "\$1,699.00" and "BUY TODAY" and "*Connexity Link".

CONNEXITY PUBLISHER PRODUCTS ON EDITORIAL CONTENT

GANNETT

The screenshot shows a Reviewed article on the 'Tech' page. The article is titled 'GET THIS HOME DEPOT BONE THRONE TO RULE HALLOWEEN' and is categorized under 'HOME & GARDEN'. It features a photo of a throne made of sticks and skulls. The text describes the 'Bone Throne' as a Halloween decoration from Home Depot, priced at \$199. A 'Reviewed' badge is visible in the top right corner of the article preview.

Bone Throne.

*Connexity
Monetized Link

Cloud Sofa

*Connexity
Monetized Link

The screenshot shows a Reviewed article on the 'Tech' page. The article is titled '11 affordable alternatives to the \$10,000 couch that's blowing up on TikTok' and is written by Camryn Rabideau. It features a photo of a white sofa. The text discusses the 'Cloud Sofa' as a high-end couch that has become a trend on TikTok. A 'Reviewed' badge is visible in the top right corner of the article preview.

The [Cloud Sofa](#) has a sleek modern silhouette, amazingly deep seats, and 100% down cushions, making it unbelievably plush and cozy. However, there's a catch, and oh boy, it's a doozy. The Cloud Sofa (or any of the other pieces in the brand's [Cloud Collection](#)) is incredibly expensive. The regular 6 feet long sofa starts at \$4,000, and if you wanted, say, a sectional, it's going to cost you upward of \$10,000. I'm all for investing in quality pieces of furniture, but that just seems excessive.

CONNEXITY PUBLISHER PRODUCTS ON EDITORIAL CONTENT

News Corp Australia

Sydney Today 11:18 AM news.com.au

National World Lifestyle Travel Entertainment Technology Finance Sport More


Best Of Home

12 top-rated weighted blankets that help to deliver your best sleep yet

Weighted blankets touted to help alleviate stress have boomed, and one leading brand is currently offering up to half price discounts.

Mariela Summerhays
@mashsummerhays 16 min read June 24, 2021 9:22AM

Our recommendations are dedicated to helping you find the right product at the right price. We may receive revenue from affiliate and advertising partnerships for sharing this content and when you make a purchase. [Learn more](#)



Whether you are buying for yourself, your child, or as a gift for a loved one, we have the best weighted blankets to soothe stress and anxiety here.

Hi, my name is Mariela and I have anxiety ... is not the way I ever thought I'd begin a shopping article. I think it's important you know that though, because if you've clicked through to this particular piece, you're likely to be looking for a save for your stress, anxiety or insomnia.

You've come to the right place.

Perhaps a sign of the times, weighted blankets have risen in popularity in recent years. Not all options are made alike though, with quality materials, even distribution of weight, and exorbitant prices to contend with. Cut through the rife with our picks for the weighted blankets worth introducing to your sleeping routine.

NOTE TO READER: for a limited time, you can get up to 50 per cent off Calming Blankets with WINTER

BEST WEIGHTED BLANKETS

Whether you're looking for something that is kind to your wallet or are looking to invest in the most premium option on the market, are looking to soothe the nerves of both yourself and your partner, or the youngest member of the family, use these best

58-inch A5 Series 4K

*Connexity Monetized Link

up to 50 per cent off Calming

*Connexity Monetized Link

news.com.au


National World Lifestyle Travel Entertainment Technology Finance Sport More

Best Of Deals we're hoping make a reappearance Black Friday 2021

There's still a while away from knowing just what brands have in store for us - but last year's deals are anything to go by, shoppers are poised to save big.

Edwina Carr Bermingham
@edwina_carr_bermingham

Our recommendations are dedicated to helping you find the right product at the right price. We may receive revenue from affiliate and advertising partnerships for sharing this content and when you make a purchase. [Learn more](#)



With one of financial year sales behind us, we now look forward to the remaining biggest sales events of the year:

RELATED: Everything you need to know about this year's Black Friday

RELATED: Best time to upgrade your Apple devices on its way

Expect us to cover them all - **Clare Francis** Jul'20, you've not been forgotten - but certainly a shopping event you can expect to see all the time on a Black Friday weekend.

BEST FRIDAY 2021 DEALS


While the specific deals that will be available during the event are still unknown, we have all the best offers that were snapped up last year below as clues.

BLACK FRIDAY 2020 TECHNOLOGY DEALS

[Catch.com.au](#)

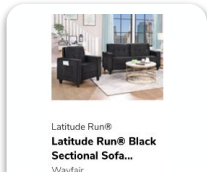
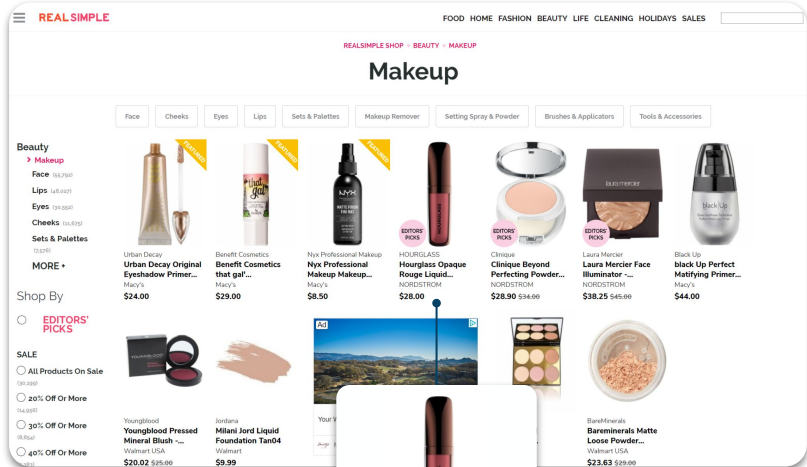
If you're hankering for a new TV, Club Cash members can get the **75" 4K 50,000 A5 Series** for just \$1,199 (down from \$1,499) at normal prices of \$229. Membership is \$5 a month and there's also a 30-day free trial as well. The benefits include early access to deals, free shipping on eligible products and the opportunity to earn double Flybuys points every dollar spent on eligible products. If you're not a member, you can still get the **58-inch A5 Series 4K UHD Smart TV** which is on sale with a \$150 discount for \$499 from \$649.

The retailer has also slashed the price of **Apple AirPods Pro** to \$170 (a saving of \$90). **Buy them here**. You can also get \$250 saved off the **Apple TV 4K** at **Apple.com.au**. **Amazon** has the **Apple Watch Series 5** for \$449 (down from \$599). You can also buy **Apple Books** **Caroline's Readings**.

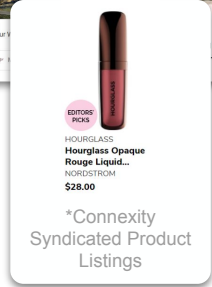
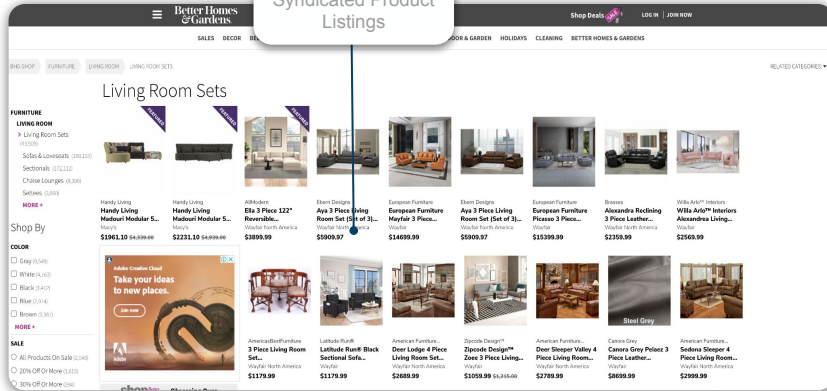


CONNEXITY PUBLISHER BUILDING A SHOPPING SITE

Product Listings
Syndicated into Curated Shopping Experience



*Connexity
Syndicated Product
Listings



CONNEXITY BY THE NUMBERS¹ - POWERING E-COMMERCE IN THE OPEN WEB AT SCALE

—
1,600+

direct merchant
relationships

—
\$4B+

Gross Merchandise
Sales

—
750M

Product offerings
(SKUs)

—
1M+

Monthly
transactions

—
6k+

publisher
relationships

(1) Company data. Connexity information includes pro forma Skimlinks results for periods prior to its acquisition by Connexity in May 2020. \$4B in GMS is for LTM August 2021

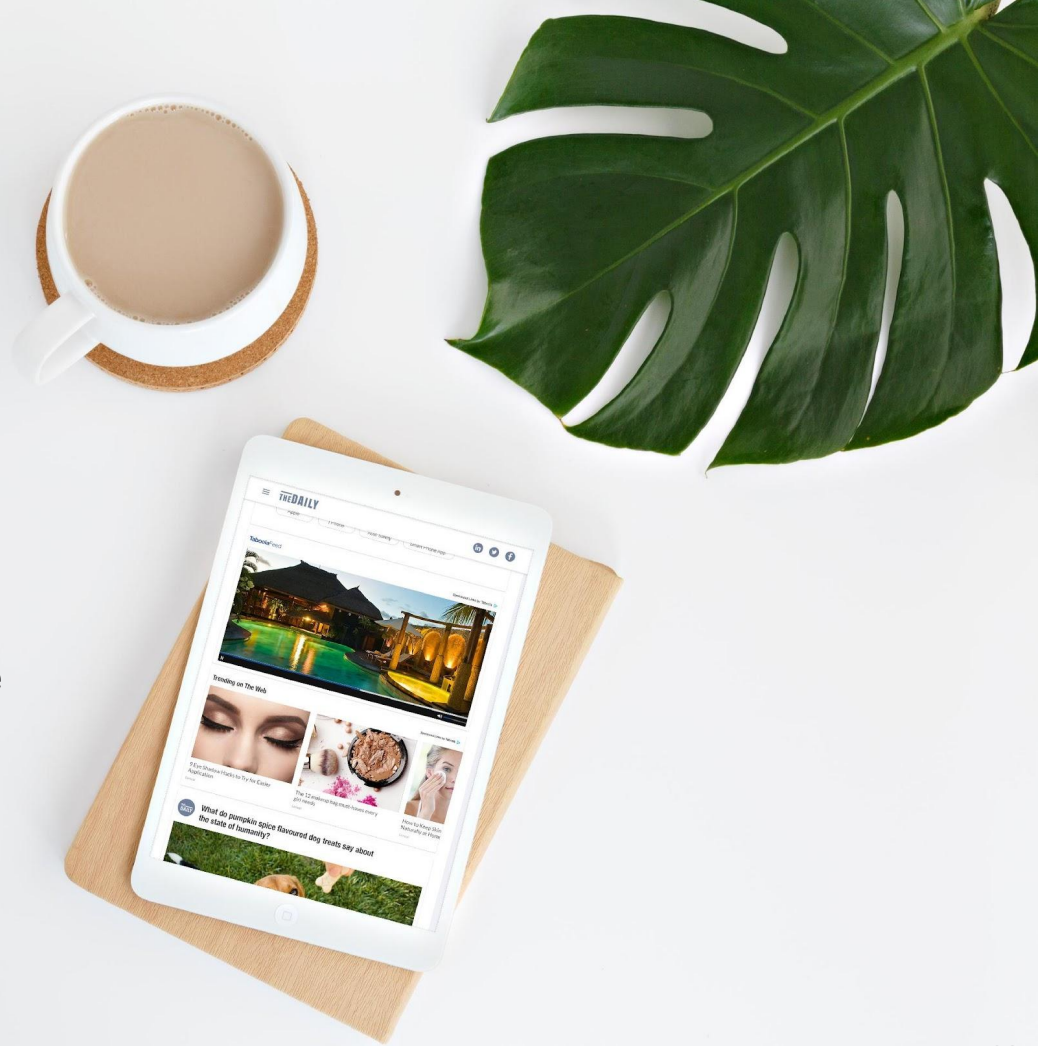
DIRECT RELATIONSHIP WITH MERCHANTS

- **90%+** of revenue comes from direct merchants relationships
- **10%** from affiliates that Connexity is not directly managing
- **65%** of revenue is CPC, **35%** is CPA
- CPC budgets demonstrate how merchants completely **trust** Connexity's unique **technology**



AGENDA

- About Taboola
- Market Opportunity
- Taboola E-Commerce (with Connexity)
- **Synergies Mid Term (3-5 years)**
- Financial Information - 2021, 2022 Guidance





1/3

**OF OPEN WEB PUBLISHER REVENUE
WILL BE E-COMMERCE**

PUBLISHERS NEED INTENT

Rare fossil of 25-million-year-old eagle that hunted koalas found in South Australia

By Rhea Mogul, CNN
 Updated 1:09 PM ET, Mon September 27, 2021



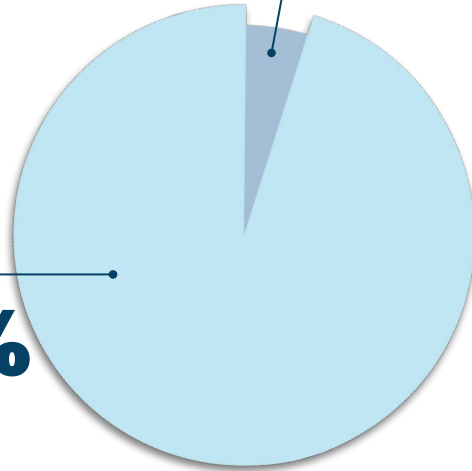
The newly discovered species, *Archaeohierax sylvestris*, is one of the oldest eagle-like raptors in the world.

(CNN) — Scientists have confirmed the discovery of a nearly complete fossil of a 25-million-year-old eagle that once flew over South Australia and preyed on koalas -- an incredibly rare find because of how well preserved it is, experts say.

The newly discovered species, *Archaeohierax sylvestris*, is one of the oldest eagle-like raptors in the world, according to a study published Monday in the peer-reviewed journal, *Historical Biology*. Paleontologists from Adelaide's Flinders University unearthed the fossil in March 2016 on a remote outback cattle station during a research trip at Lake Pinpa in South Australia.

Archaeohierax is the largest eagle known to have lived in Australia during the Oligocene period, which dates back about 33.9 million to 23 million years ago, the study said. It was smaller and more slender than the wedge-tailed eagle, Australia's largest bird of prey, according to the Western Australian Museum.

With feet nearly 15 centimeters (6 inches) long, the eagle would have had the ability to grasp large prey. The scientists said it would have hunted an extinct species of koala, which was about the same size as those alive today, as well as possums and other animals in trees, the study said.



~95%
 of Publisher
 Traffic Today
Has NO Intent

~5% of Traffic
Has Intent

Awesome E-Bikes You Can Buy Right Now
 COMMUTER, CASUAL, CRUISER, ROAD, AND MOUNTAIN—ELECTRIC BIKES FOR EVERY TYPE OF RIDER (AND BUDGET).

BY THE BICYCLING EDITORS AND STAFF

It's official. Electric bikes are here to stay, and their popularity is through the roof. Liberated from some of the normal constraints of standard bike design like weight and gearing, e-bike design has exploded; if you can imagine it, someone has built it. From [super bikes to city and commuter bikes](#), [mountain bikes](#), [road bikes](#), [folding bikes](#), and even [beach cruisers](#) and [tandem bikes](#), there is something for everyone. The beauty of e-bikes is that they make the joy of cycling accessible to so many people in so many ways.

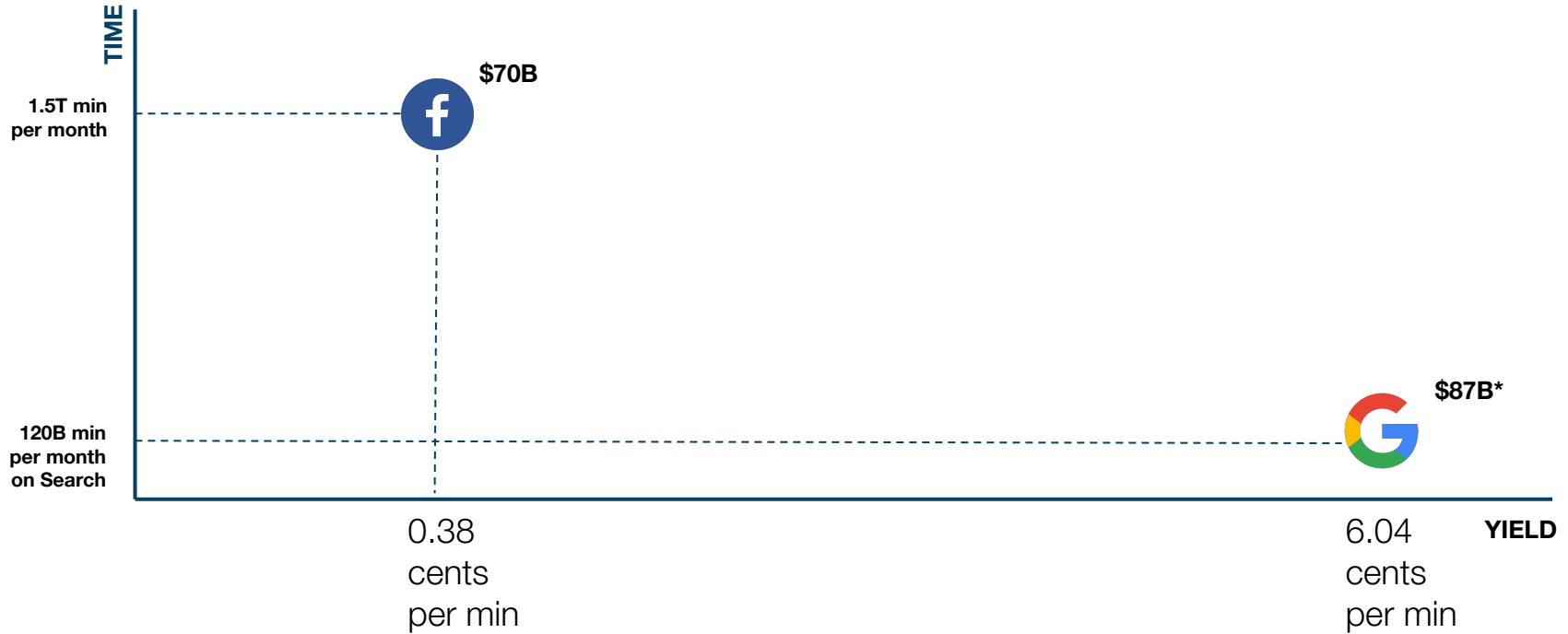
See all of [glance reviews](#) below of five of our top-rated e-bikes that are available for preorder or in stock now and available to ship, or scroll deeper for [full reviews](#) of these and other high-ranking options, plus buying info.

CUSTOMIZABLE CRUISER	MTB & DARK ROAD	BEAT PAVING & BEATS	COMPACT & CRUISE	GREAT SPEC. COMMUTER
Model X Electric like Commuter electricbikes.com \$1,699.00	City Cheap cheapbikes.com \$1,699.00	Pace 950 Awesome aveston.com \$1,299.00	PacRunner Full featured bike e2gooverbikes.com \$1,299.00	Level Commuter E-bike Awesome aveston.com \$1,599.00
BUY TODAY	BUY TODAY	BUY TODAY	BUY TODAY	BUY TODAY
Order online, arrives fully assembled.	Includes handlebars, mounting lights, and rear rack.	Cheap and reliable step-through.	Adjustable, powerful, and ships immediately.	Powerful and perfect for your commute.

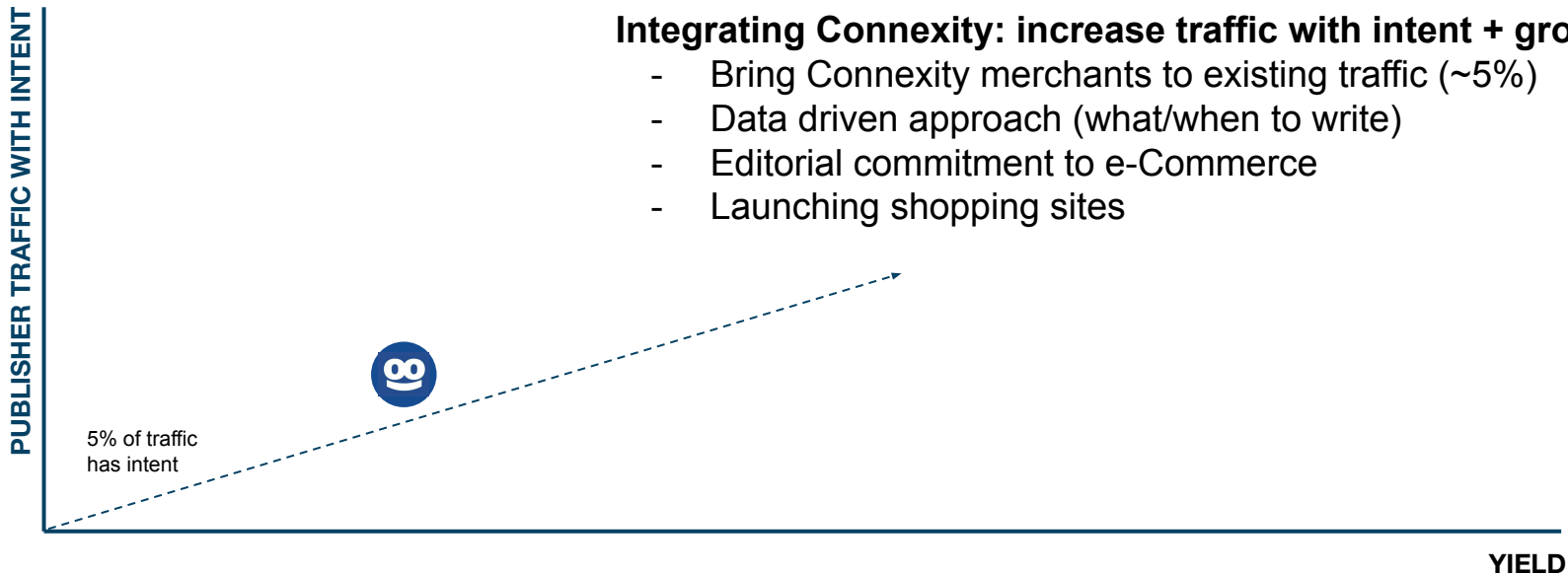
OTTO overstock.
 ★ macy's ebay wayfair

INTENT DRIVES YIELD

1 MIN ON GOOGLE SEARCH = 15 MIN ON FACEBOOK



OVER THE NEXT 5 YEARS MORE TRAFFIC WITH INTENT + HIGHER YIELD



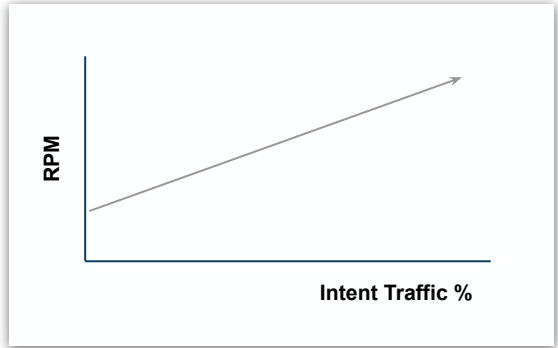
SYNERGIES - \$100M+ ANNUAL EX-TAC IN 4 YEARS

Synergy Description	Expected Annual Impact	
1. Connexity on Taboola Publishers - and grow publishers % of traffic with intent	\$30M+	Supply
2. Take Connexity Global	\$25M+	
3. Connexity merchant demand on Taboola publisher supply	\$10M+	Demand
4. Expanding Connexity's Client base by Leveraging Taboola Ad Sales	\$20M+	
5. Better personalization/yield by merging datasets - recommendations + e-commerce	\$15M+	

1. UPSELL CONNEXITY TO TABOOLA PUBLISHERS IN EXISTING MARKETS

6%

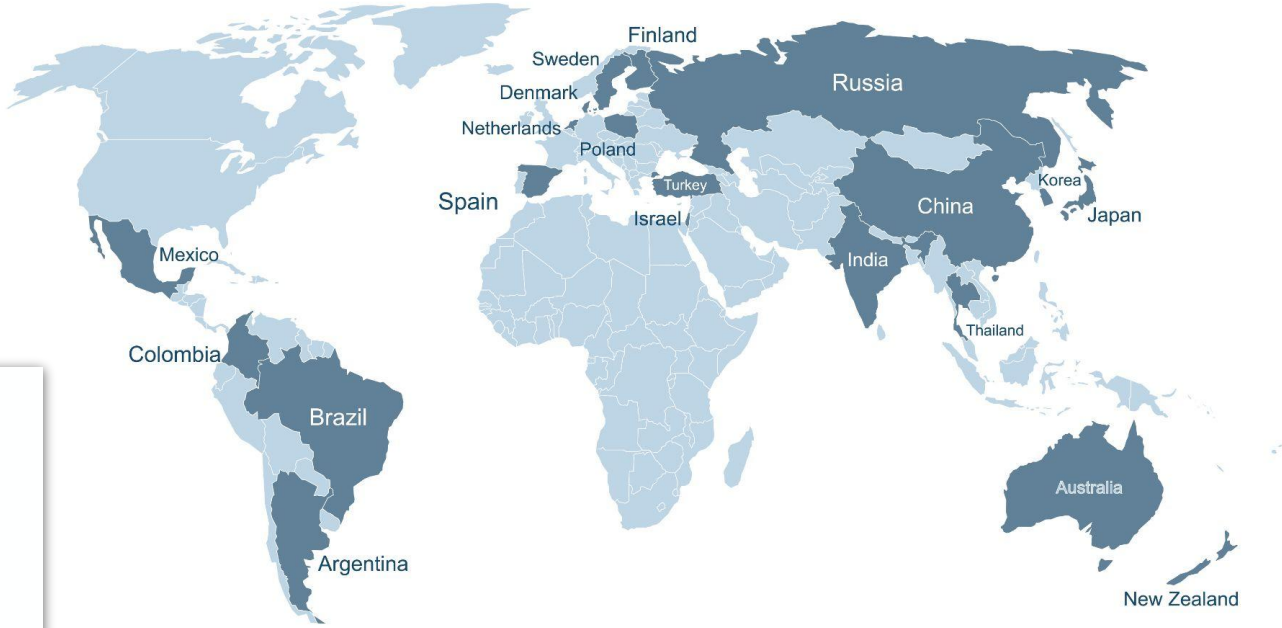
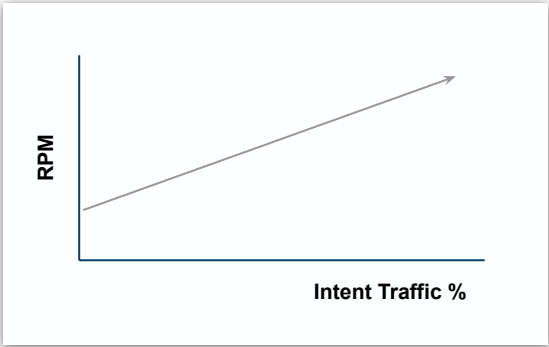
of Connexity's Revenue comes from Taboola publishers.



+\$30M
in Ex-TAC

2. TAKE CONNEXITY GLOBAL (where Connexity isn't operating)

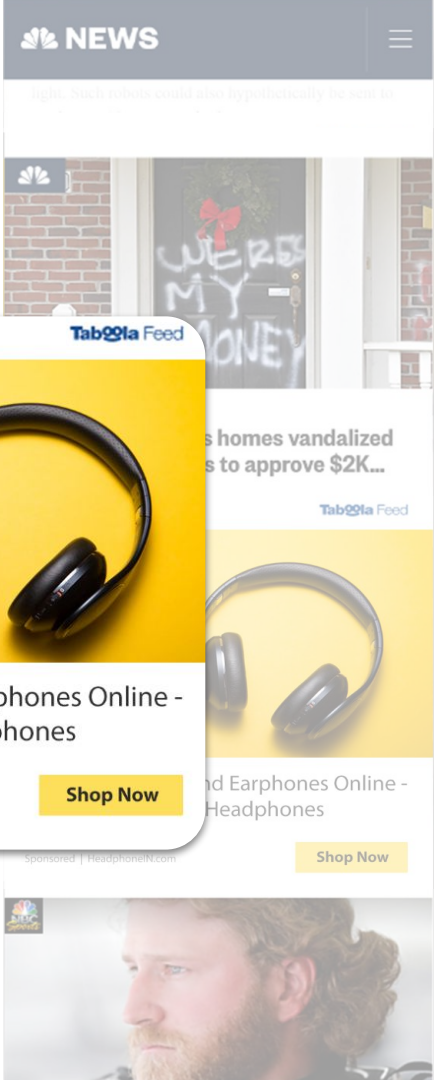
+\$25M
in Ex-TAC



3. CONNEXITY DEMAND ON TABoola SUPPLY

+\$10M
in Ex-TAC

A Taboola Feed advertisement featuring a pair of black over-ear headphones on a yellow background. The text below the image reads: "Buy Headphones and Earphones Online - Premium High End Headphones". At the bottom, it says "Sponsored | HeadphoneIN.com" and includes a yellow "Shop Now" button.



4. EXPANDING CONNEXITY'S CLIENT BASE BY LEVERAGING TABOOLA AD SALES



5. BETTER PERSONALIZATION/YIELD BY MERGING DATASETS - RECOMMENDATIONS + E-COMMERCE

Taboola

Readership Data¹

- 500M daily active users
- 30 billion clicks (“people who read this also read”)

 **connexity**

Commerce Data¹

Intent data from 1M transactions a month

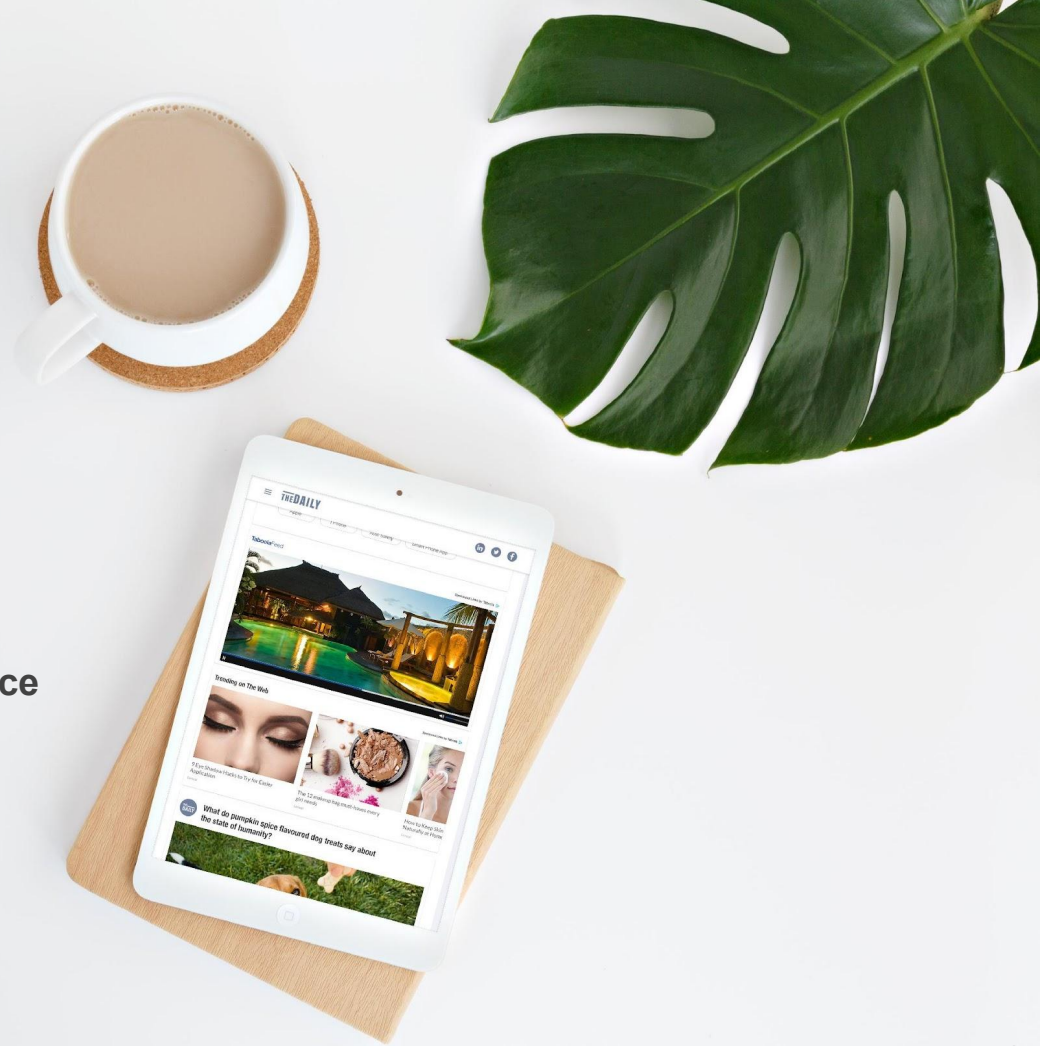


Highly targeted
recommendations
at massive scale globally

+\$15M
in Ex-TAC

AGENDA

- About Taboola
- Market Opportunity
- Taboola E-Commerce (with Connexity)
- Synergies Mid Term (3-5 years)
- **Financial Information - 2021, 2022 Guidance**



IMPORTANT NOTES ON FINANCIALS

- Connexity business is reported on a Gross / Net hybrid basis
- Transaction closed September 1, so one month of Connexity will be included in Q3 financials
- Important definitions in the financials we are sharing:
 - “Reported Basis” means that Connexity only appears in financial metrics starting Sep 1
 - “Pro Forma Basis” means that historical Connexity financials have been added to historical Taboola stand-alone financials
- Revised prospectus will be filed later this week, which will include an updated Pro Forma

Transaction Recap

**One of the largest
e-Commerce
media platforms
in the world**

\$800 million Total Consideration

Including purchase price and retention incentives

\$590M cash of which \$300M debt financed

\$210M in Taboola stock and equity incentives

- \$143M (17.3M shares) equity on close
- \$30M (3.7M shares) retention based holdback
- \$40M future equity incentives

Debt Financing

\$300M senior secured term loan

- Term: Seven year
- Interest rate: Libor plus 4%, paid quarterly
- Principal paid each quarter: 0.25% (\$750k) of the total amount (1% per year) and 93.25% at the end of 7 years
- No maintenance covenants

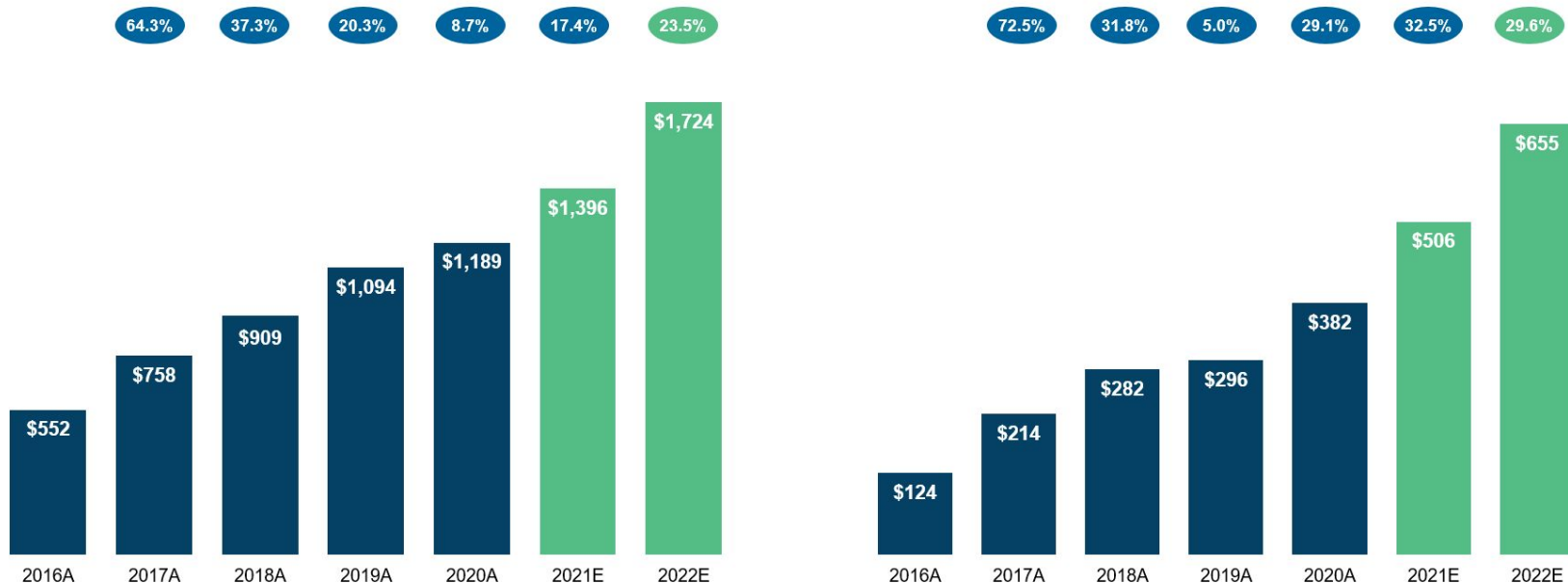
STRONG H1: BEAT EXPECTATIONS ACROSS ALL MEASURES IN Q1 AND Q2

	Q1 2021A	Q1 PIPE Projection	% above projection	Q2 2021A	Q2 Guidance	% above guidance
Revenues	\$303	\$286	6%	\$329	\$315 - \$320	4%
ex-TAC Gross Profit (1)	\$106	\$95	12%	\$117	\$108 - \$113	6%
Gross Profit	\$89	\$78	14%	\$100	\$88 - \$95	9%
Adjusted EBITDA (1)	\$34	\$25	34%	\$41	\$34 - \$36	17%
Ratio of Adjusted EBITDA to ex-TAC Gross Profit	31.6%	26.3%	5.3 pts	35.0%	30 - 33%	3.5 pts

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

Revenues

ex-TAC Gross Profit



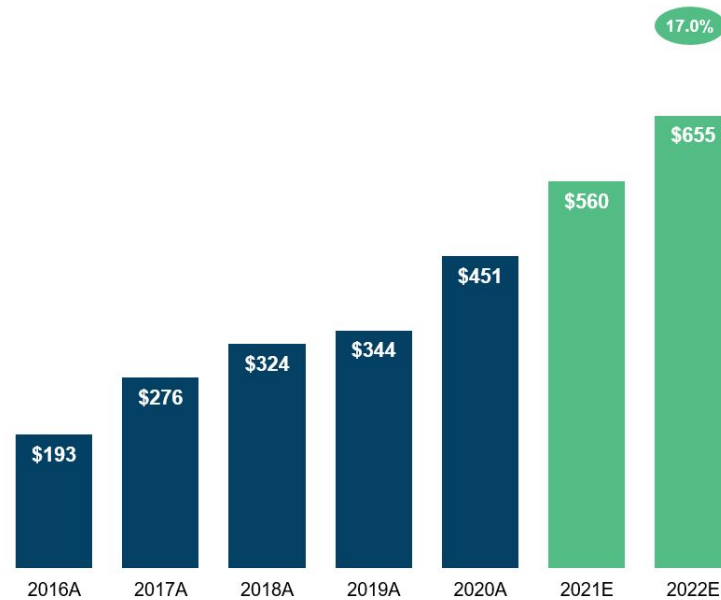
● YoY growth

HISTORICAL & PROJECTED REVENUES & EX-TAC GROSS PROFIT¹ (PRO FORMA BASIS)

Revenues



ex-TAC Gross Profit



● YoY growth

(1) Non-GAAP measure, see appendix for reconciliation to GAAP
 Note: 2021 and 2022 projections reflect the mid-point of current company guidance.

Q3 2021 GUIDANCE: REPORTED BASIS WITH CONNEXITY AS OF SEPTEMBER 1

(\$'s in millions)

	Guidance
Revenues	\$338 to \$342M
ex-TAC Gross Profit (1)	\$122 to \$124M
Gross Profit	\$101 to \$103M
Net income (loss)	(\$7) to (\$5M)
Adjusted EBITDA (1)	\$36 to \$37M

Acquisition of Connexity closed on September 1, 2021, therefore Guidance includes one month of Connexity

FY 2021 and FY 2022 GUIDANCE: REPORTED BASIS WITH CONNEXITY AS OF SEPTEMBER 1

(\$'s in millions)

	Guidance		FY '22 vs. FY '21 (Midpoint)
	FY 2021	FY 2022	
Revenues	\$1,392 to \$1,400M	\$1,698 to \$1,748M	23.5%
ex-TAC Gross Profit (2)	\$503 to \$509M	\$645 to \$665M	29.6%
Gross Profit	\$418 to \$424M	\$530 to \$550M	28.3%
Net income (loss)	(\$41) to (\$35M)	(\$18) to \$2M	78.9%
Adjusted EBITDA (2)	\$168 to \$171M	\$193 to \$213M	20.1%

(1) Y/Y % variance represents midpoint of each year's respective guidance

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

ADDITIONAL MODELING ASSUMPTIONS

- Interest expense of approximately \$3.5M a quarter associated with \$300M term loan
- Share based compensation of approximately \$126M in 2021 unusually high as a result of going public triggering event, 2022 estimated at \$73M
- Fully weighted diluted share count was approximately 273M as of Sep 1, 2021 following the close of the Connexity acquisition.
- Free Cash Flow expected to be 60% of Adjusted EBITDA in long-term models



KEY FINANCIAL TAKEAWAYS

- Strong H1 2021, exceeding expectations, builds on multi-year positive track record
- Adding Connexity strengthens further our financial profile and brings high value demand and product capabilities in important e-commerce category
- Expect \$100 million in ex-TAC Gross Profit annual synergies in four years, roughly equivalent to adding another Connexity
- Updated 2021 guidance and initial 2022 guidance with Connexity reflects continued strong growth and profitability
- Rule of 40+ Company: ex-TAC growth + Ratio of Adj. EBITDA to ex-TAC Gross Profit always above 40%

Taboola

Thank you.

APPENDIX

EX-TAC GROSS PROFIT RECONCILIATION (REPORTED BASIS)

(\$ in Millions)	2016A	2017A	2018A	2019A	2020A	2021E	2022E
Revenues	\$552.1	\$757.9	\$909.2	\$1,093.8	\$1,188.9	\$1,396.0	\$1,724.0
Traffic Acquisition Cost (TAC)	427.7	544.2	627.7	\$798.0	\$806.5	\$890.0	\$1,069.0
Other Cost of Revenues	23.2	35.1	47.3	63.9	62.9	\$85.0	\$93.0
Gross Profit	\$101.2	\$178.6	\$234.2	\$231.9	\$319.5	\$421.0	\$562.0
Other Cost of Revenues	23.2	35.1	47.3	63.9	62.9	85.0	93.0
ex-TAC Gross Profit	\$124.4	\$213.7	\$281.5	\$295.8	\$382.4	\$506.0	\$655.0

Note: 2021 projections reflect the midpoint of current company guidance.

EX-TAC GROSS PROFIT GUIDANCE RECONCILIATION (REPORTED BASIS)

(\$'s in millions)

	Guidance		
	Q3 2021	FY 2021	FY 2022
Revenues	\$338 - \$342M	\$1,392 - \$1,400M	\$1,698 - \$1,748M
Traffic Acquisition Cost (TAC)	(\$217 - \$219M)	(\$886 - \$894M)	(\$1,048 - \$1,090M)
Other Cost of Revenues	(\$20 - \$22M)	(\$84 - \$86M)	(\$105 - \$125M)
Gross Profit	\$101 - \$103M	\$418 to \$424M	\$530 to \$550M
Other Cost of Revenues	\$20 - \$22M	\$84 - \$86M	\$105 - \$125M
ex-TAC Gross Profit (1)	\$122 - \$124M	\$503 to \$509M	\$645 to \$665M

ADJUSTED EBITDA GUIDANCE RECONCILIATION (REPORTED BASIS. BASED ON THE MIDPOINT OF CURRENT GUIDANCE)

(\$'s in millions)

	Q3 2021E	FY 2021E	FY 2022E
Estimated Net Income (Loss)	(\$6)	(\$38)	(\$8)
Estimated Adjustments:			
Finance Expense	2	5	15
Tax Expense	5	22	31
Depreciation and Amortization	12	49	76
Share Based Compensation	21	126	73
M&A Cost	2	5	-
Other	-	-	16
Adjusted EBITDA (1)	\$36	\$169	\$203

Note: We have historically provided guidance for Adjusted EBITDA but not for Net income (loss), the most directly comparable GAAP measure. Certain elements of Net income (loss), including tax expense and 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 for Net Income (loss) or to reconcile our Adjusted EBITDA guidance without unreasonable efforts. For these reasons, we do not expect to project Net income (loss) for the foreseeable future. However, due to the materiality of the Connexity acquisition and its potential impacts on our financial position and results of operations, we invested substantial resources for due diligence and financial planning and analysis in the transaction. For those reasons and to support our internal governance processes, we prepared and can provide one-time estimates for Net income (loss) and its components for the periods shown.