Taboola
E-Commerce with Connexity
Powering e-Commerce Recommendations for the Open Web
September 28, 2021
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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 spend\(^1\)

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

\(^1\) 2021 estimates, eMarketer.
AGENDA

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

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

(1) See Appendix for historical annual Traffic Acquisition Costs (TAC)
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

Publishers on a 5+ Year Contract with Taboola

- CBS Interactive
- Bloomberg
- msn
- sport1
- CNBC
- NBC NEWS
- NBC Sports
- SYNACOR
- USA TODAY
- Axel Springer
- Lagardère
- Daily Mail

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

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
ADVERTISERS CHOOSE TABOOLA FOR THE OPEN WEB

• Massive reach – 516M Daily Active Users

• 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 spend

10th largest advertiser is 1% of total ad spend

101% Net Dollar Retention over the period Q4 2018 - Q3, 2020

(1) Source: Company Data
(2) Excluding Q2-2020 due to expected one-time impact of COVID-19
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
RECOMMENDING ANYTHING, ANYWHERE
A MULTI BILLION DOLLAR OPPORTUNITY

Core Business
$1B+ in 2020 & Growing Rapidly

ANYWHERE
$10M’s in 2020
Taboola News
(mobile carriers, device manufacturers, CTV...)

ANYTHING
$10M’s in 2020
New products and segments
(TV ads, eCommerce, app downloads, gaming...)

Note: Financial models take into consideration only the core business

Source: Company data, Revenues
AGENDA

• About Taboola
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THE E-COMMERCE MARKET IS GROWING FAST AND IS EXPECTED TO CONTINUE DOING SO
E-COMMERCE IS ONE OF THE FASTEST GROWING DIGITAL AD SEGMENTS AND DRIVEN BY INTENT

Retail Industry Digital Ad Spending
US, 2019-2023

US Ecommerce Channel Ad Spending, 2019-2024
billions, % change, and % of digital ad spending

Source: eMarketer, June 2021
Source: eMarketer, March 2021
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
EXPANDED TABOOLA TAM TO $124B WITH E-COMMERCE AD BUDGETS

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

Note: Illustrative diagrams, not to scale.
HOW CONNEXITY DRIVES SHOPPERS TO MERCHANTS IN THE OPEN WEB

1 Percentage of ex-TAC Gross Profit in 2020.

Publishers Solutions
- Monetized Links in Editorial Content
- Product Listings in Shopping Experiences

Audience Network (Walled Gardens)
- Search
- Social
CONNEXITY’S DIRECT RELATIONSHIPS WITH BLUE CHIP PARTNERS
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
12 Best Mattresses of 2021
Say goodbye to back pain and hello to deep sleep.

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, so you won’t have to replace it within a few years. Also because mattresses can get pricey, you want to make sure you’re investing in one that’s actually worth the cost.

In addition to researching the brands, materials and features, we have product experts and consumer testers try each mattress out and we survey our users panel to get in-

We updated this guide in September 2021 to update pricing and/or replace old, sold-out mattresses. These decisions still reflect the top picks from our most recent Good Housekeeping Institute Textiles Lab Director Lexie Sachs.

The Good Housekeeping Institute Textiles Lab reviews mattresses of all kinds, from traditional innerspring mattresses that you buy in stores to memory foam mattresses and mattresses in all 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.
GET THIS HOME DEPOT BONE THRONE TO RULE HALLOWEEN

This monstrosity seat brings lots of laughs

It’s not quite the Iron Throne, but for Game of Thrones fans and anyone who digs Medieval-style stuff, this brand new monstrosity of a Halloween decoration from The Home Depot may have you whipping out your wallets at a glance.

As soon as we saw it, we knew we had to test out the Bone Throne. After all, it’s our duty to make sure that you’re sure you’re getting what you pay for—especially at $999. Plus, we just really wanted to feel like Daenerys for a day.

About the Bone Throne

Cloud Sofa
*Connexity Monetized Link

Bone Throne.
*Connexity Monetized Link
12 top-rated weighted blankets that help to deliver your best sleep yet

Vangroden (March 2023) 1:55am

Hi, my name is Sandra and I have anxiety. I’ve been trying to find a way to get better sleep through weighted blankets. I was first introduced to the concept by my doctor after she prescribed a weighted blanket for me. She said it could help reduce my anxiety and aid in better sleep. I’ve been using it for a few weeks now, and I must say, it has helped me tremendously. I’m able to fall asleep faster and stay asleep longer. I’ve also noticed a decrease in my anxiety levels. Weighted blankets are not just for those with anxiety; they can benefit anyone who struggles with sleep or stress. They provide a sense of security and comfort that can be especially beneficial for those who crave a sense of stability.

BEST WEIGHTED BLANKETS

1. Gravity Blanket - The Gravity Blanket is a handcrafted, luxuriousweighted blanket. It comes in various weights and sizes to suit your needs. It is made from high-quality materials and offers a deep feeling of comfort to the user. The weight of the blanket helps to calm the mind, reducing anxiety and promoting relaxation.

2. YnM Weighted Blanket - YnM Weighted Blanket is a high-qualityweighted blanket that is eco-friendly and made from 100% organic cotton. It comes in a range of weights and sizes to suit different needs. It is designed to help users achieve a deeper, more restful sleep.

3. The Peanutshell Weighted Blanket - The Peanutshell Weighted Blanket is a soft, lightweight, and breathable weighted blanket. It is made from a blend of cotton and polyester and comes in a range of colors. It is ideal for those who want a lightweight weighted blanket.

4. Woolino Weighted Blanket - Woolino Weighted Blanket is a 100% merino woolweighted blanket. It is natural and soft, providing a sense of comfort and warmth. It is suitable for those who prefer a natural, eco-friendly product.

5. AmazonBasics Weighted Blanket - AmazonBasics Weighted Blanket is a basic weighted blanket that is affordable and easy to find. It is made from a blend of cotton and polyester and comes in a range of weights and sizes.

6. Calming - Calming Weighted Blanket - Calming Weighted Blanket is a 100% cottonweighted blanket that is designed to help users achieve a deeper, more restful sleep. It is made from high-quality materials and offers a deep feeling of comfort to the user.

7. Sunbeam Weighted Blanket - Sunbeam Weighted Blanket is a 100% cottonweighted blanket that is suitable for all seasons. It is designed to help users achieve a deeper, more restful sleep. It is made from high-quality materials and offers a deep feeling of comfort to the user.

8. Lusso Products Weighted Blanket - Lusso Products Weighted Blanket is a 100% cottonweighted blanket that is designed to help users achieve a deeper, more restful sleep. It is made from high-quality materials and offers a deep feeling of comfort to the user.

9. Malouf Weighted Blanket - Malouf Weighted Blanket is a 100% cottonweighted blanket that is designed to help users achieve a deeper, more restful sleep. It is made from high-quality materials and offers a deep feeling of comfort to the user.

10. AmazonBasics Weighted Blanket - AmazonBasics Weighted Blanket is a basicweighted blanket that is affordable and easy to find. It is made from a blend of cotton and polyester and comes in a range of weights and sizes.

CONNECTION PUBLISHER
PRODUCTS ON EDITORIAL CONTENT

58-inch A5 Series 4K
*Connexity Monetized Link

up to 50 per cent off Calming
*Connexity Monetized Link
CONNEXITY PUBLISHER
BUILDING A SHOPPING SITE

Product Listings
Syndicated into Curated Shopping Experience

*Connexity Syndicated Product Listings

*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
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OF OPEN WEB PUBLISHER REVENUE WILL BE E-COMMERCE

Source: Company Estimates.
Rare fossil of 25-million-year-old eagle that hunted koalas found in South Australia

By Rhea Mogg, CNN
Updated 2:32 PM ET, Mon September 27, 2021

The newly discovered species, Archaeornis australis, is one of the oldest eagle-like raptors in the world. The species has been named for its distinctive beak and talons. The fossil, which is about 25 million years old, was found in South Australia during a survey of the area. Scientists believe the eagle-like raptor was a major predator in its time, feeding on small mammals and birds. It is one of the earliest known eagles and is thought to have lived in the Australian outback. The discovery is significant because it helps scientists understand the evolution of birds and their role in prehistoric ecosystems.
INTENT DRIVES YIELD
1 MIN ON GOOGLE SEARCH = 15 MIN ON FACEBOOK

1.5T min per month

$70B

120B min per month on Search

0.38 cents per min

6.04 cents per min

$87B*

* Search revenue
Source: Company Analysis. Numbers cited are 2020.
OVER THE NEXT 5 YEARS
MORE TRAFFIC WITH INTENT + HIGHER YIELD

Integrating Connexity: increase traffic with intent + grow yield:
- Bring Connexity merchants to existing traffic (~5%)
- Data driven approach (what/when to write)
- Editorial commitment to e-Commerce
- Launching shopping sites
## SYNERGIES - $100M+
ANNUAL EX-TAC IN 4 YEARS

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

- Japan, China, India, Russia, Spain, Brazil, Korea, Netherlands, Sweden, Denmark, Finland, Poland, Turkey, Australia, New Zealand, Mexico, Colombia, Argentina, Israel, Thailand

RPM

Intent Traffic %
3. CONNEXITY DEMAND ON TABoola SUPPLY

+$10M in Ex-TAC
4. EXPANDING CONNEXITY’S CLIENT BASE BY LEVERAGING TABOOLA AD SALES

2 US Advertiser sellers (Connexity alone) → 40 US Advertiser sellers (with Taboola) → +$20M in Ex-TAC
5. BETTER PERSONALIZATION/YIELD BY MERGING DATASETS - RECOMMENDATIONS + E-COMMERCE

Readership Data
- 500M daily active users
- 30 billion clicks ("people who read this also read")

Commerce Data
- Intent data from 1M transactions a month

Highly targeted recommendations at massive scale globally

+$15M in Ex-TAC

Source: Company data.
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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
$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

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

(1) Subject to regulatory approval and customary closing conditions
## STRONG H1: BEAT EXPECTATIONS ACROSS ALL MEASURES IN Q1 AND Q2

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

(1) Non-GAAP measure, see appendix for reconciliation to GAAP
HISTORICAL & PROJECTED REVENUES & EX-TAC GROSS PROFIT\(^1\) (REPORTED BASIS)

Revenues

<table>
<thead>
<tr>
<th>Year</th>
<th>Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016A</td>
<td>$552</td>
</tr>
<tr>
<td>2017A</td>
<td>$758</td>
</tr>
<tr>
<td>2018A</td>
<td>$909</td>
</tr>
<tr>
<td>2019A</td>
<td>$1,094</td>
</tr>
<tr>
<td>2020A</td>
<td>$1,189</td>
</tr>
<tr>
<td>2021E</td>
<td>$1,724</td>
</tr>
<tr>
<td>2022E</td>
<td></td>
</tr>
</tbody>
</table>

ex-TAC Gross Profit

<table>
<thead>
<tr>
<th>Year</th>
<th>Profit</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016A</td>
<td>$124</td>
</tr>
<tr>
<td>2017A</td>
<td>$214</td>
</tr>
<tr>
<td>2018A</td>
<td>$282</td>
</tr>
<tr>
<td>2019A</td>
<td>$296</td>
</tr>
<tr>
<td>2020A</td>
<td>$382</td>
</tr>
<tr>
<td>2021E</td>
<td>$506</td>
</tr>
<tr>
<td>2022E</td>
<td>$655</td>
</tr>
</tbody>
</table>

\(^1\) Non-GAAP measure, see appendix for reconciliation to GAAP
Note: 2021 and 2022 projections reflect the mid-point of current company guidance.
HISTORICAL & PROJECTED REVENUES & EX-TAC GROSS PROFIT\(^1\) (PRO FORMA BASIS)

<table>
<thead>
<tr>
<th>Year</th>
<th>Revenues</th>
<th>ex-TAC Gross Profit</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016A</td>
<td>$678</td>
<td>$193</td>
</tr>
<tr>
<td>2017A</td>
<td>$869</td>
<td>$276</td>
</tr>
<tr>
<td>2018A</td>
<td>$1,020</td>
<td>$324</td>
</tr>
<tr>
<td>2019A</td>
<td>$1,230</td>
<td>$344</td>
</tr>
<tr>
<td>2020A</td>
<td>$1,352</td>
<td>$451</td>
</tr>
<tr>
<td>2021E</td>
<td>$1,508</td>
<td>$560</td>
</tr>
<tr>
<td>2022E</td>
<td>$1,724</td>
<td>$655</td>
</tr>
</tbody>
</table>

\(^1\) 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)

<table>
<thead>
<tr>
<th></th>
<th>Guidance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues</td>
<td>$338 to $342M</td>
</tr>
<tr>
<td>ex-TAC Gross Profit (1)</td>
<td>$122 to $124M</td>
</tr>
<tr>
<td>Gross Profit</td>
<td>$101 to $103M</td>
</tr>
<tr>
<td>Net income (loss)</td>
<td>($7) to ($5M)</td>
</tr>
<tr>
<td>Adjusted EBITDA (1)</td>
<td>$36 to $37M</td>
</tr>
</tbody>
</table>

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

(1) Non-GAAP measure, see appendix for reconciliation to GAAP
# FY 2021 and FY 2022 GUIDANCE: REPORTED BASIS WITH CONNEXITY AS OF SEPTEMBER 1

($'s in millions)

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

(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%
Thank you.
### EX-TAC GROSS PROFIT RECONCILIATION (REPORTED BASIS)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues</strong></td>
<td>$552.1</td>
<td>$757.9</td>
<td>$909.2</td>
<td>$1,093.8</td>
<td>$1,188.9</td>
<td>$1,396.0</td>
<td>$1,724.0</td>
</tr>
<tr>
<td><strong>Traffic Acquisition Cost (TAC)</strong></td>
<td>427.7</td>
<td>544.2</td>
<td>627.7</td>
<td>$798.0</td>
<td>$806.5</td>
<td>$890.0</td>
<td>$1,069.0</td>
</tr>
<tr>
<td><strong>Other Cost of Revenues</strong></td>
<td>23.2</td>
<td>35.1</td>
<td>47.3</td>
<td>63.9</td>
<td>62.9</td>
<td>$85.0</td>
<td>$93.0</td>
</tr>
<tr>
<td><strong>Gross Profit</strong></td>
<td>$101.2</td>
<td>$178.6</td>
<td>$234.2</td>
<td>$231.9</td>
<td>$319.5</td>
<td>$421.0</td>
<td>$562.0</td>
</tr>
<tr>
<td><strong>Other Cost of Revenues</strong></td>
<td>23.2</td>
<td>35.1</td>
<td>47.3</td>
<td>63.9</td>
<td>62.9</td>
<td>85.0</td>
<td>93.0</td>
</tr>
<tr>
<td><strong>ex-TAC Gross Profit</strong></td>
<td>$124.4</td>
<td>$213.7</td>
<td>$281.5</td>
<td>$295.8</td>
<td>$382.4</td>
<td>$506.0</td>
<td>$655.0</td>
</tr>
</tbody>
</table>

Note: 2021 projections reflect the midpoint of current company guidance.
# EX-TAC GROSS PROFIT GUIDANCE RECONCILIATION

(Reported Basis)

($'s in millions)

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

### ADJUSTED EBITDA GUIDANCE RECONCILIATION

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

($’s in millions)

<table>
<thead>
<tr>
<th></th>
<th>Q3 2021E</th>
<th>FY 2021E</th>
<th>FY 2022E</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Estimated Net income (Loss)</strong></td>
<td>($)5</td>
<td>($)38</td>
<td>($)8</td>
</tr>
<tr>
<td><strong>Estimated Adjustments:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Finance Expense</td>
<td>2</td>
<td>5</td>
<td>15</td>
</tr>
<tr>
<td>Tax Expense</td>
<td>5</td>
<td>22</td>
<td>31</td>
</tr>
<tr>
<td>Depreciation and Amortization</td>
<td>12</td>
<td>49</td>
<td>76</td>
</tr>
<tr>
<td>Share Based Compensation</td>
<td>21</td>
<td>126</td>
<td>73</td>
</tr>
<tr>
<td>M&amp;A Cost</td>
<td>2</td>
<td>5</td>
<td>-</td>
</tr>
<tr>
<td>Other</td>
<td>-</td>
<td>-</td>
<td>16</td>
</tr>
<tr>
<td><strong>Adjusted EBITDA (1)</strong></td>
<td><strong>$36</strong></td>
<td><strong>$169</strong></td>
<td><strong>$203</strong></td>
</tr>
</tbody>
</table>