

# Investor Presentation

# Disclaimer

## Forward-Looking Statements

Certain statements in this Presentation may be considered forward-looking statements. Forward-looking statements generally relate to future events or ION Acquisition Corp 1 LTD. (“ION”) and Taboola.com Ltd.’s (the “Company”) future financial or operating performance. For example, projections of future Revenue, Adjusted EBITDA and other metrics are forward-looking statements. 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 ION and its management, and the Company and its management, as the case may be, are inherently uncertain. Uncertainties and risk factors that could affect the Company’s and ION’s future performance and cause results to differ from the forward-looking statements in this presentation include, but are not limited to: the occurrence of any event, change or other circumstances that could give rise to the termination of the proposed transaction involving the Company and ION (such transaction, the “Business Combination”); the outcome of any legal proceedings that may be instituted against ION or the Company, the combined company or others following the announcement of the Business Combination; the inability to complete the Business Combination due to the failure to obtain approval of the shareholders of ION or to satisfy other conditions to closing; changes to the proposed structure of the Business Combination that may be required or appropriate as a result of applicable laws or regulations or as a condition to obtaining regulatory approval of the Business Combination; the ability to meet stock exchange listing standards following the consummation of the Business Combination; the risk that the Business Combination disrupts current plans and operations of ION or the Company as a result of the announcement and consummation of the Business Combination; the ability to recognize the anticipated benefits of the Business Combination, which may be affected by, among other things, competition, the ability of the combined company to grow and manage growth profitably, maintain relationships with customers and retain its management and key employees; costs related to the Business Combination; changes in applicable laws or regulations; the Company’s estimates of expenses and profitability and underlying assumptions with respect to shareholder redemptions and purchase price and other adjustments; 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 ION’s final prospectus relating to its initial public offering dated October 1, 2020 and in subsequent filings with the Securities and Exchange Commission (“SEC”), including the proxy statement relating to the Business Combination expected to be filed by ION.

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 are made. Neither ION nor the Company undertakes any duty to update these forward-looking statements.

## Financial Information

The financial information contained in this Presentation has been taken from or prepared based on the historical financial statements of the Company for the periods presented. The Company’s historical financial information is prepared in accordance with generally accepted accounting principles (“GAAP”). Such information has not been audited in accordance with either Public Company Oversight Board (“PCAOB”) standards. We cannot assure you that, had the financial statements been compliant with Regulation S-X under the Securities Act of 1933, as amended, and the regulations of the SEC promulgated thereunder or audited in accordance with PCAOB standards, there would not be differences and such differences could be material. An audit of the Company’s financial statements in accordance with PCAOB standards is in process and will be included in the proxy statement relating to the Business Combination. Accordingly there may be material differences between the presentation of the financial information included in the Presentation and in the proxy statement.

## Non-GAAP Financial Measures

This Presentation includes certain financial measures not presented in accordance with GAAP including, but not limited to, Adjusted EBITDA and certain ratios and other metrics derived therefrom, including free cash flow and ex-TAC Revenue, and related margin measures, as well as Real RPM and New Publisher Revenue (ex-TAC). 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.

This Presentation also includes certain projections of non-GAAP financial measures. Due to the high variability and difficulty in making accurate forecasts and projections of some of the information excluded from these projected measures, together with some of the excluded information not being ascertainable or accessible, the Company is unable to quantify certain amounts that would be required to be included in the most directly comparable GAAP financial measures without unreasonable effort. Consequently, no disclosure of estimated comparable GAAP measures is included and no reconciliation of the forward-looking non-GAAP financial measures is included.

# Disclaimer (cont'd)

## Use of Projections

This Presentation contains financial forecasts with respect to the Company's projected financial results, including Revenue and Adjusted EBITDA, for the Company's fiscal years 2020 through 2025. 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, ION and the Company rely on and refer to certain information and statistics obtained from third-party sources which they believe to be reliable. Neither ION nor the Company has 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.

This Presentation may include trademarks, service marks, trade names and copyrights of other companies, which are the property of their respective owners. Solely for convenience, some of the trademarks, service marks, trade names and copyrights referred to in this Presentation may be listed without the <sup>TM</sup>, <sup>SM</sup>, (c) or (r) symbols, but ION and the Company will assert, to the fullest extent under applicable law, the right of the applicable owners, if any, to these trademarks, service marks, trade names and copyrights.

## Additional Information

These communications are being made in respect of the Business Combination. These communications do not constitute an offer to sell or the solicitation of an offer to buy any securities or a solicitation of any vote or approval, nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction. In connection with the proposed Business Combination, the Company intends to file with the SEC the Registration Statement on Form F-4 required to be prepared in connection with the proposed transaction (the "Registration Statement") which will include a proxy statement/prospectus and certain other related documents, which will include both the proxy statement to be distributed to holders of Class A ordinary shares of ION in connection with ION's solicitation of proxies for the vote by ION's shareholders with respect to the Business Combination and other matters as may be described in the Registration Statement, as well as the prospectus relating to the offer and sale of the securities of the Company to be issued in the Business Combination. ION's shareholders and other interested persons are advised to read, when available, the preliminary proxy statement/prospectus included in the Registration Statement and the amendments thereto and the definitive proxy statement/prospectus, as these materials will contain important information about the Company, ION and the Business Combination. After the Registration Statement is declared effective, the definitive proxy statement/prospectus will be mailed to shareholders of ION as of a record date to be established for voting on the Business Combination and other matters as may be described in the Registration Statement. Shareholders of ION will also be able to obtain copies of the proxy statement/prospectus and other documents filed with the SEC that may be incorporated by reference therein, without charge, once available, at the SEC's web site at [www.sec.gov](http://www.sec.gov), or by directing a request to: ION Acquisition Corp 1 Ltd., 89 Medinat Hayehudim Street, Herzliya 4676672, Israel, Attention: Secretary, +972 (9) 970-3620.

## Participants in the Solicitation

The Company, ION and certain of their respective directors, executive officers and other members of management and employees may, under SEC rules, be deemed to be participants in the solicitation of proxies from ION's shareholders in connection with the proposed transaction. You can find more information about ION's directors and executive officers in ION's final prospectus dated October 1, 2020 and filed with the SEC on October 5, 2020. Additional information regarding the participants in the proxy solicitation and a description of their direct and indirect interests will be included in the proxy statement/prospectus when it becomes available. Shareholders, potential investors and other interested persons should read the proxy statement/prospectus carefully when it becomes available before making any voting or investment decisions. You may obtain free copies of these documents from the sources indicated above.

# PRESENTERS AND SENIOR LEADERSHIP

**Taboola**



**Adam Singolda**  
Founder & CEO

- Founded Taboola over 13 years ago, and has led the Company as its CEO ever since



**Stephen Walker**  
CFO

- 6+ years at Taboola
- Previously held positions in Idealab's New Ventures Group and also led several of Idealab's portfolio companies, including Perfect Market
- Prior experience at Disney & General Electric

**ION**  
ACQUISITION CORP



**Gilad Shany**  
CEO

- CEO of ION Acquisition Corp. 1 and Managing Partner of ION Crossover Partners (ICP)
- Prior to co-founding ICP, 10 years of experience investing in public and private companies with Baron Capital (NY), and Magma Venture Partners (TLV)

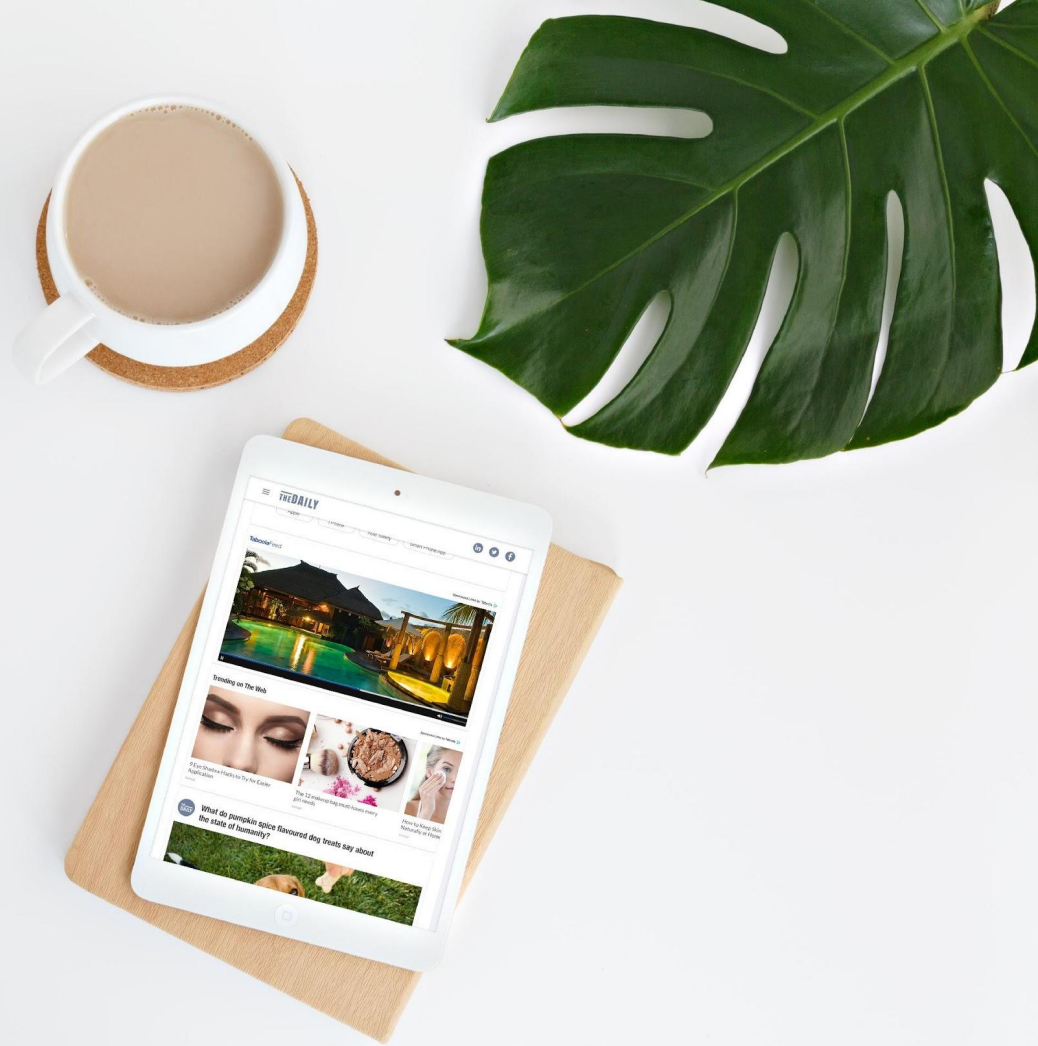


**Avrom Gilbert**  
COO

- President and COO of ION Acquisition Corp. 1
- COO of growth tech companies SimilarWeb & Seeking Alpha.
- 8 years public & private investments, incl. equities analyst with UBS & Venture Capital at Jerusalem Global Ventures.

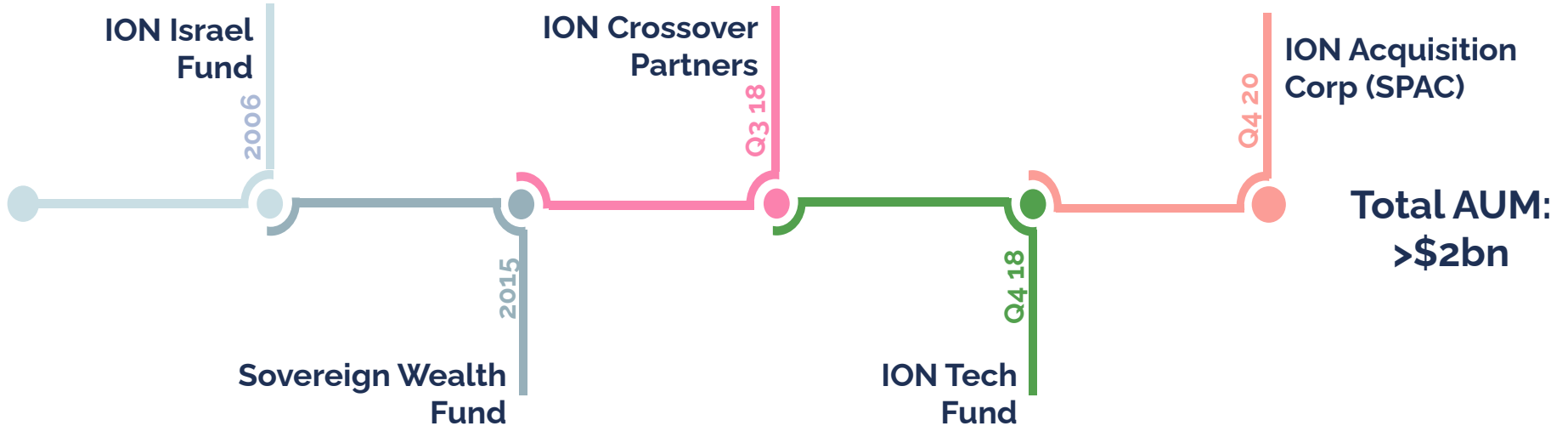
# AGENDA

- Introduction
- Overview
- About Taboola
- Investment Highlights
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# ION - BUILT IN ISRAEL WITH GLOBAL SCALE

Crossover, IPO and public markets



## Representative Successful Investments

solar**edge**

**MOBILEYE**

**VARONIS**

**fiverr**

**amwell**

**monday.com**

Taboola

# ION INVESTMENT THESIS – AI-DRIVEN DISRUPTOR IN A MASSIVE MARKET

Partnering with management to build Open-Web challenger to Walled Gardens

**1**

**New category: recommendation feeds for Open Web (\$64B market)**

Unique partnership with publishers: exclusive, long term & integrated into code (no 3rd party cookies)

**2**

**Taboola levels playing field for Open Web like Shopify for subscale e-commerce**

3 key assets = Scale (516M DAU) + Technology (500 developers) + Advertisers platform (12,000+)

**3**

**Attractive economics: scale, profitability & long term growth horizon**

\$1Bn+ Gross Revenue<sup>1</sup>, >40% on rule of 40, new products & M&A upside

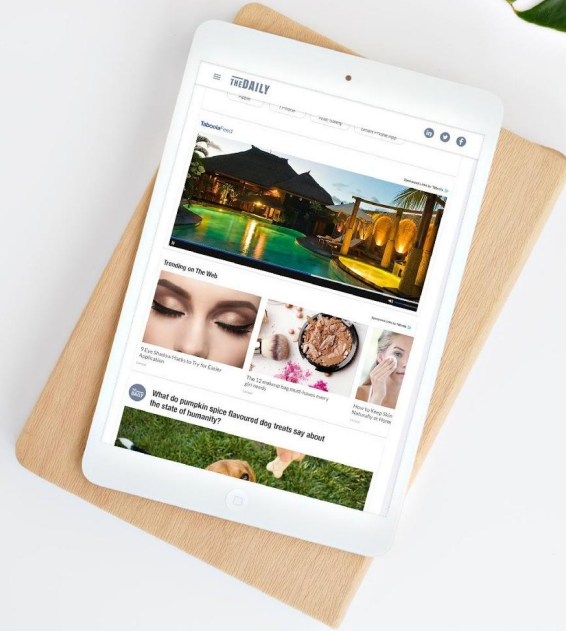
**4**

**ION is excited to partner with a talented management team we have known for years**

Tenured team with strong track-record of exceptional execution

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# **We Power Recommendations for The Open Web**

Helping people discover things they may like



# TABOOLA = SEARCH “IN REVERSE”

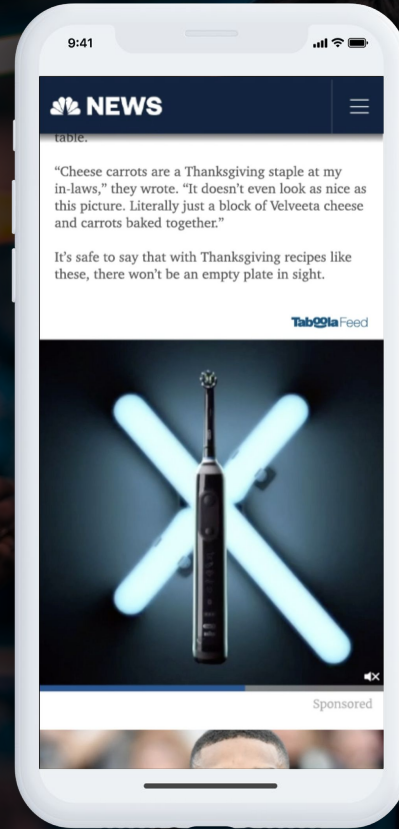
From people looking for information  
to information looking for people



I'm Feeling Lucky

Google Search

# 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 USERS<sup>1</sup>



More than Twitter and Snap combined<sup>2</sup>

**1 Petabyte**

Data Processed by Taboola AI Daily<sup>3</sup>

**400K+**

CPU Cores<sup>4</sup>

**1 Trillion**

Monthly Recommendations<sup>5</sup>

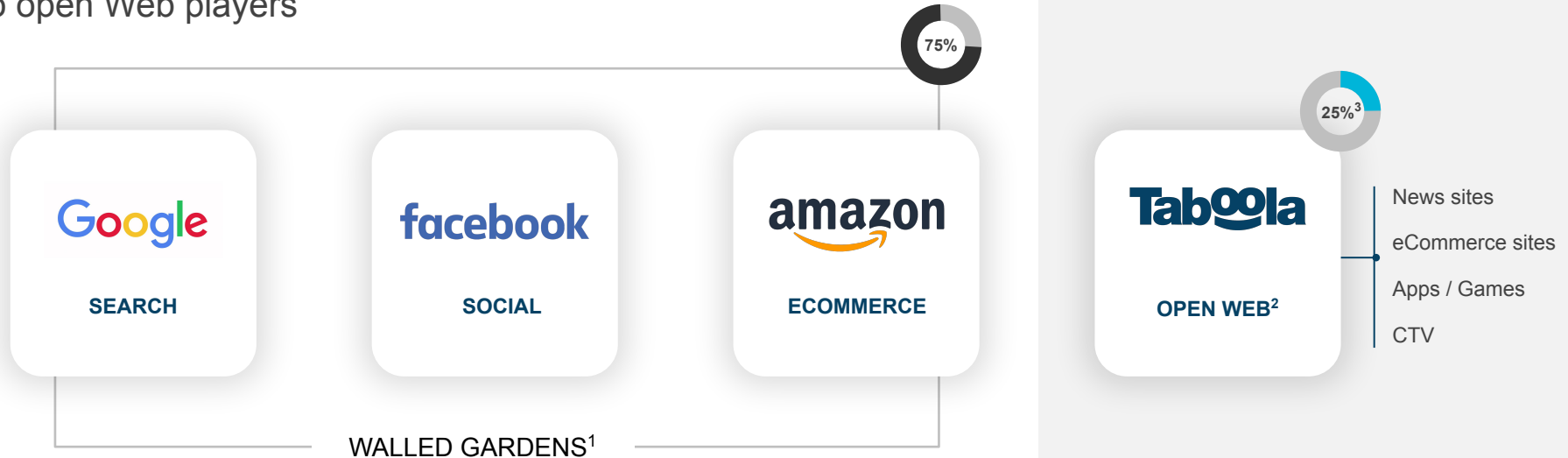
(1) Daily Active Users measures the 7-day average number of users exposed to Taboola recommendations

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

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

# ENABLING PUBLISHERS TO COMPETE WITH WALLED GARDEN BEHEMOTHS

Bringing the user data, AI technology and scale of demand to open Web players



(1) Walled Gardens includes other closed platforms including Snap, Twitter, and Netflix

(2) Open Web: Digital properties not owned by walled gardens such as websites, apps, games, Connected-TV apps, etc.

(3) Percentages reflect time spent on digital media according to company estimates based on eMarketer data. 25% reflects total time spent on Open Web properties, not just on Taboola

# TABOOLA CAN CAPTURE SHARE OF THE HIGHLY FRAGMENTED \$64B OPEN WEB MARKET<sup>1</sup>



SEARCH

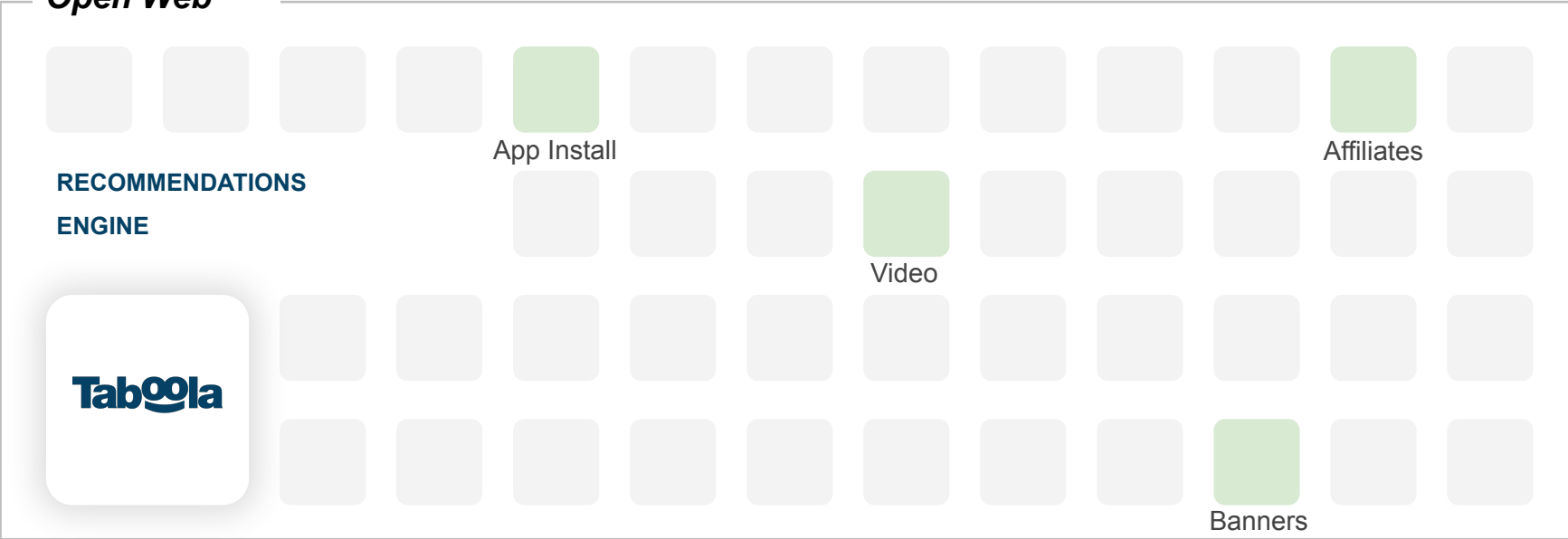


SOCIAL



ECOMMERCE

## Open Web



# TABOOLA IS FOR ADVERTISING WHAT SHOPIFY IS FOR E-COMMERCE



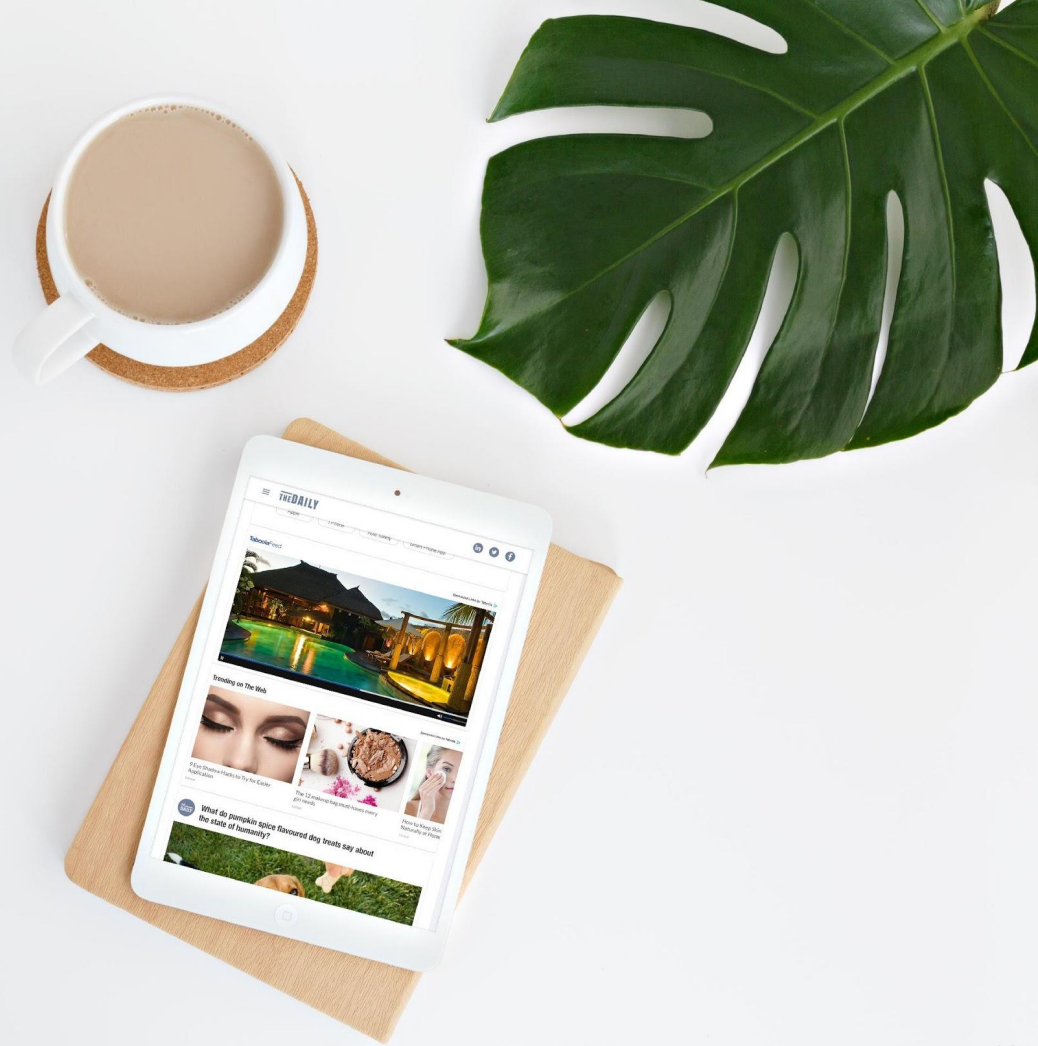
E-COMMERCE



ADVERTISING

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

**\$2B+ Paid To Publishers  
Over 3 Years<sup>1</sup>**

## Monetization

Monetizing with non-interruptive,  
native ads

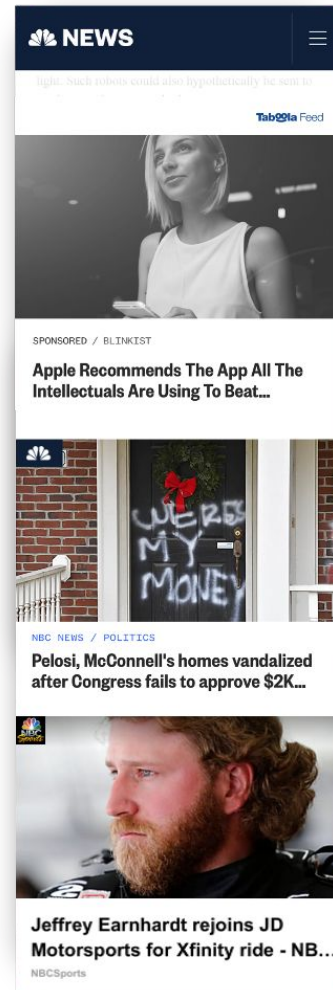
## Engagement

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

- 120% NDR in 2020<sup>1</sup>
- 9,000 publishers
- Global

Publishers on a 5+ Year Contract with Taboola



**Bloomberg**



**sport1**



**NBC NEWS**



**SYNACOR**

**USA TODAY**

**axel springer**

**Lagardère**

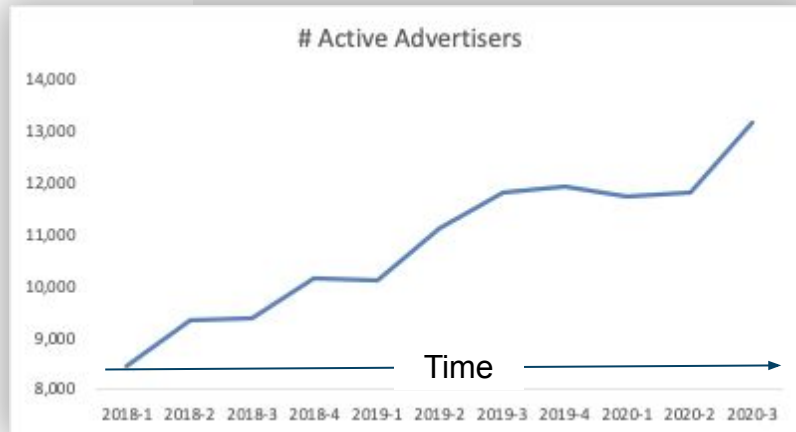
**Daily Mail**

**Taboola**

(1) Source: Company Data. Net Dollar Retention is the simple arithmetic average of our Monthly Net Dollar Retention for the last twelve months. Monthly Net Dollar Retention for a given month is the ex-TAC Revenue in that month from digital properties partners that were Taboola digital property partners in the same month of the prior year divided by the ex-TAC Revenue attributable to that same group of partners in the prior-year month. Current period ex-TAC Revenue includes any upsells and are net of contraction or attrition over the trailing 12 months, but excludes ex-TAC Revenue from new digital properties partners in the current period.

# 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

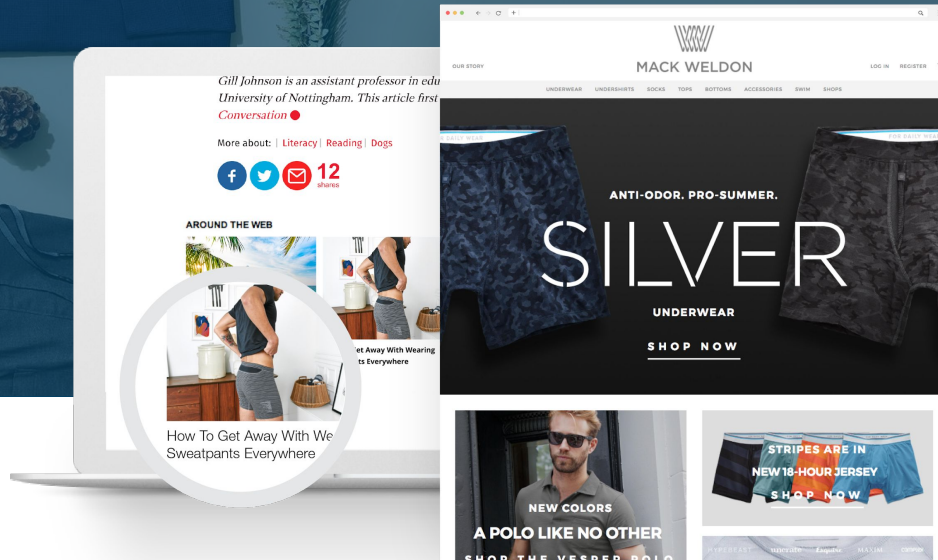
10th largest advertiser is 1% of total ad spend<sup>1</sup>

101% Net Dollar Retention over last 8 quarters<sup>2</sup>



(1) Source: Company Data

(2) Last 8 quarters, excluding Q2-2020 due to expected one-time impact of COVID-19 (Q4, 2018 - Q3, 2020, excluding Q2-20). See prior slide for a definition of NDR



*“Mack Weldon is a digitally native—growth focused—menswear startup brand that designs and delivers premium basics for men. As a performance marketer I’m constantly looking for new ways to create awareness for our products while growing our customer base cost efficiently. With Taboola, we more than doubled down on content marketing this year and grew our campaigns to drive thousands of customers every month. Recently, we found especially high-converting audiences on Taboola’s Data Marketplace. Targeting those audiences gave us greater scale and drove more purchases on sites that either previously did not convert or converted at too high of a cost.”*

- Zach Jacobs, Director of Marketing at Mack Weldon

## Discovering Direct-To-Consumer Brands on Taboola

Taboola drives discovery and purchases of premium basics for men.



삼성화재

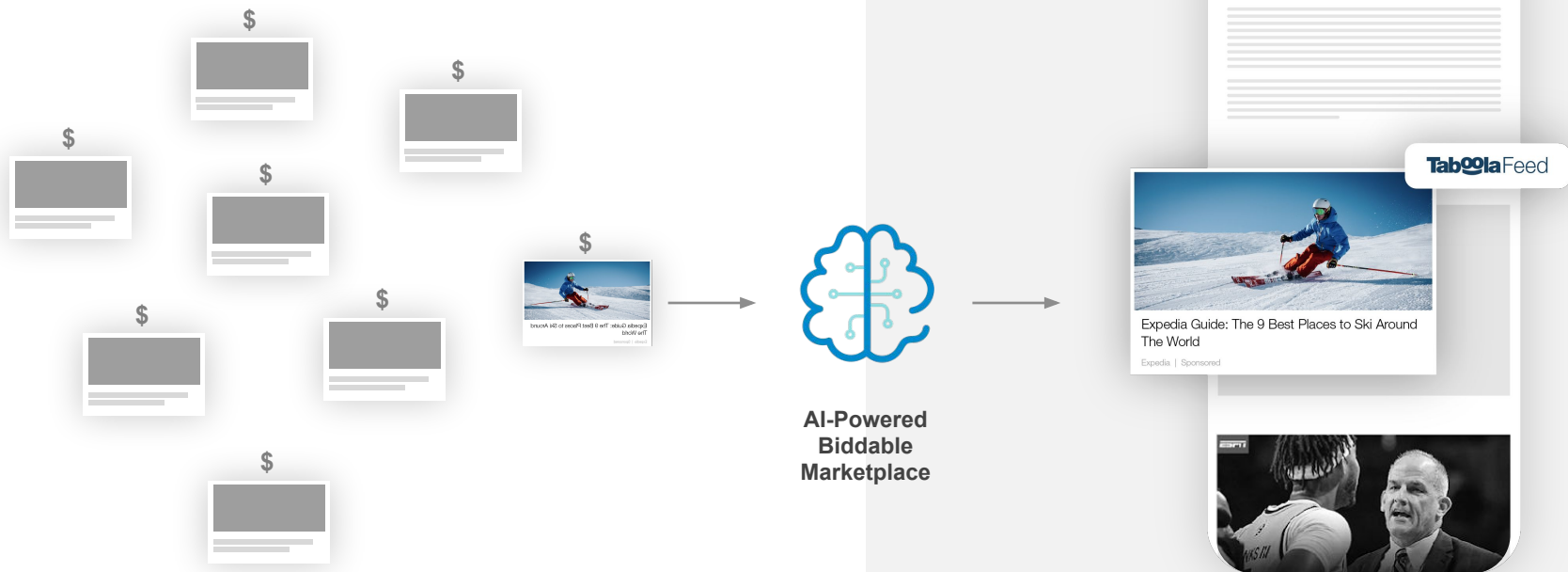


"We built a website to sell our insurance product online. To drive more sign ups, we started running digital campaigns. To encourage sign-ups, the completion of our quote calculator was the most important behavior. Taboola hugely contributed in expanding our strategy to new digital channels, and helped us gain more online customers."

- Gahee Lee, Digital Sales Section Manager, Samsung Life Insurance

## Generating Quality Leads for Samsung Life Insurance with Taboola

# MARKETPLACE BUSINESS MODEL

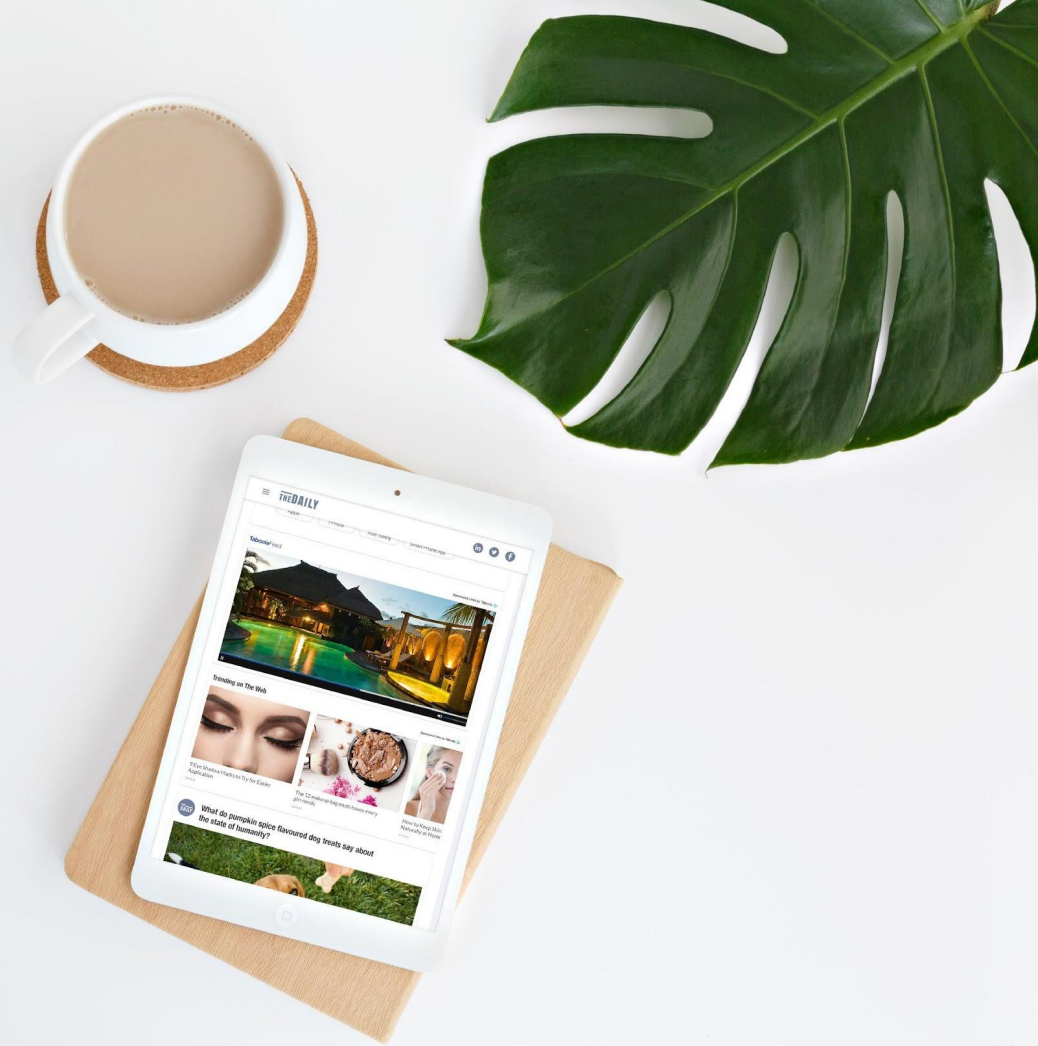


Advertisers place bids to appear on Taboola and pay per click/view

Taboola shares ad revenue with Publishers

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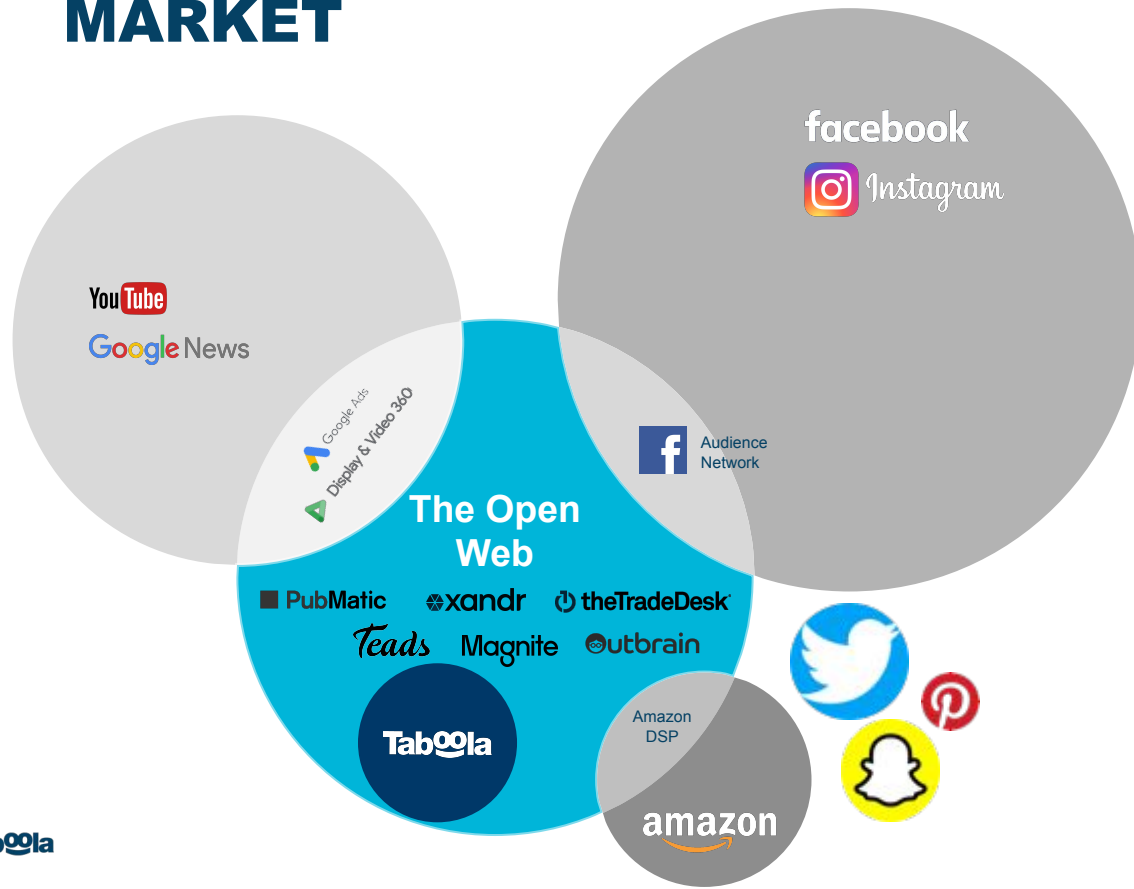
# INVESTMENT HIGHLIGHTS

- 1 The Open Web is a massive category
- 2 Taboola's technology is resilient to the future disappearance of third-party cookies
- 3 Product-led growth fueled by a network effect
- 4 Platform advantage driven by Taboola's technology
- 5 Numerous paths to accelerate growth
- 6 Proven, founder-led management team
- 7 Superior financial profile with recurring revenues, scale, and profitable growth





# 1 TABOOLA IS POISED TO CAPTURE SHARE OF THE \$64B OPEN WEB MARKET



- Exclusive relationships with publishers: predictable supply
- Product-led growth: powering recommendations (vs. optimizing impressions)
- Direct relationships with 10K+ advertisers

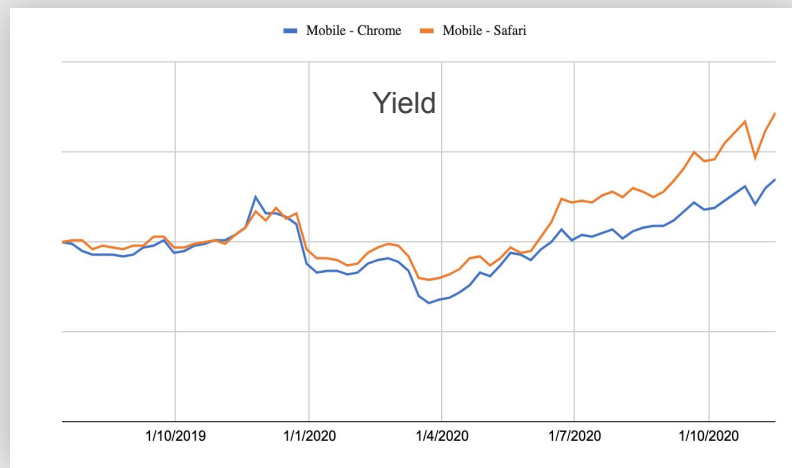
Source: Original Image: "State of the Open Internet" by Jounce Media, January 2020, Modified to reflect Taboola as part of The Open Web

## 2 TABOOLA TECH IS BUILT FOR A COOKIE-LESS WORLD

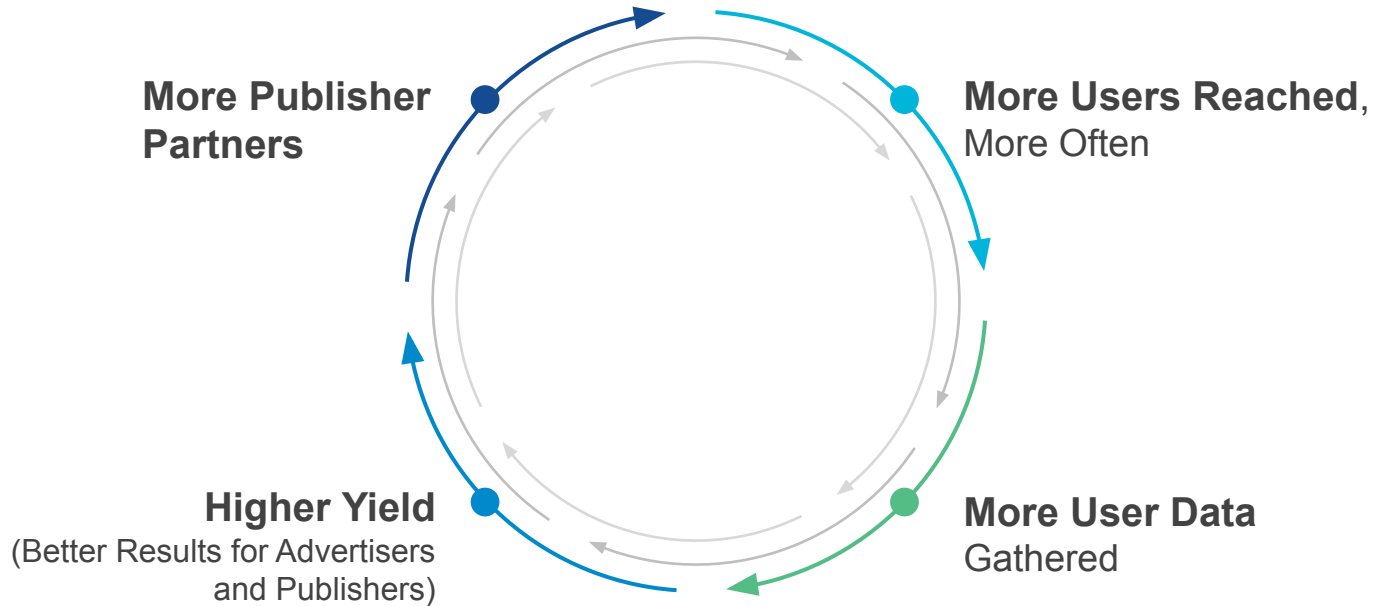
- **Taboola has its own 1st party cookie** - recommending personalized editorial content enables serving our own 1st party identifier
- **Unique readership context** - deep access to the context of the page, allowing advertisers to target context (vs. “3rd party cookie behavior”)
- **People click on Taboola recommendations tens of billions of times a year<sup>1</sup>** - re-hashing Taboola identifier across websites

**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



### 3 PRODUCT-LED GROWTH WITH A BUILT-IN NETWORK EFFECT



## 4 PLATFORM ADVANTAGE DRIVEN BY INVESTMENT IN TECH

**500** R&D staff

**100** in Algo & Data

**\$100M** Annual R&D Investment

# 5 RECOMMENDING ANYTHING, ANYWHERE A MULTI BILLION DOLLAR GROWTH ENGINE

Taboola

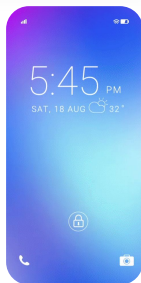
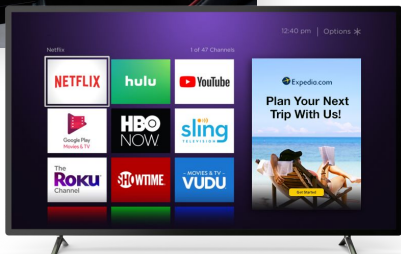
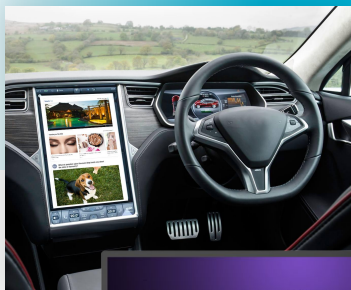
Core Business

\$1B+ in 2020 &  
Growing Rapidly<sup>2</sup>

\$10M's in 2020<sup>1</sup>

ANYWHERE

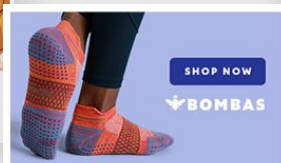
Taboola News  
(mobile carriers, device  
manufacturers, CTV...)



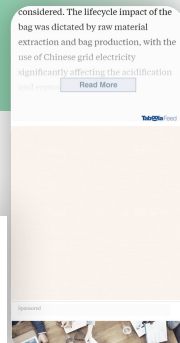
ANYTHING

New products and segments  
(TV ads, eCommerce, app  
downloads, gaming...)

\$10M's in 2020<sup>3</sup>

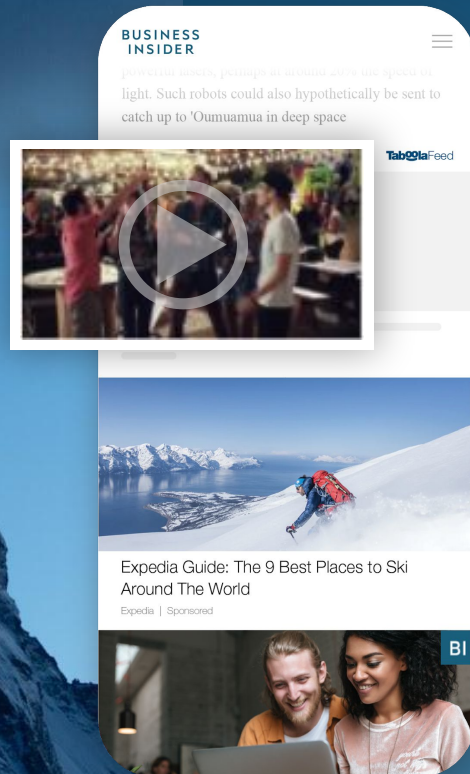
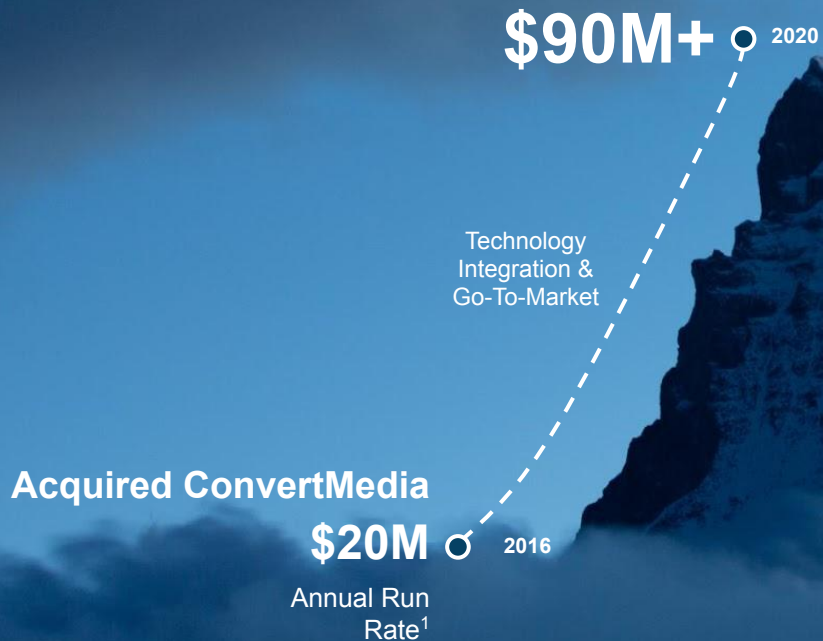


These Socks Are So Soft You'll Never  
Want to Take Them Off



5

# GROWTH CASE STUDY: CONVERTMEDIA ACQUISITION



(1) Annual run-rates are expressed in Gross Revenue

# 6 PROVEN, FOUNDER-LED MANAGEMENT TEAM



**Adam Singolda**  
13 years at Taboola  
Founder & CEO



**Stephen Walker**  
6 years at Taboola  
CFO



**Eldad Maniv**  
8 years at Taboola  
President & COO



**Lior Golan**  
11 years at Taboola  
CTO



**Kristy Sundjaja**  
1 year at Taboola  
SVP, People Operations



**Aviv Sinai**  
13 years at Taboola  
SVP, R&D



**Ran Buck**  
7 years at Taboola  
SVP, Global Revenue

# 7 FINANCIAL HIGHLIGHTS

2020 EST.

**\$1.2B** Gross Revenue

**\$379M** ex-TAC<sup>1</sup>

**\$106M** Adj. EBITDA<sup>2</sup>

**\$160M** Raised to date

**\$240M+** on the balance sheet<sup>3</sup>

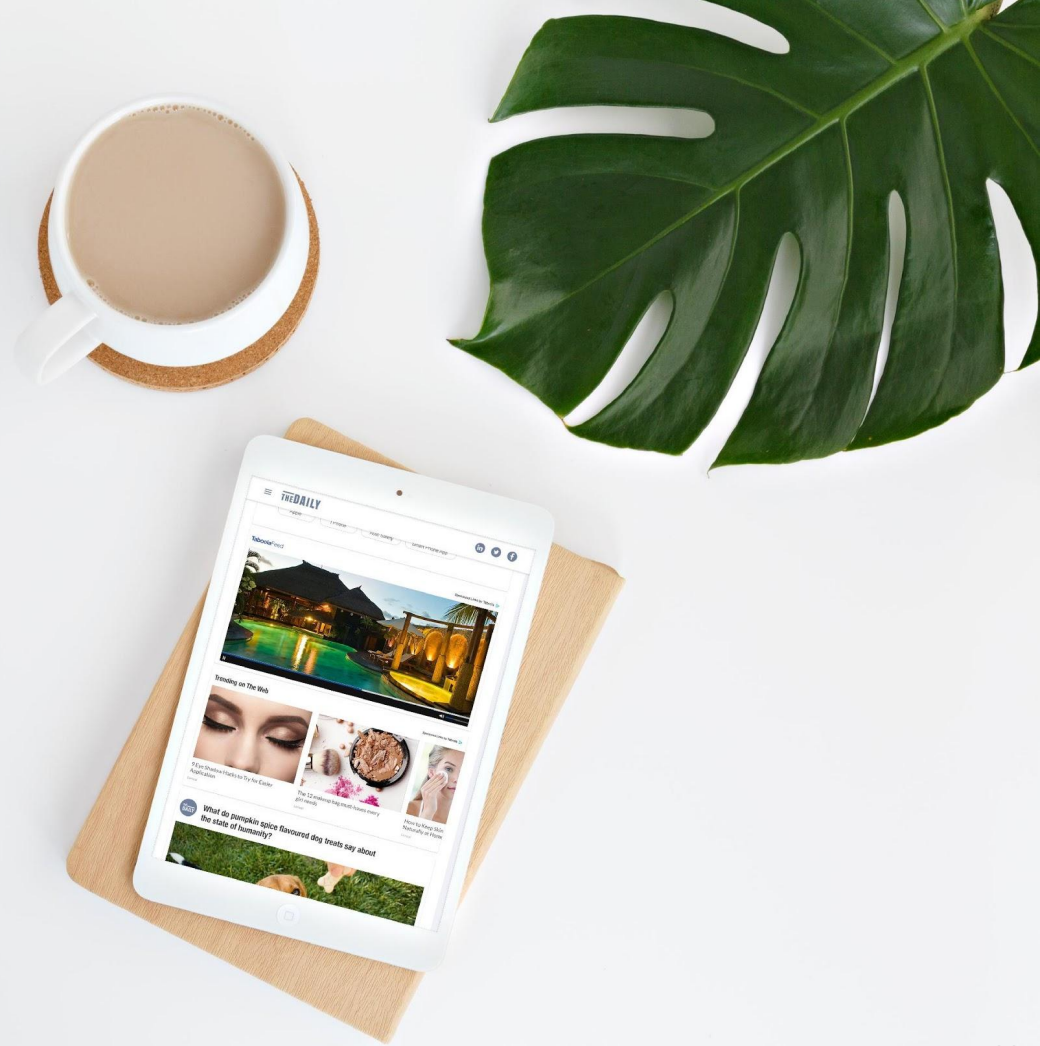
**WE POWER  
RECOMMENDATIONS  
FOR THE OPEN WEB**

(1),(2) Non-GAAP measure, see appendix for reconciliation to GAAP  
(3) Cash & cash equivalents, balance as of 12/31/2020



# AGENDA

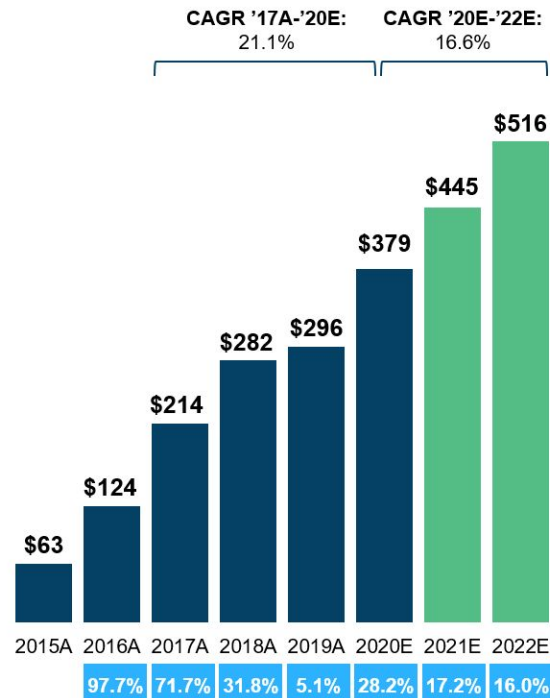
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- **Financial Information**
- Valuation & Comparables



# TABOOLA FOCUSES ON PROFITABLE GROWTH

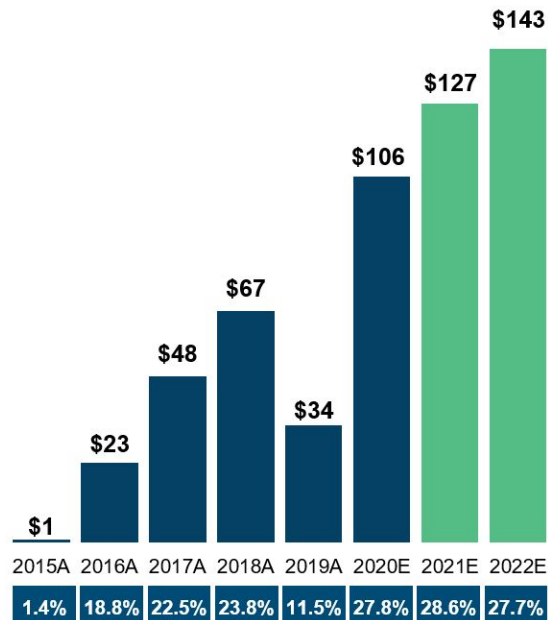
## Revenue (ex-TAC)<sup>1</sup>

(\$ in millions)



## Adj. EBITDA<sup>2</sup>

(\$ in millions)



YoY growth

Adj. EBITDA margin<sup>3</sup>

## PROFITABLE GROWTH

### Rule of 40 Business

## UPSIDE IN OUR MODEL

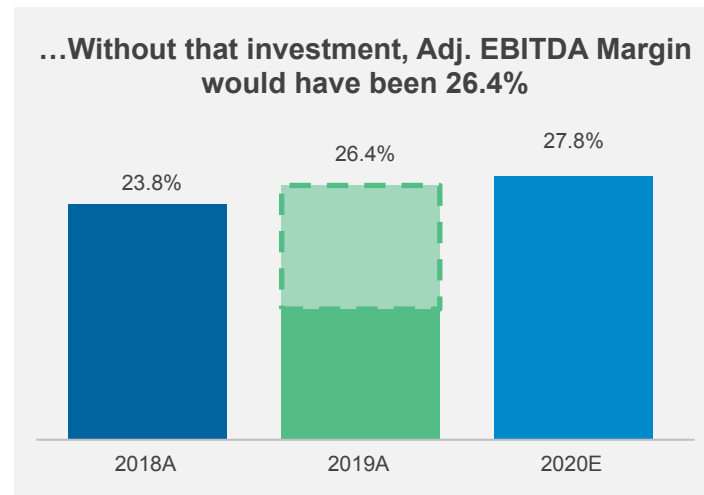
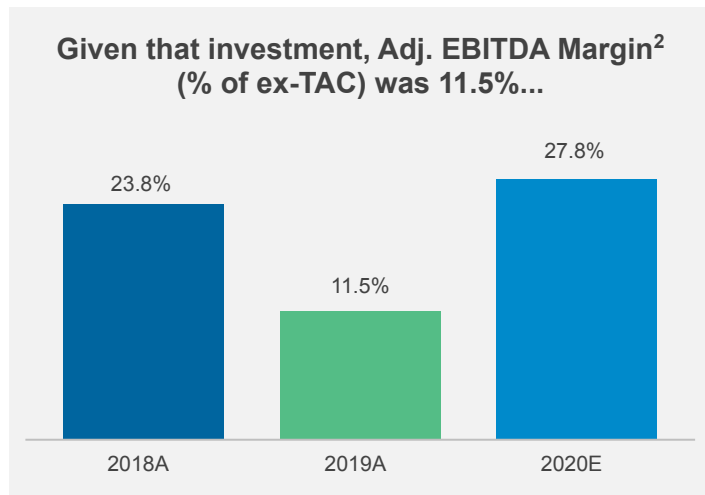
- Growth from Core Open Web business only
- Conservative growth assumed for existing base
- Additional upside from existing growth initiatives and inorganic

## LONG-TERM MODEL

- 20%+ ex-TAC Revenue Growth
- 30%+ Adj. EBITDA Margin

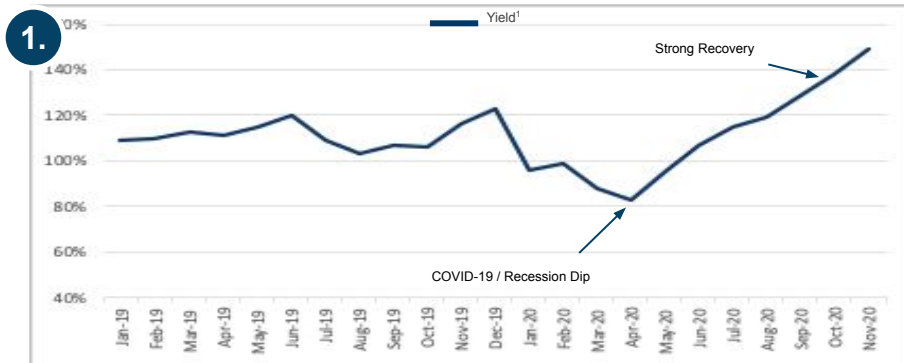
# 2019 METRICS WERE INFLUENCED BY OUR INVESTMENT STRATEGY

In 2019, Taboola made the decision to invest \$60 million in long-term partnerships with a number of very large, brand name publishing networks<sup>1</sup>

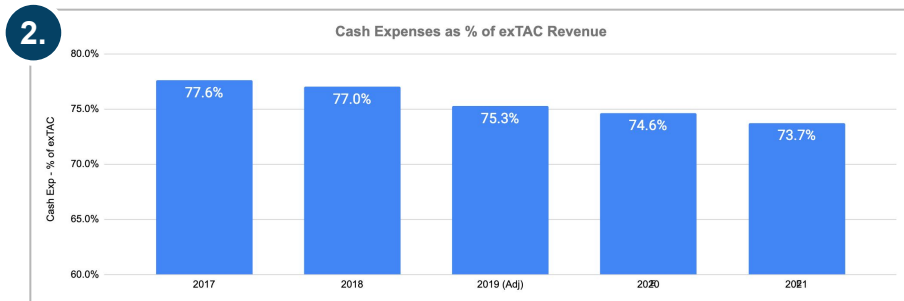


In 2020 that investment has paid off as projected Adj. EBITDA Margins are above 27% - higher than historical trends

# COVID-19 IN 2020 PROVED THE RESILIENCY OF OUR MODEL



Relentless  
Focus on  
Yields...



... Combined  
with Historically  
Low Costs

Leaving 2020 stronger than we entered  
with sustainably higher profitability

1. Sustainable yield increase, driving higher margins

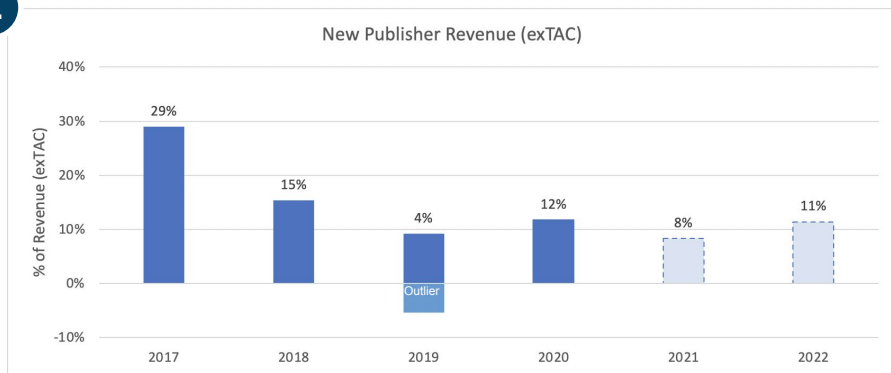
- Worked with publisher partners to optimize for yield
- Signed more advertisers seeking consumers digitally
- Dramatic improvements in algorithms

2. Reset cost base

- Hiring freeze permanently “right sized” organization (sustainable)
- Reduced travel, real estate and overhead (partially sustainable)

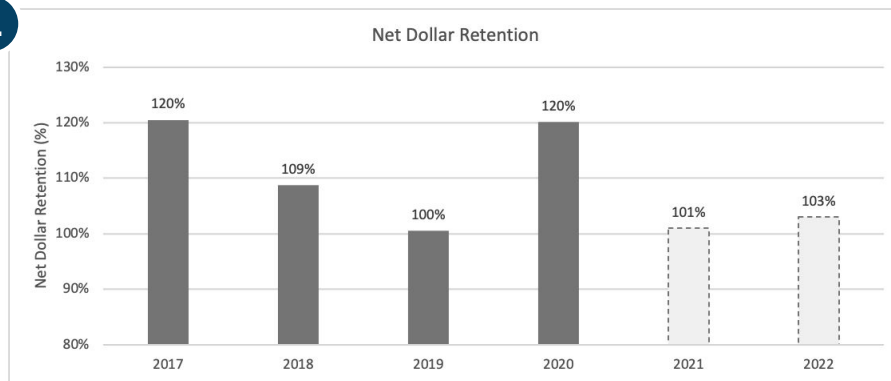
# GROWTH DRIVEN BY CORE OPEN WEB INSTALLED BASE

1.



Continued growth from new supply...

2.



... helps provide fuel for growth from a strong installed base.

1.

## New Publisher ex-TAC Revenue<sup>1</sup>

- Historically 15% new supply growth
- Projecting 8-11% going forward

2.

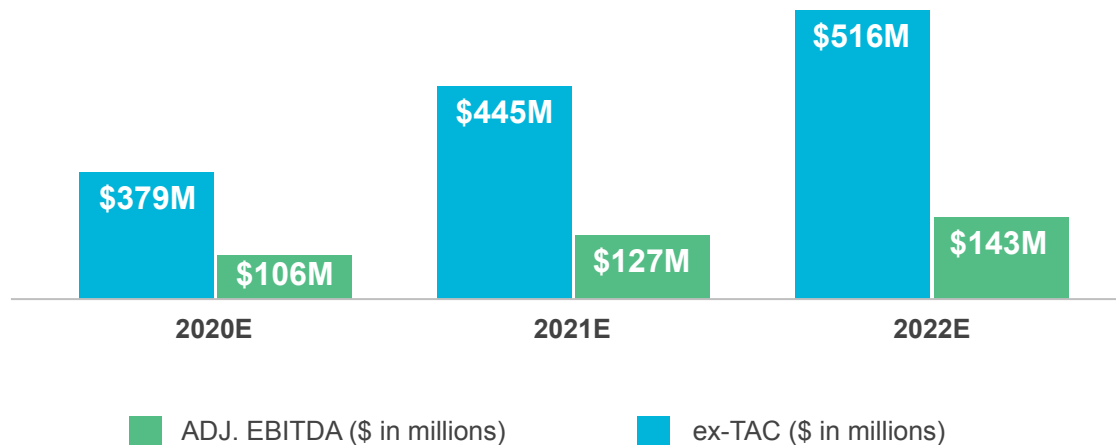
## Net Dollar Retention<sup>2</sup> Growth Has Two Elements

- Improvements in yield
- More supply from existing publishers
- Projecting 101-103% net dollar retention - historically 110-120%

(1) "New Publisher" refers to publishers that begin working with Taboola on new contracts in the period.

(2) Net Dollar Retention is the simple arithmetic average of our Monthly Net Dollar Retention for the last twelve months. Monthly Net Dollar Retention for a given month is the ex-TAC Revenue in that month from digital properties partners that were Taboola digital property partners in the same month of the prior year divided by the ex-TAC Revenue attributable to that same group of partners in the prior-year month. Current period ex-TAC Revenue includes any upsells and are net of contraction or attrition over the trailing 12 months, but excludes ex-TAC Revenue from new digital properties partners in the current period.

# SELECTED GAAP AND NON-GAAP FORECASTED METRICS



**16%**  
ex-TAC Revenue Growth<sup>1</sup>

**27%+**  
Adj EBITDA Margin<sup>2</sup>

**17%+**  
Adj EBITDA Growth<sup>3</sup>

**80%+**  
Adj. Gross Profit Margin<sup>4</sup>

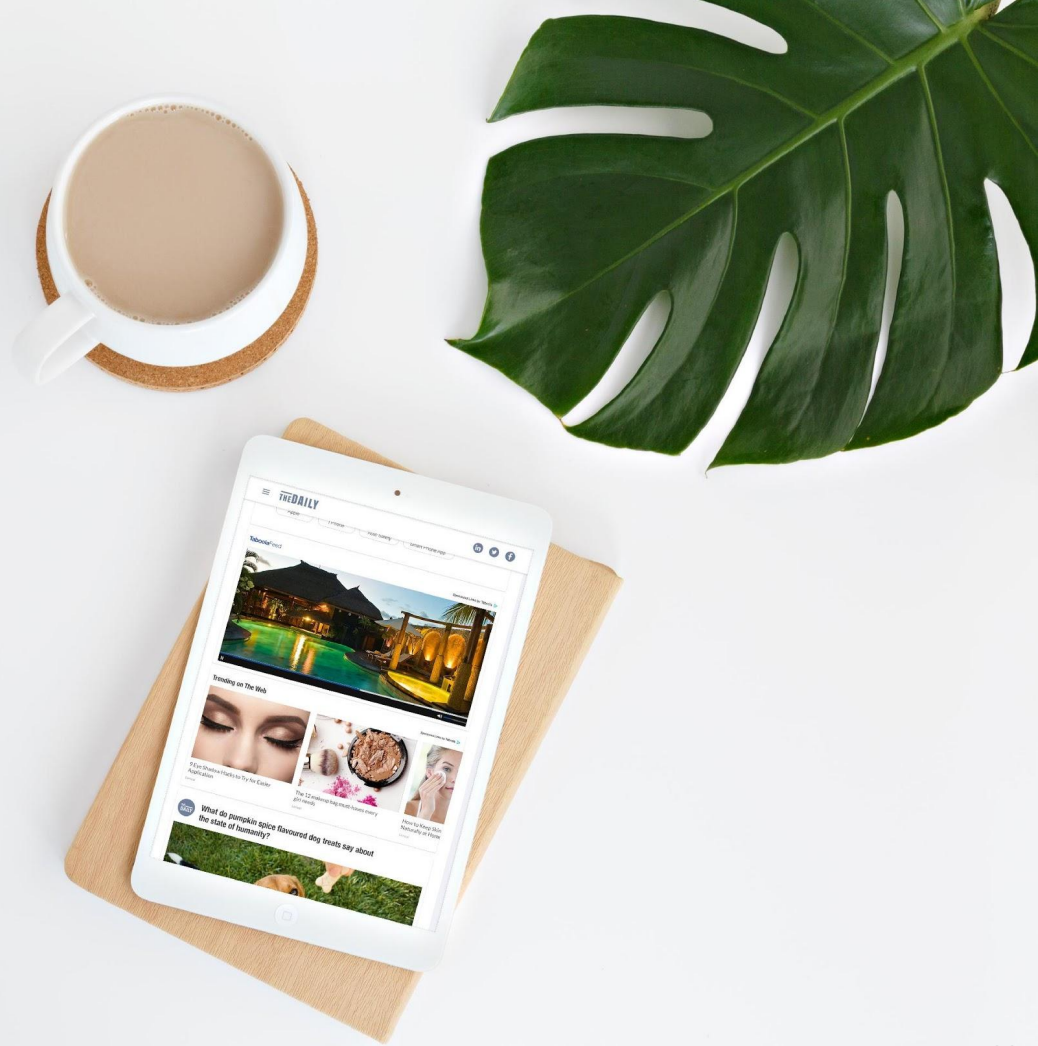
(1),(3) Growth rates reflect 2020-2023 CAGR. ex-TAC and Adj. EBITDA are Non-GAAP measures, see appendix for reconciliation to GAAP

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

(4) Adj. Gross Profit Margin is projected to exceed 80% in 2020, 2021, and 2022. Adj. Gross Profit Margin is calculated as a percentage of ex-TAC revenue and is a non-GAAP measure, see appendix for reconciliation to GAAP.

# AGENDA

- Introduction
- Overview
- About Taboola
- Investment Highlights
- Financial Information
- **Valuation & Comparables**



# TRANSACTION SUMMARY

## Pro forma enterprise value

(\$ in millions except per share values)

ION illustrative share price	\$10.00
Pro forma shares outstanding (M)	261.2 <sup>(1)</sup>
<b>Total equity value</b>	<b>\$2,612</b>
Cash on balance sheet	\$582 <sup>(2)</sup>
<b>Total enterprise value</b>	<b>\$2,030</b>

	<u>2021E</u>	<u>2022E</u>
Total enterprise value / Ex-TAC revenue	4.6x	3.9x
Pro forma Adj. EBITDA	16.0x	14.2x

## Expected cash sources & uses

(\$ in millions except per share values)

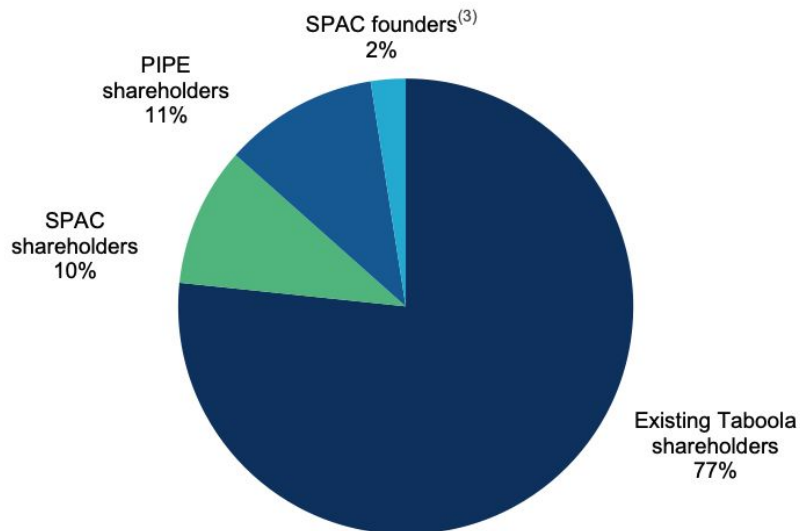
### Sources

SPAC Cash in Trust	\$259
PIPE Investment	286
<b>Total Sources</b>	<b>\$545</b>

### Uses

Cash to Existing Taboola Owners	\$151
Cash to Balance Sheet	364
Transaction Fees & Expenses	30
<b>Total Uses</b>	<b>\$545</b>

## Pro forma ownership



### Notes

1. Total shares include 200.2 million rollover equity shares, 25.9 million ION public shares, 28.6 million shares from PIPE and 6.5 million ION founder shares. Excludes dilution from 12.4 million public and private placement warrants struck at \$11.50. Assumes no redemptions.
2. Based on management estimates -- cash on balance sheet includes unrestricted cash and marketable securities of \$218 million as of April 26, 2021 plus \$364 million of proceeds from the transaction.
3. Excludes investment in PIPE.

Values shown assuming \$10.00 per IACA share for illustrative purposes; does not include impact of the public and sponsor out-of-the-money warrants. Does not include impact of potential equity awards issued by Taboola between signing and closing. Does not include impact of use of treasury stock method to determine conversion ratio for outstanding Taboola shares at closing.



# VALUATION FRAMEWORK

## Primary

### Mid-Cap Advertising Technology

- Funded by digital marketers / advertisers looking for new customers
- Similar scale

 digital turbine. 

 PubMatic

 MediaAlpha  theTradeDesk

## Secondary

### Advertising Technology Majors

- Funded by digital marketers / advertisers looking for new customers

Alphabet



### Marketing Technology

- Recurring revenues
- B2B-oriented solutions that are consumer focused
- Support marketers / advertisers looking for new customers

HubSpot

Medallia

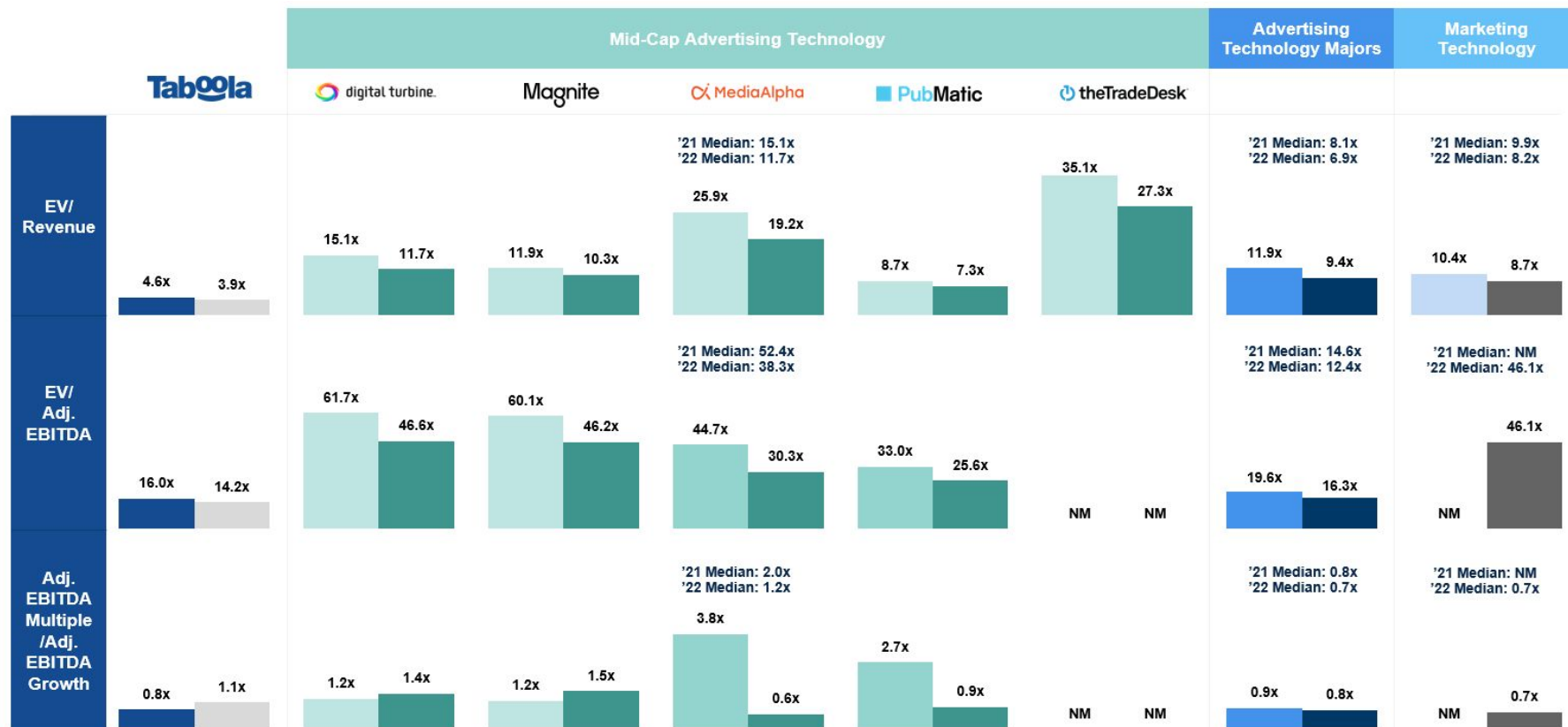
 LiveRamp

 LIVEPERSON

 SurveyMonkey



# VALUATION BENCHMARKING



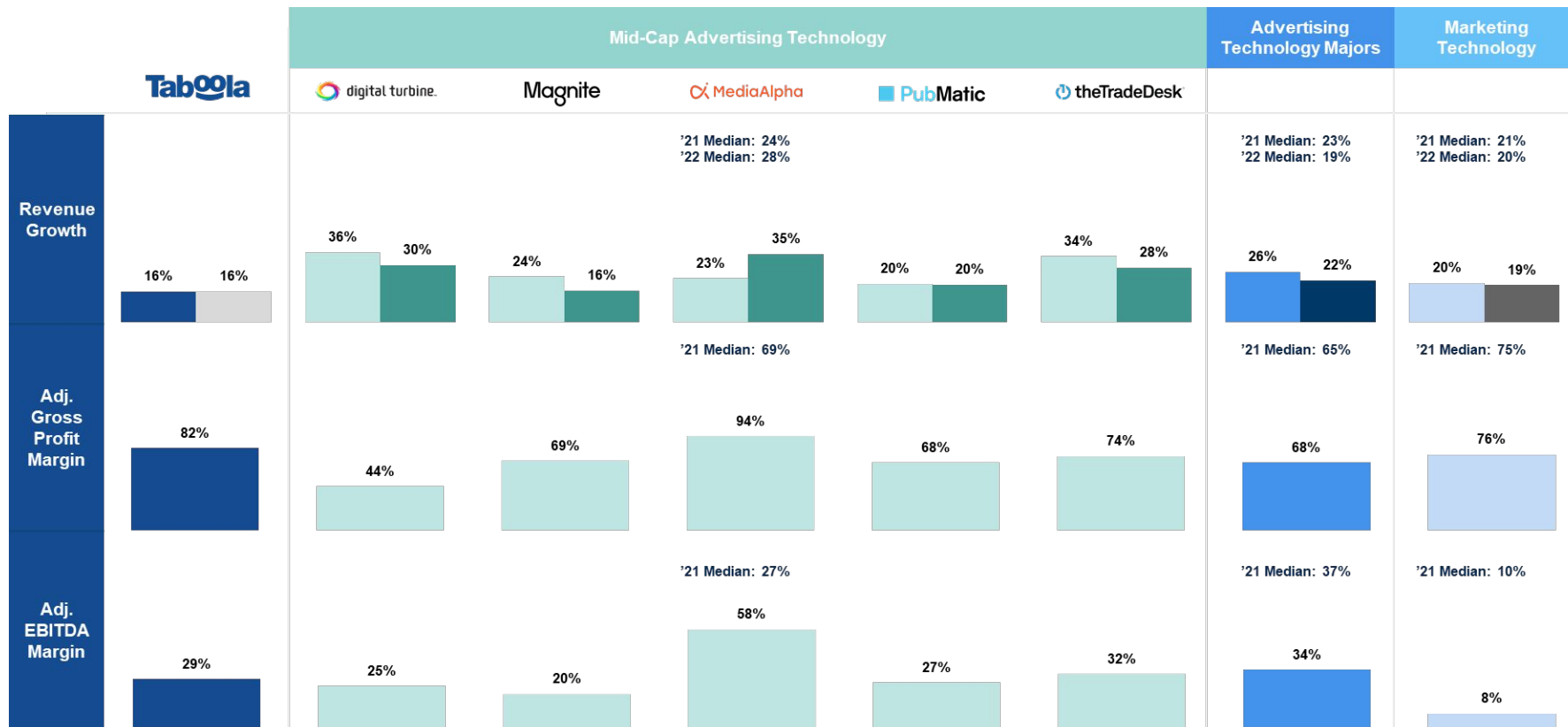
Source: Wall Street research, filings and FactSet as of 1/7/2021.

Note: Taboola figures calculated using ex-TAC revenue. Figures for Alphabet, MediaAlpha, Magnite, PubMatic and Trade Desk calculated on an ex-TAC equivalent revenue basis. Data for Advertising Technology and Marketing Technology represents means. Advertising Technology Majors: Alphabet, Facebook, Twitter. Marketing Technology: HubSpot, Medallia, LiveRamp, LivePerson, SVMK and Yext.

CY21: ■ ■ ■ ■ ■

CY22: ■ ■ ■ ■ ■

# OPERATIONAL BENCHMARKING



Source: Wall Street research, filings and FactSet as of 1/7/2021.

Note: Taboola figures calculated using ex-TAC revenue. Figures for Alphabet, MediaAlpha, Magnite, PubMatic and Trade Desk calculated on an ex-TAC equivalent revenue basis. Data for Advertising Technology and Marketing Technology represents means. Advertising Technology Majors: Alphabet, Facebook, Twitter. Marketing Technology: HubSpot, Medallia, LiveRamp, LivePerson, SVMK and Yext.

CY21: ■ ■ ■ ■

CY22: ■ ■ ■ ■

# Taboola

**Thank you.**

# **APPENDIX**

# OUR MODEL IN A NUTSHELL

Model components:	Sample inputs / financials:
Page views	799bn
x	
RPM	\$1.14
=	
Gross revenue <sup>(1)</sup>	\$909
-	
Traffic Acq Cost (Value to publishers)	(\$627)
=	
ex-TAC Revenue <sup>(2)</sup>	\$282
-	
Cost of Revenues	(\$48)
=	
Gross profit	\$234
-	
R&D	(\$73)
-	
S&M	(\$110)
-	
G&A	(\$34)
=	
Operating Income	\$17
+	
Dep, Amort, Stock Based Comp, One-Time	\$50
=	
Adjusted EBITDA <sup>(3)</sup>	\$67



Illustrative Taboola economics:
\$1.00 (100%)
(\$0.69)
\$0.31
(\$0.05)
\$0.26
(\$0.08)
(\$0.12)
(\$0.04)

(1) Revenue paid by Advertisers, before traffic acquisition costs (TAC) 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

# KEY MODEL ASSUMPTIONS

## REVENUE (ex-TAC)<sup>1</sup>

- Historically, Taboola grew 20%+ (CAGR '17A-'20E)
- In 2020, Taboola will generate ~\$379 million ex-TAC
- Conservatively modeled ~16% growth, doubling ex-TAC in 5 years

## ADJUSTED EBITDA<sup>2</sup>

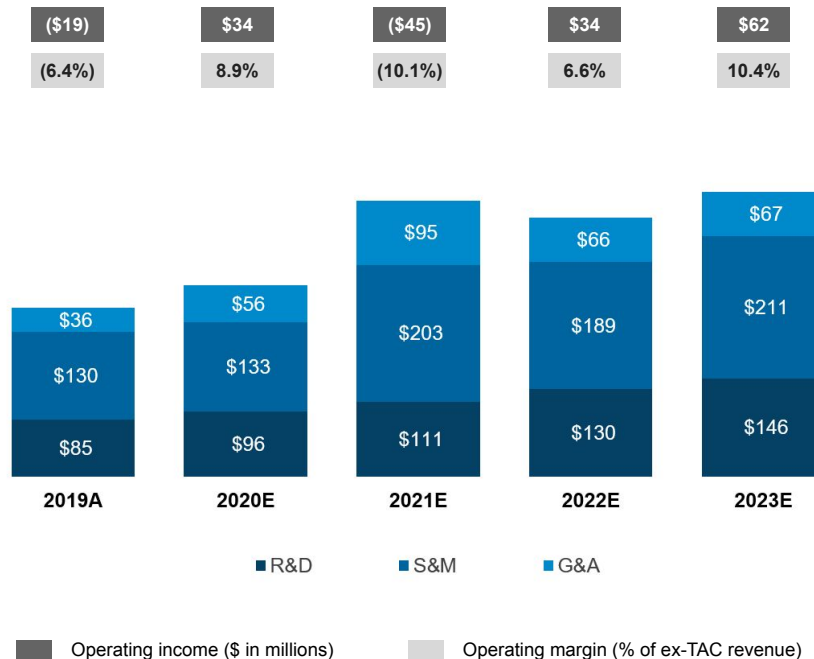
- \$106 million in 2020 and growing faster than ex-TAC Revenue
- >25% of ex-TAC Revenue (2020E)
- Rule of 40: ex-TAC growth + Adj. EBITDA Margin<sup>3</sup> always above 40%

## COST ASSUMPTIONS

- Return to “normal” operations and cost basis in H1 2021 (conservative)
- Two primary costs (headcount and hardware / IT) grow commensurate with revenue growth

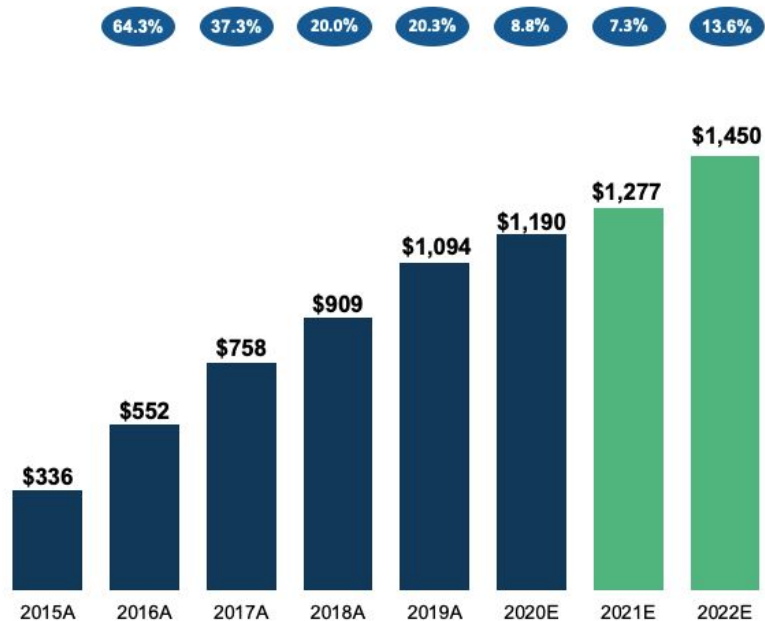
## Operating costs:

(\$ in millions)

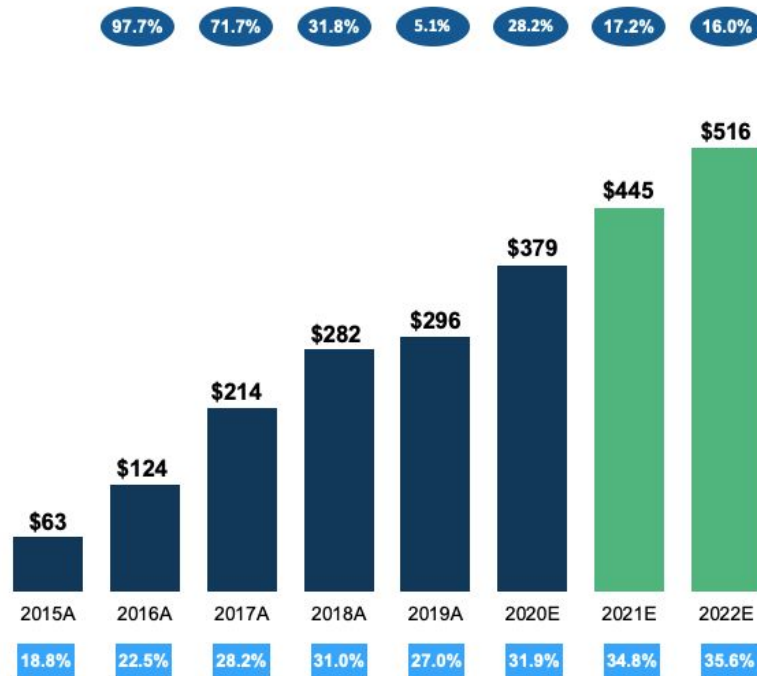


# HISTORICAL & PROJECTED REVENUE & EX-TAC REVENUE<sup>1</sup>

Gross revenue



Revenue (ex-TAC)



● YoY growth

■ ex-TAC revenue margin<sup>2</sup>

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

(2) ex-TAC Revenue Margin reflects ex-TAC Revenue / Gross Revenue, Non-GAAP measure, see appendix for reconciliation to GAAP



# SELECTED GAAP AND NON-GAAP METRICS

## Management Forecast

(\$ in millions, FYE)	2018A	2019A	2020E	2021E	2022E	2023E	Long-Term Model
<b>Gross Revenue</b>	<b>\$909</b>	<b>\$1,094</b>	<b>\$1,190</b>	<b>\$1,277</b>	<b>\$1,450</b>	<b>\$1,647</b>	
% YoY growth	20.0%	20.3%	8.8%	7.3%	13.6%	13.5%	
<b>Revenue (ex-TAC)<sup>1</sup></b>	<b>\$282</b>	<b>\$296</b>	<b>\$379</b>	<b>\$445</b>	<b>\$516</b>	<b>\$597</b>	
% YoY growth	31.8%	5.1%	28.2%	17.2%	16.0%	15.7%	20%+
<b>Gross Profit</b>	<b>\$234</b>	<b>\$232</b>	<b>\$319</b>	<b>\$365</b>	<b>\$419</b>	<b>\$485</b>	
% margin	83.1%	78.4%	84.1%	82.1%	81.3%	81.3%	
% YoY growth	31.1%	-0.9%	37.4%	14.5%	14.9%	15.7%	
<b>Adj. EBITDA<sup>2</sup></b>	<b>\$67</b>	<b>\$34</b>	<b>\$106</b>	<b>\$127</b>	<b>\$143</b>	<b>\$167</b>	
% margin	23.8%	11.5%	27.8%	28.6%	27.7%	28.0%	30%+
% YoY growth	39.6%	-49.3%	210.3%	20.5%	12.5%	16.8%	

## ADJ. EBITDA MARGIN<sup>3</sup>

- Return to “normal” operations and cost basis in H1 2021
- Investing in serving infrastructure and Algo beginning 2021
- IPO readiness costs added starting 2021

## LONG-TERM EX-TAC REVENUE GROWTH

- Current Model only forecasts growth from Core Business
- Long-Term Growth of 20%+ includes core business growth, inorganic and existing growth initiatives

# 2020/2021 QUARTERLY FINANCIALS

## QUARTERLY SUMMARY

(\$ in millions, FYE)	AQ1 2020	AQ2 2020	AQ3 2020	EQ4 2020	EQ1 2021	EQ2 2021	EQ3 2021	EQ4 2021
<b>Gross Revenue</b>	<b>\$279</b>	<b>\$268</b>	<b>\$291</b>	<b>\$352</b>	<b>\$286</b>	<b>\$311</b>	<b>\$321</b>	<b>\$358</b>
<i>% Quarterly growth</i>	-10.3%	-3.9%	8.6%	21.0%	-18.8%	8.7%	3.2%	11.5%
<b>Revenue (ex-TAC) <sup>1</sup></b>	<b>\$69</b>	<b>\$99</b>	<b>\$104</b>	<b>\$107</b>	<b>\$95</b>	<b>\$107</b>	<b>\$112</b>	<b>\$130</b>
<i>% Quarterly growth</i>	-19.8%	43.5%	5.1%	2.9%	-11.2%	12.6%	4.7%	16.1%
<b>Gross Profit</b>	<b>\$53</b>	<b>\$84</b>	<b>\$90</b>	<b>\$92</b>	<b>\$78</b>	<b>\$88</b>	<b>\$91</b>	<b>\$108</b>
<i>% margin</i>	76.6%	85.1%	86.0%	86.1%	81.8%	81.5%	81.5%	83.3%
<i>% Quarterly growth</i>	-22.0%	59.3%	6.6%	2.8%	-15.4%	12.2%	4.0%	19.2%
<b>Adj. EBITDA <sup>2</sup></b>	<b>(\$1)</b>	<b>\$34</b>	<b>\$40</b>	<b>\$32</b>	<b>\$25</b>	<b>\$30</b>	<b>\$28</b>	<b>\$44</b>
<i>% margin</i>	-1.5%	34.6%	38.5%	30.1%	26.2%	28.1%	24.7%	34.2%
<i>% Quarterly growth</i>	-106.9%	-3350.2%	17.3%	-19.8%	-22.5%	21.0%	-8.7%	61.3%

Note: dollar values in this table reflect rounded values; growth and margin calculations are based on exact values calculated to nine decimal places.

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

# ADJUSTED EBITDA RECONCILIATION

(\$ in millions)	<u>2015A</u>	<u>2016A</u>	<u>2017A</u>	<u>2018A</u>	<u>2019A</u>
<b>Net income (loss)</b>	<b>\$ (14.9)</b>	<b>\$ (2.7)</b>	<b>\$ 2.8</b>	<b>\$ 10.7</b>	<b>\$ (25.4)</b>
<b>Adjustments:</b>					
Financial expenses (income)	0.8	0.8	(0.3)	1.3	0.7
Tax expenses	2.4	4.3	5.1	5.3	5.8
Depreciation and Amortization	5.5	13.3	28.2	35.3	38.5
Stock based compensation	3.3	6.3	10.8	10.5	8.2
Revaluation of contingent liability	3.8	1.4	1.6	3.9	0.0
M&A cost	-	-	-	-	6.1
<b>Adjusted EBITDA</b>	<b>\$ 0.9</b>	<b>\$ 23.4</b>	<b>\$ 48.2</b>	<b>\$ 67.0</b>	<b>\$ 33.9</b>

# ADJUSTED EBITDA RECONCILIATION

(\$ in millions)	Q1-20A	Q2-20A	Q3-20A
<b>Net income (loss)</b>	<b>\$ (25.4)</b>	<b>\$ 13.5</b>	<b>\$ 18.0</b>
<b>Adjustments:</b>			
Financial expenses (income)	1.8	0.0	(0.3)
Tax expenses	4.6	4.3	4.1
Depreciation and Amortization	9.6	8.9	7.9
Stock based compensation	2.2	2.1	6.4
Revaluation of contingent liability	0.0	0.0	0.0
M&A cost	6.1	5.3	4.0
<b>Adjusted EBITDA</b>	<b>\$ (1.1)</b>	<b>\$ 34.1</b>	<b>\$ 40.1</b>

# PROJECTED ADJUSTED EBITDA RECONCILIATION

(\$ in Millions)	2020E	2021E	2022E	2023E
<b>Operating income (Loss)</b>	<b>\$34</b>	<b>(\$45)</b>	<b>\$35</b>	<b>\$62</b>
Depreciation and Amortization	33	38	46	55
Stock Based Compensation	23	132	62	50
Other	16	2	-	-
<b>Adjusted EBITDA</b>	<b>\$106</b>	<b>\$127</b>	<b>\$143</b>	<b>\$167</b>

# EX-TAC REVENUE RECONCILIATION

(\$ in Millions)	2015A	2016A	2017A	2018A	2019A
<b>Gross Revenue</b>	<b>\$335.6</b>	<b>\$552.1</b>	<b>\$757.9</b>	<b>\$909.2</b>	<b>\$1,093.8</b>
Traffic Acquisition Cost (TAC)	272.7	427.7	544.2	627.7	798
<b>exTAC Revenue</b>	<b>\$62.9</b>	<b>\$124.4</b>	<b>\$213.7</b>	<b>\$281.5</b>	<b>\$295.8</b>

# EX-TAC REVENUE RECONCILIATION

(\$ in Millions)	Q1-20A	Q2-20A	Q3-20A
<b>Gross Revenues</b>	<b>\$279.3</b>	<b>\$267.7</b>	<b>\$290.6</b>
Traffic Acquisition Cost (TAC)	210.4	168.8	186.3
<b>exTAC Revenues</b>	<b>\$68.9</b>	<b>\$98.9</b>	<b>\$104.3</b>

# PROJECTED EX-TAC REVENUE RECONCILIATION

(\$ in Millions)	2020E	2021E	2022E	2023E
<b>Gross Revenue</b>	<b>\$1,190</b>	<b>\$1,277</b>	<b>\$1,450</b>	<b>\$1,647</b>
Traffic Acquisition Cost (TAC)	\$811	\$832	\$934	\$1,050
<b>ex-TAC Revenue</b>	<b>\$379</b>	<b>\$445</b>	<b>\$516</b>	<b>\$597</b>



# ADJUSTED EBITDA MARGIN RECONCILIATION

(\$ in Millions)	2015A	2016A	2017A	2018A	2019A
<b>Revenues</b>	<b>\$336</b>	<b>\$552</b>	<b>\$758</b>	<b>\$909</b>	<b>\$1,094</b>
<b>Net Income</b>	(15)	(3)	3	11	(25)
<i>Net Income Margin</i>	-4%	0%	0%	1%	-2%
<b>ex-TAC Revenues</b>	<b>\$63</b>	<b>\$124</b>	<b>\$214</b>	<b>\$282</b>	<b>\$296</b>
<b>Adjusted EBITDA</b>	0.9	23.4	48.2	67	33.9
<i>Adjusted EBITDA Margin</i>	1%	19%	23%	24%	11%

# PROJECTED ADJUSTED EBITDA MARGIN RECONCILIATION

(\$ in Millions)	2020E	2021E	2022E	2023E
<b>Revenues</b>	<b>\$1,190</b>	<b>\$1,277</b>	<b>\$1,450</b>	<b>\$1,647</b>
Operating income (loss)	34	(45)	35	62
<i>Operating income Margin</i>	3%	-4%	2%	4%
<b>ex-TAC Revenues</b>	<b>\$379</b>	<b>\$445</b>	<b>\$516</b>	<b>\$597</b>
Adjusted EBITDA	106	127	143	167
<i>Adjusted EBITDA Margin</i>	28%	29%	28%	28%

# EX-TAC REVENUES MARGIN RECONCILIATION

(\$ in Millions)	2015A	2016A	2017A	2018A	2019A
<b>Revenues</b>	<b>\$336</b>	<b>\$552</b>	<b>\$758</b>	<b>\$909</b>	<b>\$1,094</b>
<b>Net income</b>	(15)	(3)	3	11	(25)
<i>Net Income Margin</i>	-4%	0%	0%	1%	-2%
<b>Revenues</b>	<b>\$336</b>	<b>\$552</b>	<b>\$758</b>	<b>\$909</b>	<b>\$1,094</b>
<b>ex-TAC Revenues</b>	62.9	124.4	213.7	281.5	295.8
<i>ex-TAC Revenues Margin</i>	19%	23%	28%	31%	27%

# PROJECTED EX-TAC REVENUES MARGIN RECONCILIATION

(\$ in Millions)	2020E	2021E	2022E	2023E
<b>Revenues</b>	<b>\$1,190</b>	<b>\$1,277</b>	<b>\$1,450</b>	<b>\$1,647</b>
Operating income (loss)	34	(45)	35	62
<i>Operating income Margin</i>	3%	-4%	2%	4%
<b>Revenues</b>	<b>\$1,190</b>	<b>\$1,277</b>	<b>\$1,450</b>	<b>\$1,647</b>
ex-TAC Revenues	379	445	516	597
<i>ex-TAC Revenues Margin</i>	32%	35%	36%	36%

# PROJECTED ADJ. GROSS PROFIT MARGIN RECONCILIATION

(\$ in Millions)	2020E	2021E	2022E
<b>Gross Revenues</b>	<b>\$1,190</b>	<b>\$1,277</b>	<b>\$1,450</b>
Traffic Acquisition Cost (TAC)	\$811	\$832	\$934
<b>ex-TAC Revenues</b>	<b>\$379</b>	<b>\$445</b>	<b>\$516</b>
Other Cost of Revenues	60	80	97
<b>Gross Profit</b>	<b>\$319</b>	<b>\$365</b>	<b>\$419</b>
<i>Gross Profit Margin</i>	<i>27%</i>	<i>29%</i>	<i>29%</i>
<i>Adj. Gross Profit Margin</i>	<i>84%</i>	<i>82%</i>	<i>81%</i>

# FREE CASH FLOW

(\$ in millions, FYE)	2019A	2020E	2021E	2022E	2023E
<b>Net cash from operating activities</b>	<b>\$31</b>	<b>\$119</b>	<b>\$100</b>	<b>\$128</b>	<b>\$152</b>
<b>Cash used in investing activities</b>	<b>(\$48)</b>	<b>(\$19)</b>	<b>(\$67)</b>	<b>(\$39)</b>	<b>(\$44)</b>
Leasehold improvements & equipment	0	0	(9)	(4)	(4)
Intangible assets	(6)	(9)	(10)	(11)	(13)
Purchase of IT equipment (servers)	(42)	(10)	(48)	(24)	(27)
<b>Free Cash Flow<sup>(1)</sup></b>	<b>(\$17)</b>	<b>\$100</b>	<b>\$33</b>	<b>\$89</b>	<b>\$108</b>

## 2021 Free Cash Flow Reduced by Plan To Invest in Two Areas:

- 1) Purchase of \$30M of servers beyond “normal” levels as part of investment in algorithmic yield improvements
- 2) Plan to remodel offices globally for post-COVID work environment

(1) Adj. EBITDA Plus the change in working capital reflects the net cash provided by operating activities.

# CONSOLIDATED BALANCE SHEET

(\$ in millions)	As of Dec 31, 2019	As of Sept 30, 2020
Cash	\$ 122	\$ 189
Total Assets	\$ 412	\$ 414
Total Liabilities & Convertible Shares	\$ 402	\$ 386
Accumulated Deficit	\$ (37)	\$ (31)
Additional Paid-in-capital	\$ 47	\$ 59
Total Stockholders' Equity	\$ 10	\$ 28

# TABOOLA PROTECT

Ongoing monitoring of the network and removal of undesirable content and actors.

## 30+ Reviewers

24/5 manual review + 14h per day on weekends  
24/7 automated review - Taboola automations including AI tools

## 13 Languages

English, Danish, Swedish, Norwegian, Spanish, Portuguese, German, French, Hebrew, Japanese, Korean, Dutch, Italian

## 500K+ Items reviewed every week

