

Forward-Looking Statements

Certain statements in the following presentations and in any related oral remarks or discussions (collectively, the "Presentation") may be forward-looking statements. Forward-looking statements generally relate to future events or Taboola.com Ltd.'s (the "Company's") future financial or operating performance, estimates, expectations, plans, strategies or assumptions. They include, among others, financial projections for 2022; long-term model targets for ex-TAC Gross Profit, Adjusted EBITDA and related ratios; revenue opportunities associated with e-commerce; expectations for components of operating expenses as a percentage of ex-TAC Gross Profit; and the target conversion rate of Adjusted EBITDA to Free Cash Flow. 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 and adversely 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. 1 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; general economic and geopolitical circumstances including the Russia-Ukraine conflict; 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 in a highly competitive market for talent and increases in related costs; 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 and the impact of our new agreement with Microsoft; changes in laws and regulations related to privacy, data protection, advertising regulation, competition and other areas related to digital advertising; ability to enforce, protect and maintain intellectual property rights; risks related to the fact that we are incorporated in Israel and governed by Israeli law; and other risks and uncertainties set forth in the Company's Annual Report of Form 20-F for the year ended December 31, 2021 under "Item 3.D. "Information About the Company - Risk Factors," the Company's Registration Statement on Form F-1 filed on September 1, 2021, as amended or supplemented from time to time, under the sections entitled "Risk Factors" and "Cautionary Note Regarding Forward-looking Statements" and in the Company's subsequent filings with the Securities and Exchange Commission.

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

Non-GAAP Financial Measures

This Presentation includes certain financial measures and projections not presented in accordance with GAAP including, but not limited to, ex-TAC Gross Profit, Adjusted EBITDA, Free Cash Flow, Adjusted Free Cash Flow, certain Adjusted elements of Operating Expenses and certain ratios and other metrics derived from the foregoing including 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 actual or prospective financial results. Therefore, these measures should not be considered in isolation or as an alternative to revenues, gross profit, net income, cash flows from operations or other measures of profitability, liquidity or performance under GAAP. You should be aware that the Company's presentation of these measures may not be comparable to similarly-titled measures used by other companies.

The Company believes these non-GAAP measures provide useful supplemental information to management, investors and others 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 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. 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 and 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 certain Company projected financial results and long-term financial model targets, which include Revenues, Traffic Acquisition Cost, Other Cost of Revenues, Gross Profit, ex-TAC Gross Profit, Adjusted EBITDA, Adjusted EBITDA Margins, EBITDA to Free Cash Flow Conversion rates for the Company's full year 2022. 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. 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 refers 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. This Presentation may include trademarks, service marks, logos, 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 TM, SM, (c) or (R) symbols, but 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.



Taboola

TABOOLA INVESTOR DAY

#YouMayLike

Adam Singolda
CEO and Founder
2022

AGENDA

1

Vision

2

Capturing \$64B Market Opportunity

3

5-10 year outlook

INFORMATION OVERLOAD

Wraps Joy

- Escolha o seu wrap favorito e adicione + 2,00 no preço preferido
- FRANGO**
- Chicken Wrap \$2,50
 - Chicken Pinak \$2,50
 - Chicken Chicken \$2,50
 - Chicken Chips \$2,50
- VEGETARIANO**
- Crab Veggie \$2,50
- PRATO**
- Tuna Roots \$2,50
 - Master Tuna \$2,50
- ACOMPANHAMENTOS PARA O Wrap**
- Saladinha de Casa \$1,50
 - Saladinha Especial \$1,50
- MOQUECA**
- Moqueca \$1,50
 - Moqueca com Arroz \$1,50
- GIROLE**
- Girole \$1,50
 - Girole com Arroz \$1,50
- BARBECUE**
- Barbecue \$1,50
 - Barbecue com Arroz \$1,50

Saladas Joy

- Escolha o seu wrap favorito e adicione + 2,00 no preço preferido
- FRANGO**
- Chicken Salad \$2,50
 - Chicken Good \$2,50
 - Chicken Nachos \$2,50
 - Chicken Salsinha \$2,50
- VEGETARIANO**
- Tuna Fit \$2,50
- PRATO**
- Vegetarian Bowl \$2,50

Torta com SALADA

- Torta integral + sua saladinha favorita
- FRANGO \$15,90
 - FRANGO CREMOSO \$15,90
 - PEITO DE PERU \$15,90
 - FRANGO E QUEIJO \$15,90
 - RICOTA + ESPINAFRE \$15,90
 - PALMITO \$15,90

Sucos

- TRADICIONAIS**
- LARANJA \$1,50
 - LIMAO \$1,50
 - CENOURA \$1,50
 - LARANJA \$1,50
 - MAMAO \$1,50
 - LARANJA \$1,50
- ESPECIAIS**
- Apple Berry \$1,50
 - Mango Breeze \$1,50
 - God Juice \$1,50
 - Citrus Refresh \$1,50

- Sucos Verdes**
- Simple Green \$1,50
 - Green Detox \$1,50
 - Feel Better \$1,50

Sucos de Acai

- Amazon Pure \$15,90
- Amazon Fresh \$15,90
- Amazon Vibe \$15,90
- Amazon Classic \$15,90
- Amazon Green \$15,90
- Amazon Nut \$15,90

Smoothies CLASSICOS

- Love Joy \$13,50
- Watermelon Dream \$14,90
- Banana Blue \$13,50
- Pina Fresh \$13,50
- Pitaya Paradise \$13,50
- Go Mango \$13,50
- Berry Bliss \$13,50
- Pitaya Sunset \$13,50
- Fruit & Veggie \$13,50

Smoothies PROTÉICOS

- Protein Berry \$14,90
- Power Nut \$16,90
- Berry Good \$14,90

Água de Coco

- 500ml \$9,50
- 1000ml \$17,00

Açaí Cremes NATIGELA

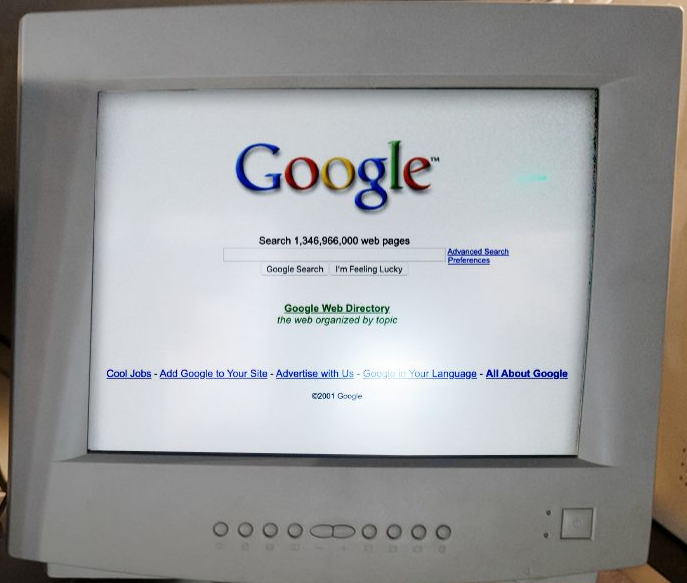
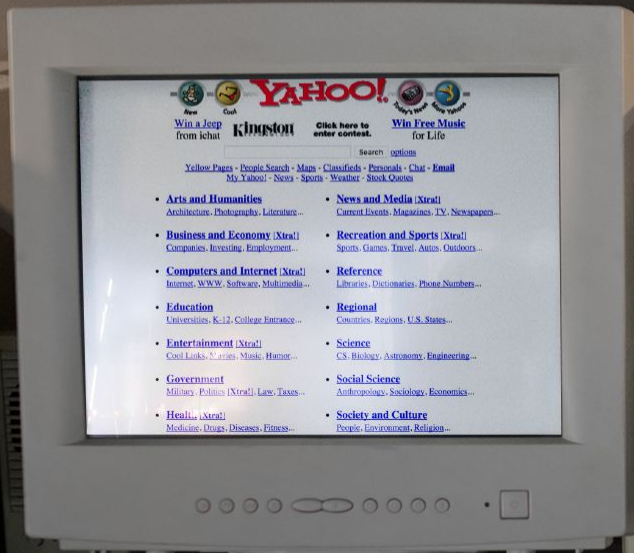
- Açaí Joy \$12,90
- Banana Nut Cream \$12,90
- Açaí Coconut \$12,90
- Açaí Nuts \$12,90
- Pitaya Bowl \$12,90

Frozen Yogurt

- Tradicional \$15,90
- Honey Almonds \$17,90
- Berry Dream \$17,90

Banana Joy

- \$15,50



Google



Google Search I'm feeling Lucky



Blockbuster Films



Watch It Again



RECOMMENDATION ENGINES ARE EVERYWHERE

Ensemble TV Programmes



...p where you left off



...NG Men's W...
...89.99



ALEADER Men's Lace...
\$59.99 \$65.99



...AIRS Boys &...
...37.99



GUBARUN Boys Snow...
\$42.99 \$49.99

Review your purchase



See more products to review

Are you a fan of Star Wars?

Based on your Amazon activity

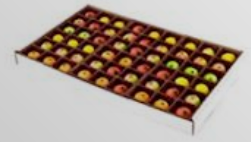


Yes, I'm a fan!

No, I'm not a fan

Explore Star Wars products

More top picks



ed by our then...
**RECOMMENDATION
ENGINES ARE
EVERYWHERE**





Good afternoon

Stuck On Replay

Good Vibes Only

Coffee Grind

Discover Weekly

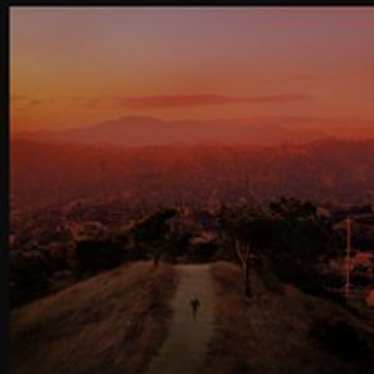
Neat Tape 2

Kabhi Khushi Kabhie Gham...

RECOMMENDATION ENGINES ARE EVERYWHERE

Taboola

Recommended for today



Let's Fall In Love For T...
Single • FINNEAS

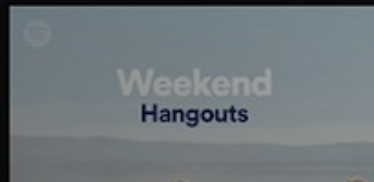


love is not dying
Album • Jeremy Zucker



Hau...
Sing

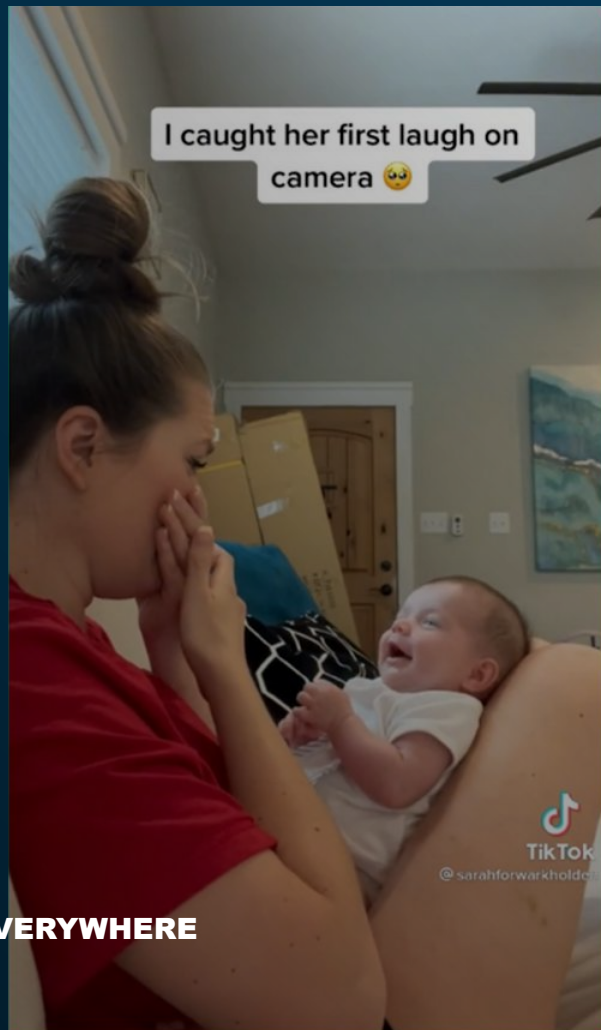
Summer sounds



Weekend
Hangouts



Good Vibes



DISCOVERY

Power Recommendations For The **Open Web**

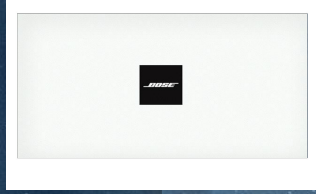
(Watch, Read, Buy...)



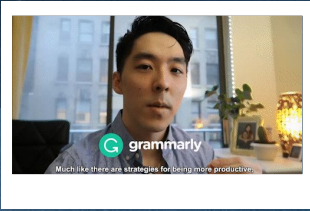
ADVERTISERS



ETORO SUPERBOWL
campaign



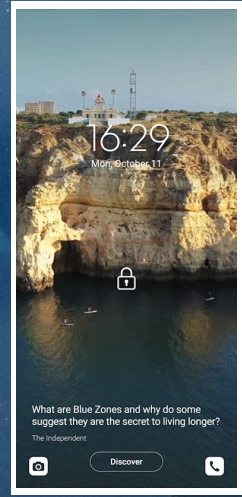
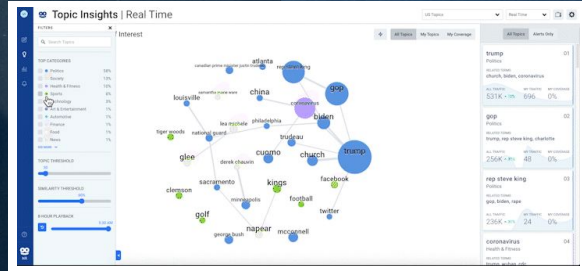
BOSE
campaign



GRAMMARLY
campaign



PUBLISHERS & TABoola NEWSROOM



Wallpaper

TABoola NEWS

Minus 1





AGENDA

1

Vision

2

**Capturing \$64B Market
Opportunity**

3

5-10 year outlook

DONE WRONG...

The collage features a variety of promotional banners and advertisements:

- McDonald's:** "ONE PRICE FITS ALL" and "There's Still Time to send the perfect present".
- Amazon:** "Amazon Gift Cards" and "SHOP GIFTS UNDER \$50".
- Edible Arrangements:** "SHOP GIFTS UNDER \$50" featuring a fruit bouquet.
- Holiday Blowout Auctions:** Promoting deals on cameras (Nikon D5100 for \$59.81, Canon T4i for \$42.16) and iPads (The New 32GB iPad for \$34.17, MacBook Pro for \$87.13).
- Wreck-It Ralph:** "GOLDEN GLOBE™ NOMINEE BEST ANIMATED FEATURE" and "10 ACADEMY AWARD NOMINATIONS".
- Nokia Lumia 920:** "Only from AT&T. \$99.99".
- Amazon Local:** "Save up to 75% off at restaurants in your city".
- Apple:** "iPod nano Completely redesigned. Just \$149." and "iPad".
- Other Promotions:** "MATTRESS FIRM Save Money. Sleep Happy.", "FORRESTER Get the Report", "ForeRunner 410 50% off", "NINJA FREE MUG", "HIGHEST rate of HOMELESSNESS?", "Taboola BUY HERE", "the ONION", "Premium roasts coffee", "RICE \$1 SIZE", "Mix 100.7", "HOLIDAY INTERNET SALE NOV 22 - DEC 31", "Free at 7:30am", "iHeartRADIO", "wildblue. SAVE 25% ON HIGH-SPEED INTERNET".

...DONE RIGHT

Walled garden integrated ad experience

facebook.

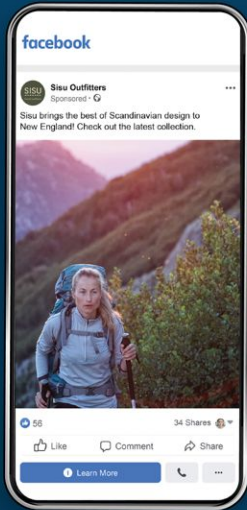
Google

twitter

amazon

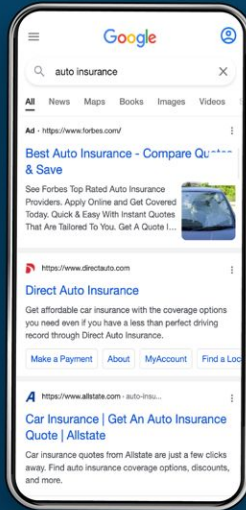
SnapChat

Paid



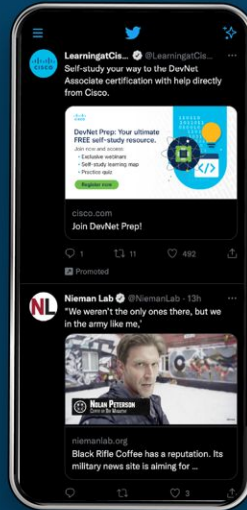
Paid

Organic



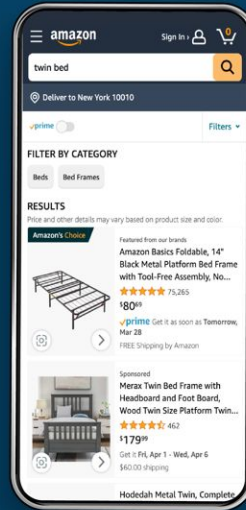
Paid

Organic



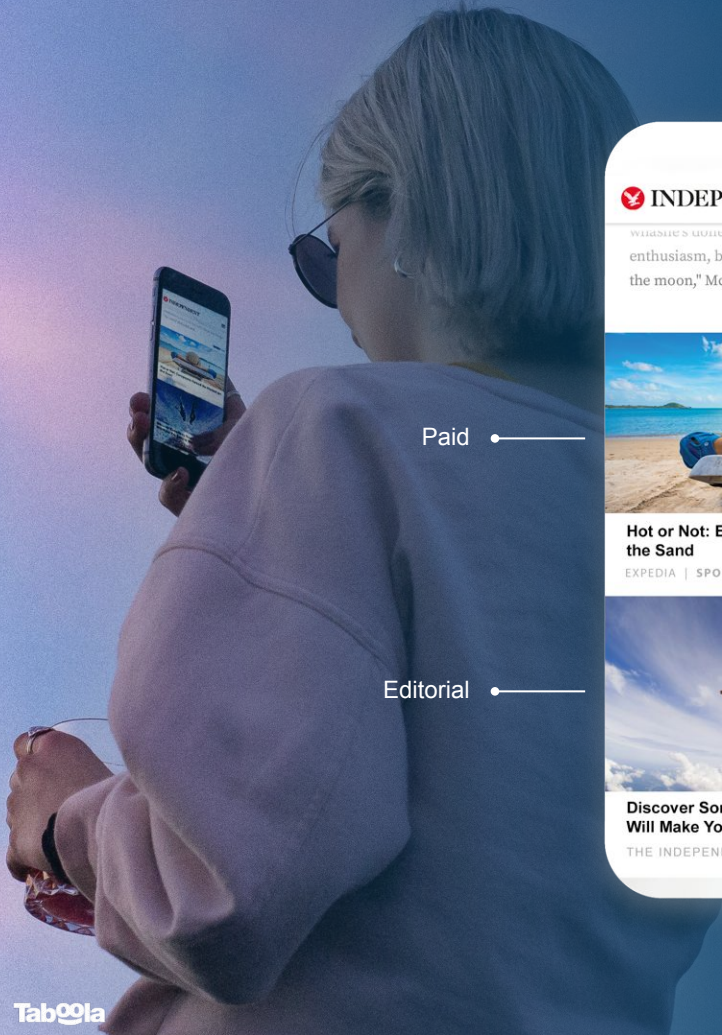
Organic

Paid





Paid







Paid

Editorial

 INDEPENDENT 


WHASHE'S DONE yet to generate that kind of enthusiasm, but I wish her well. I hope she hangs the moon," McCaskill said.

 Feed



Hot or Not: Europeans Named the Hottest on the Sand

EXPEDIA | SPONSORED



Discover Something New About Gravity, That Will Make You See the World in a New Light.

THE INDEPENDENT | 1 HOUR

TABOOLA REVOLUTION

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

BILLIONS OF MOMENTS

OPEN WEB

25% of people time



WHERE

Browsers, Android Devices, CTV Apps

WHA

Video, Product, TV Show, Games,...

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

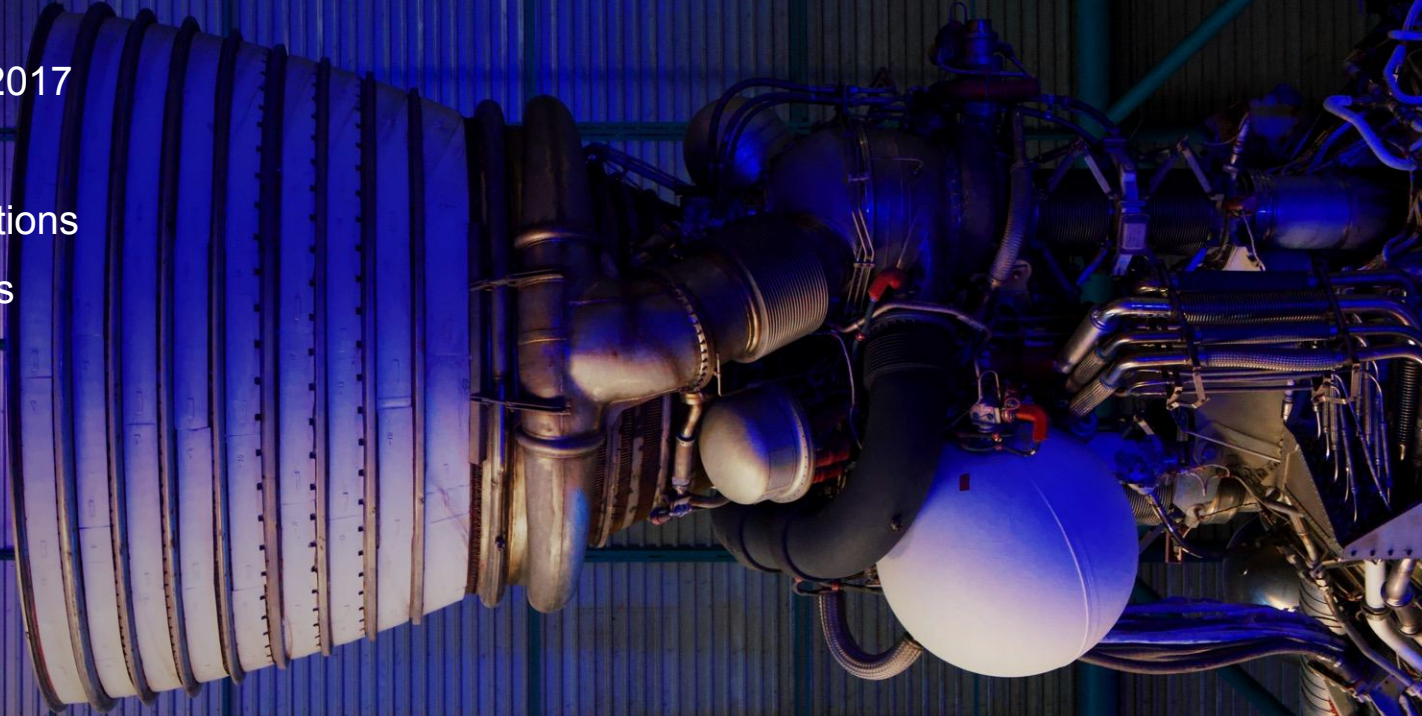
**ONE SIZE
DOES NOT
FIT ALL**



personalization.com

ROCKET ENGINE (AI)

- Deep Learning since 2017
- \$100M R&D
- Editorial recommendations
- Paid recommendations
- SmartBid



ROCKET FUEL

- 500M DAU
- Context
- Tens of billions clicks a year
- Curiosity graph (“people who read this also do this”)
- 90% of revenue direct (pixel on page)

Source: Company data



AI
Engine



DATA
Fuel

WE BUILD **THE BEST ROCKETS**

Walled Garden Dynamics for The Open Web



TECH DIFFERENTIATION

10 years partnerships, trust





AGENDA

1

Vision

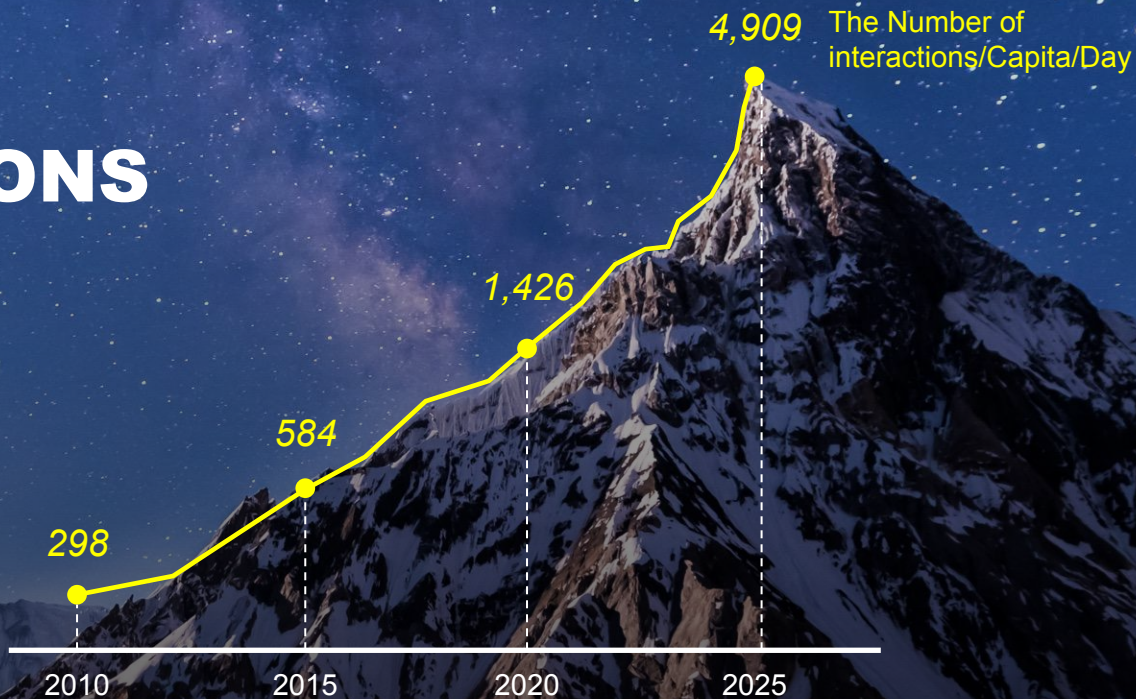
2

Capturing \$64B Market
Opportunity

3

5-10 year outlook

AN OPEN WEB POWERED BY TABOOLA RECOMMENDATIONS



Source:

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



Over the next 3 years

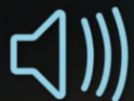
**WE EXPECT TO CROSS \$1B
EX-TAC MAINTAINING OUR
MARGINS**

ANYTHING.
ANYWHERE.





**ANYTHING.
ANYWHERE.**



What are Blue Zones and
why they are the secret to



**ANYTHING.
ANYWHERE.**



Powering Recommendations for The Open Web

Powered By **Taboola**



Taboola

MARKET OPPORTUNITY

Tom Inbal

VP of Strategy

2022

THE OPEN WEB

where we spend
25% of our time

RECOMMENDATION

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



\$64B

WHERE

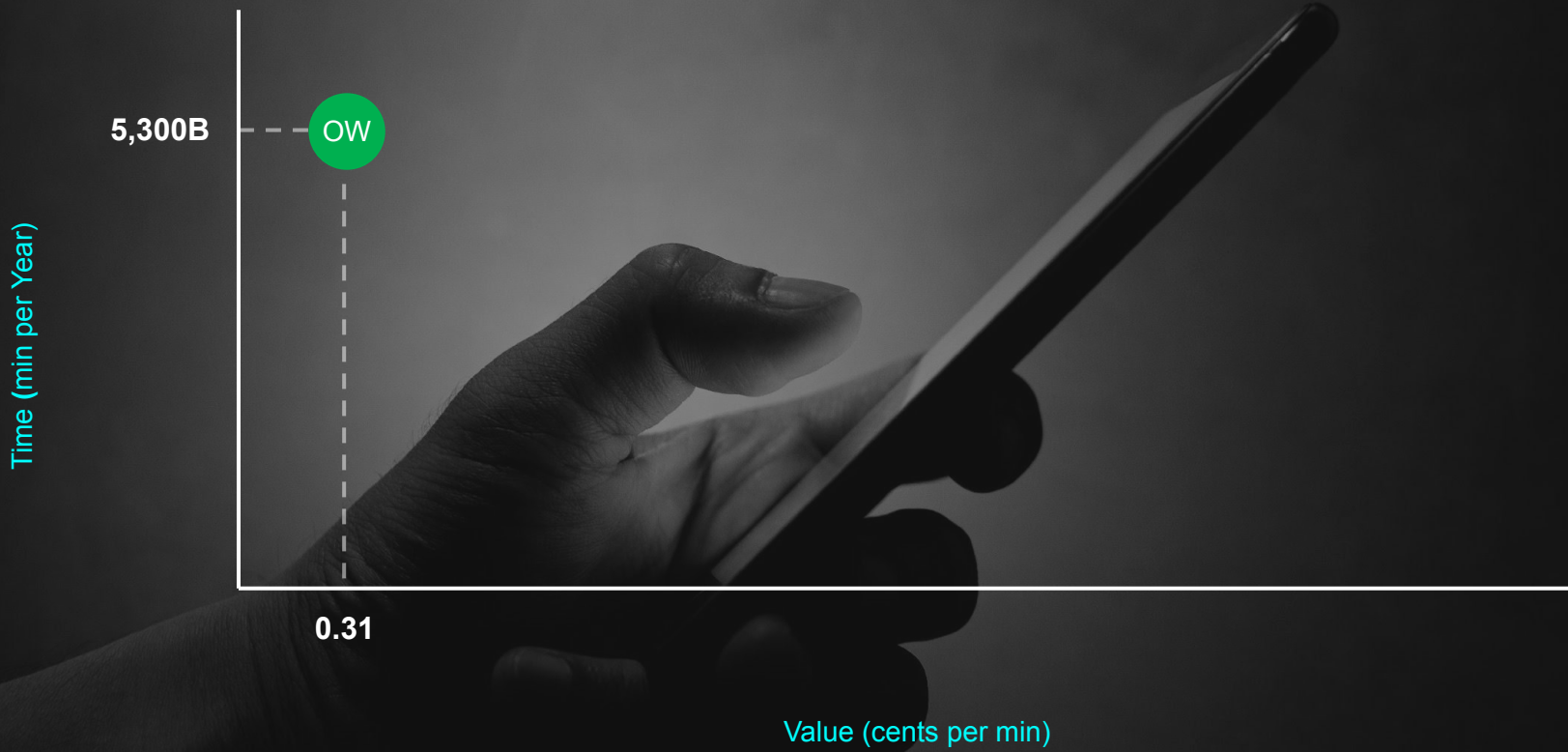
article page, homepage,
app, ctv,...

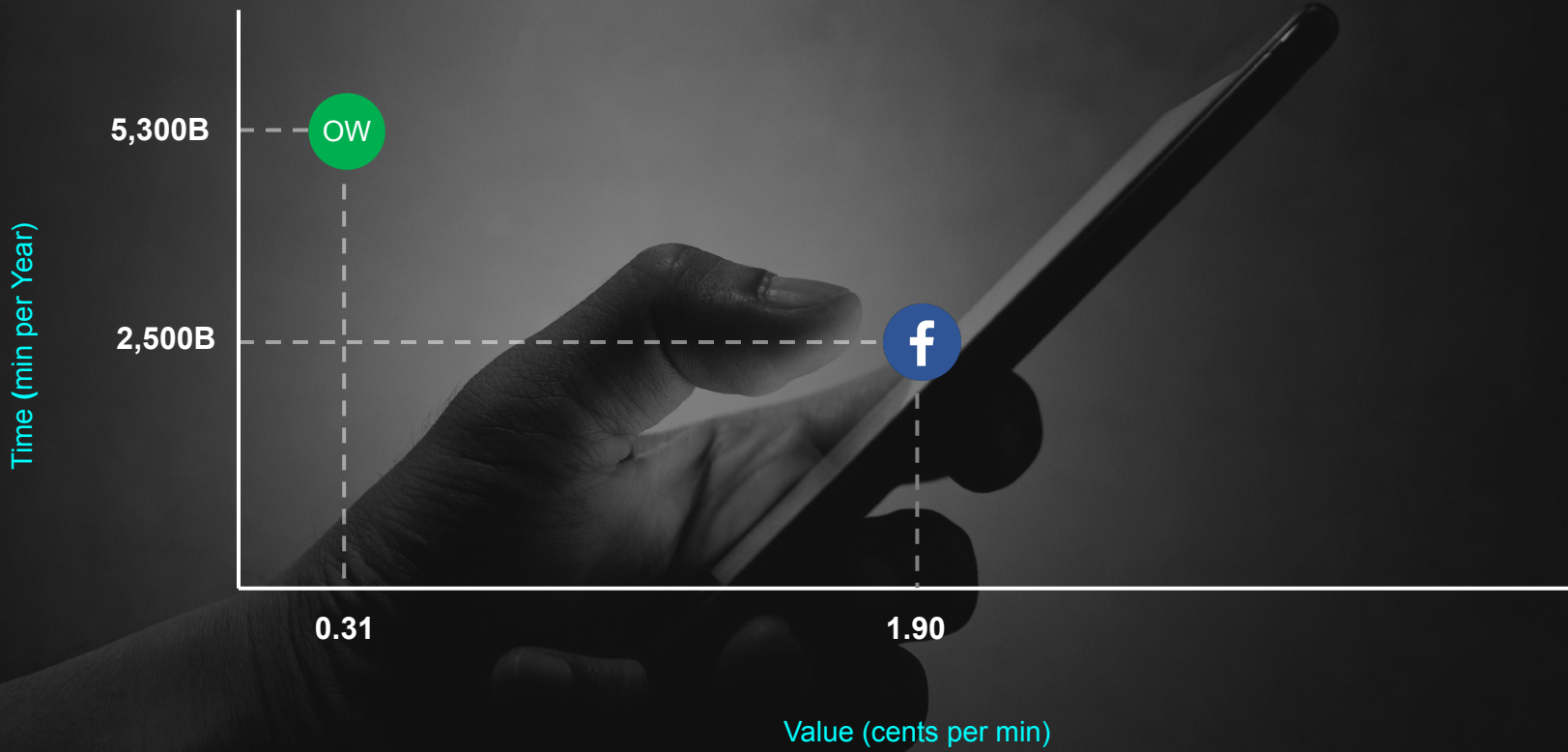
WHA

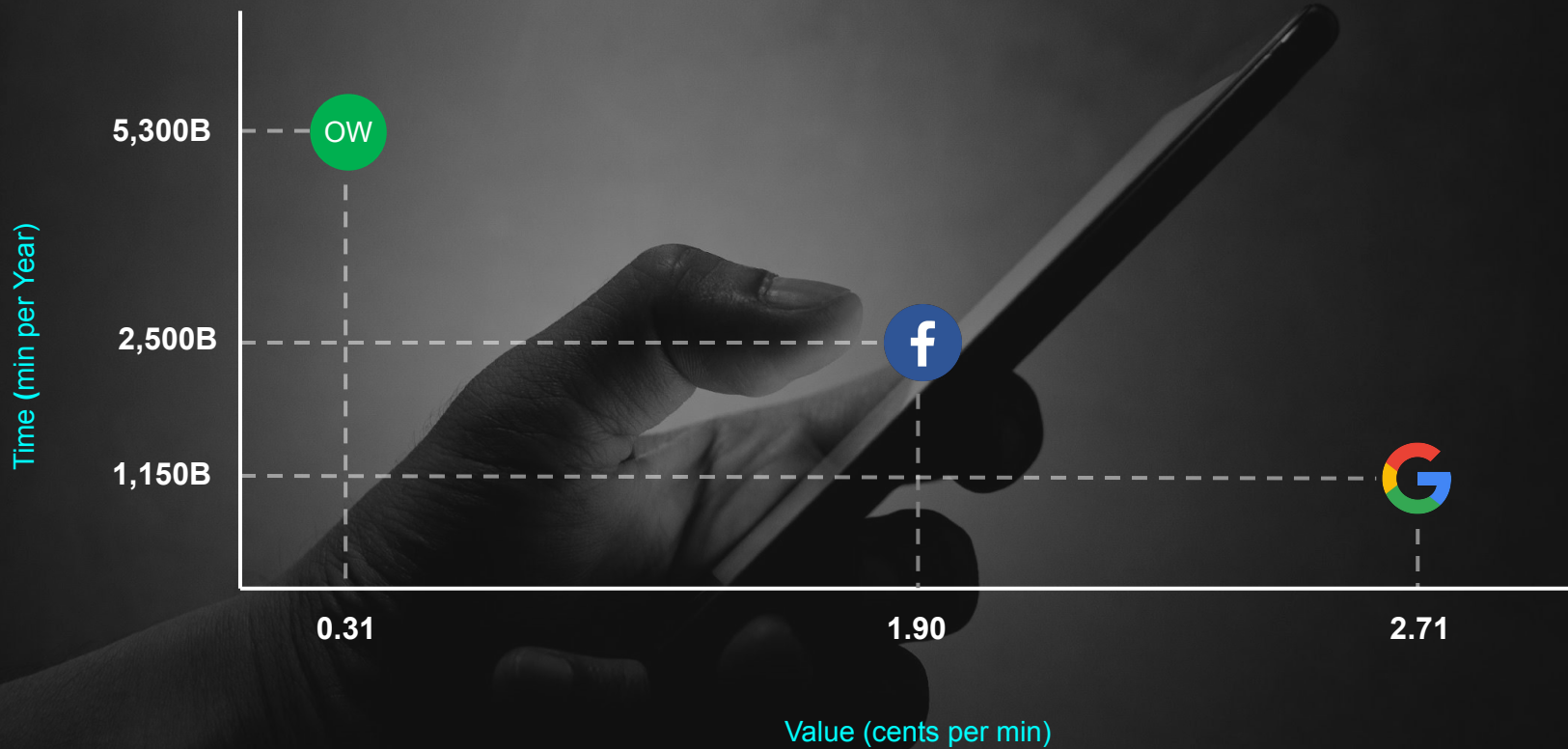
video, product, TV show, app,...

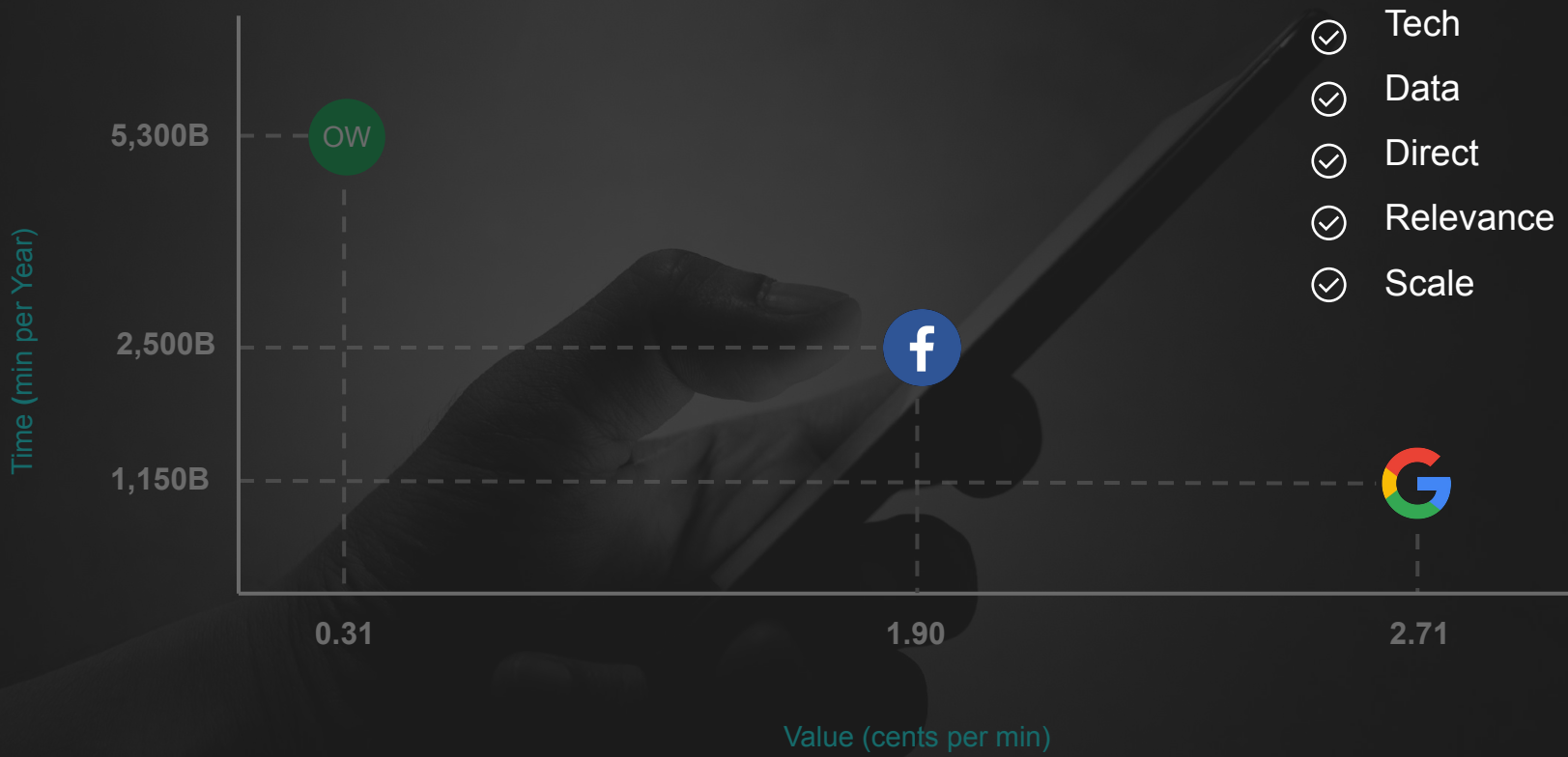
Time (min per Year)

Value (cents per min)

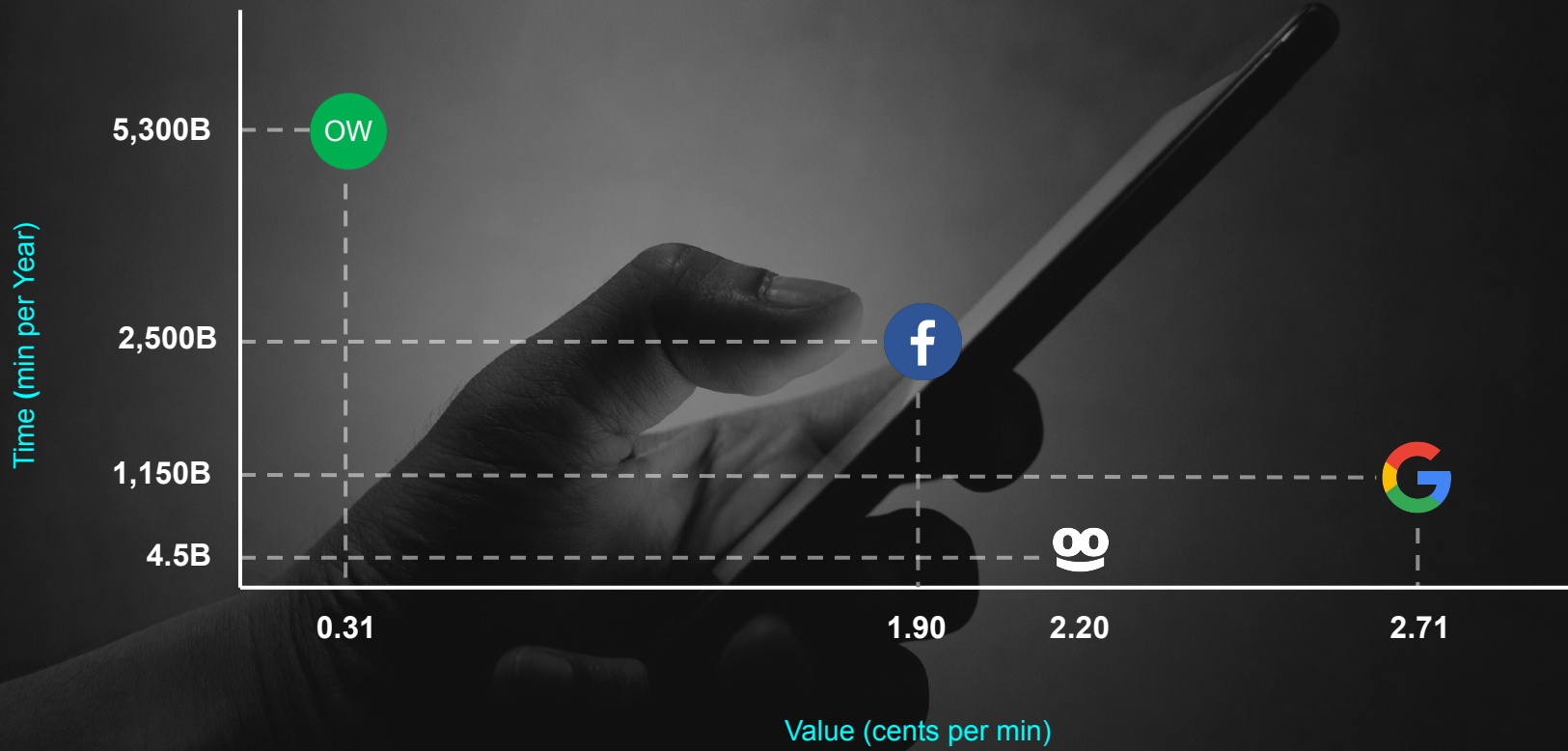


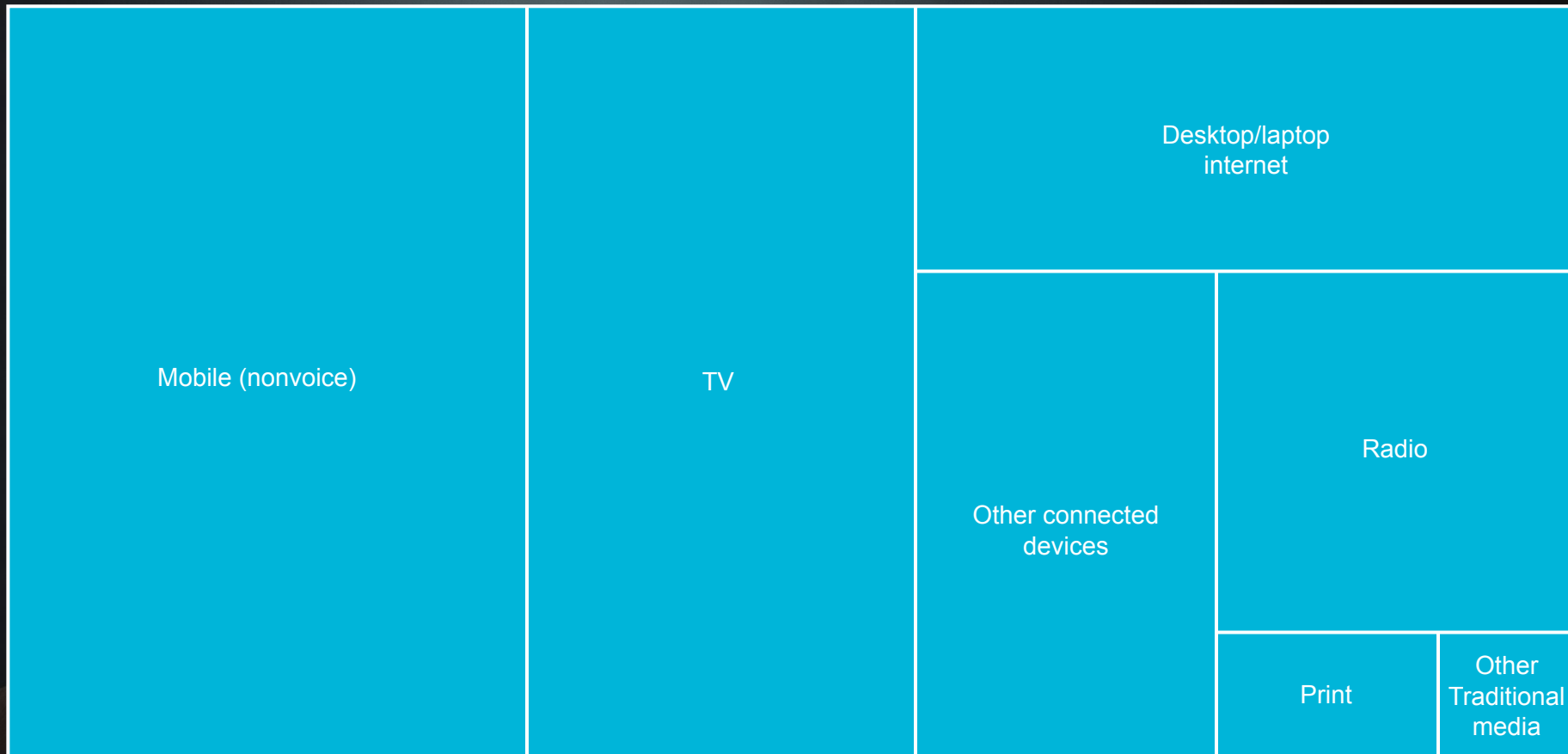


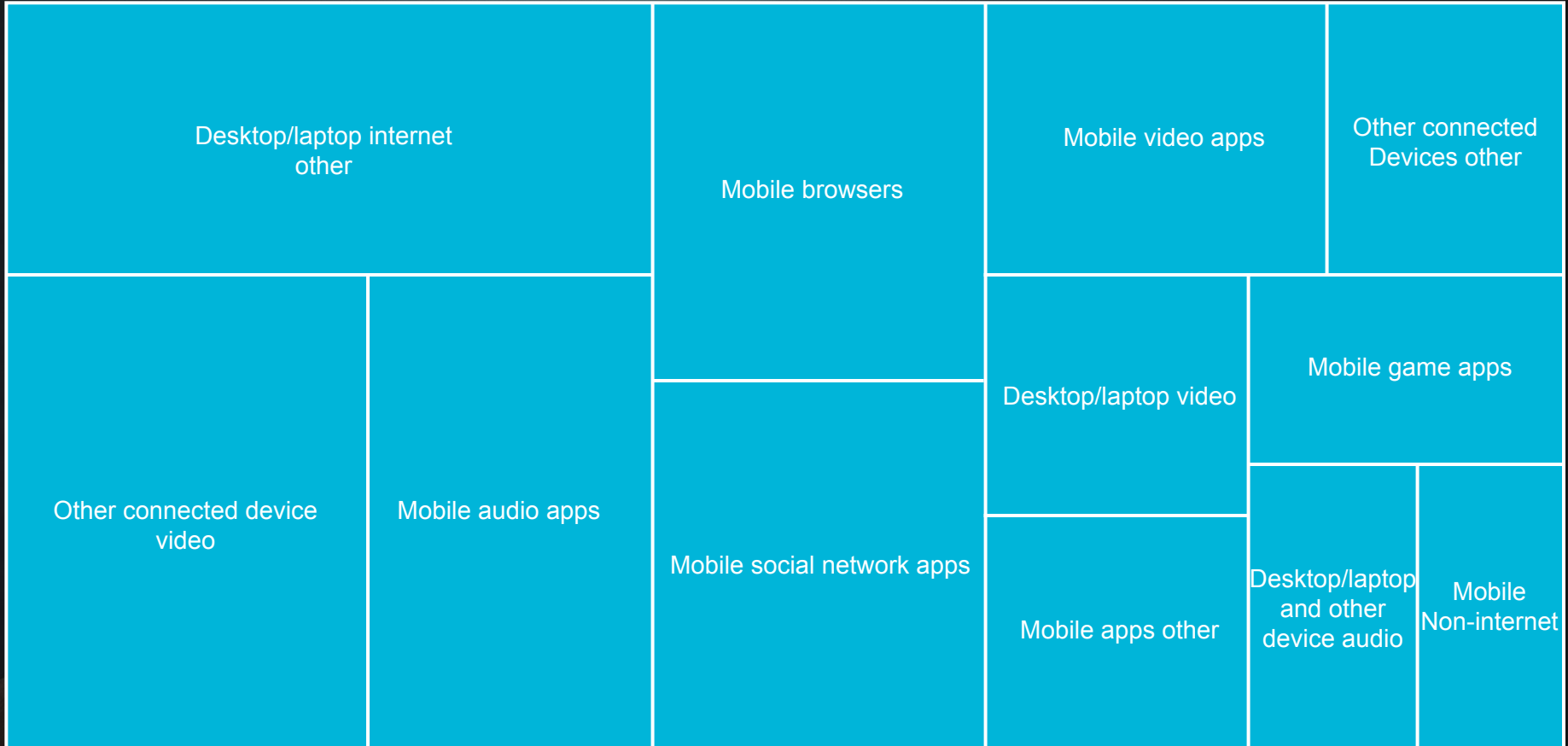


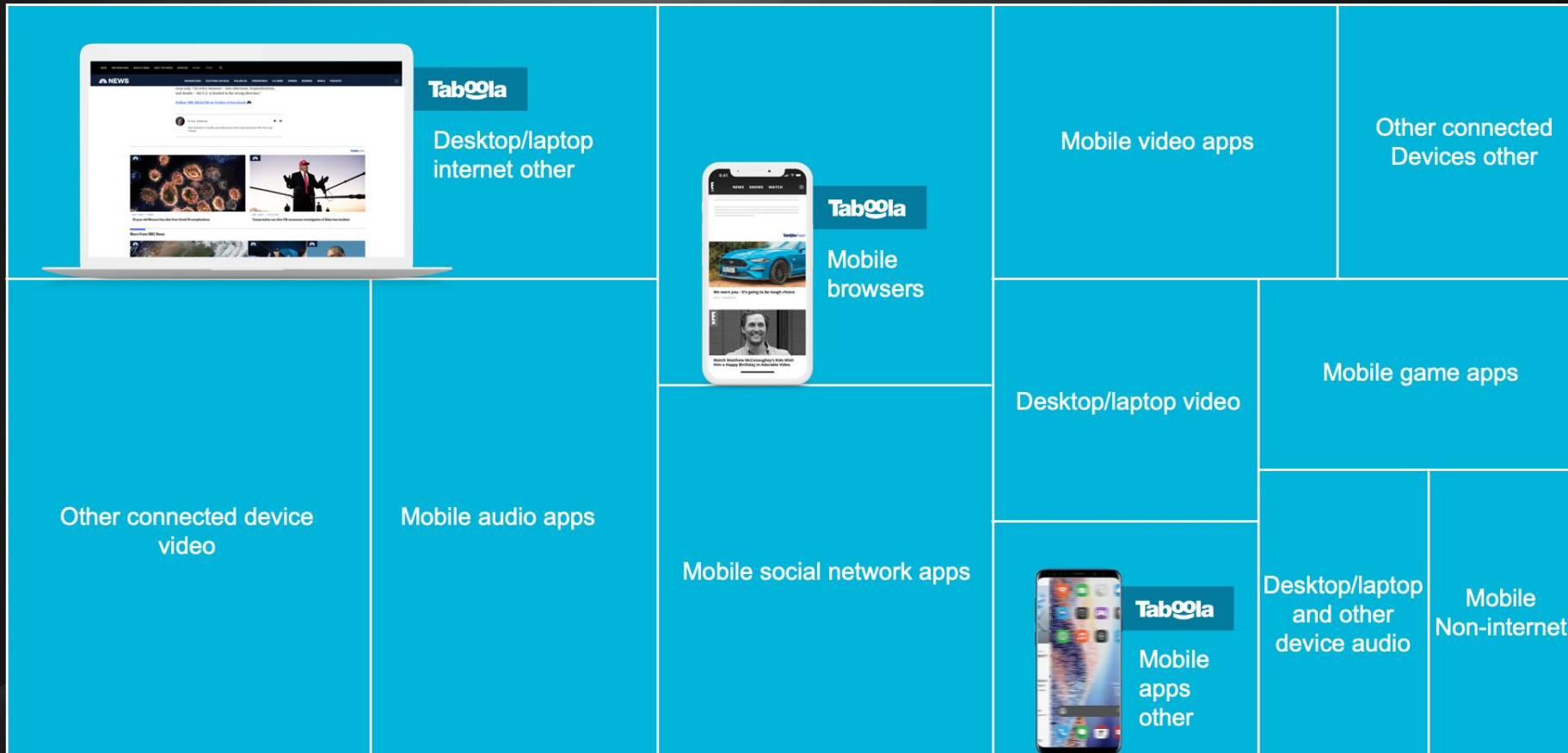


- ✓ Tech
- ✓ Data
- ✓ Direct
- ✓ Relevance
- ✓ Scale









\$519M in 2021

from 10 sec a day



\$519M in 2021

from 10 sec a day



0.03%

of the 480 min in
digital media

\$519M in 2021

from 10 sec a day



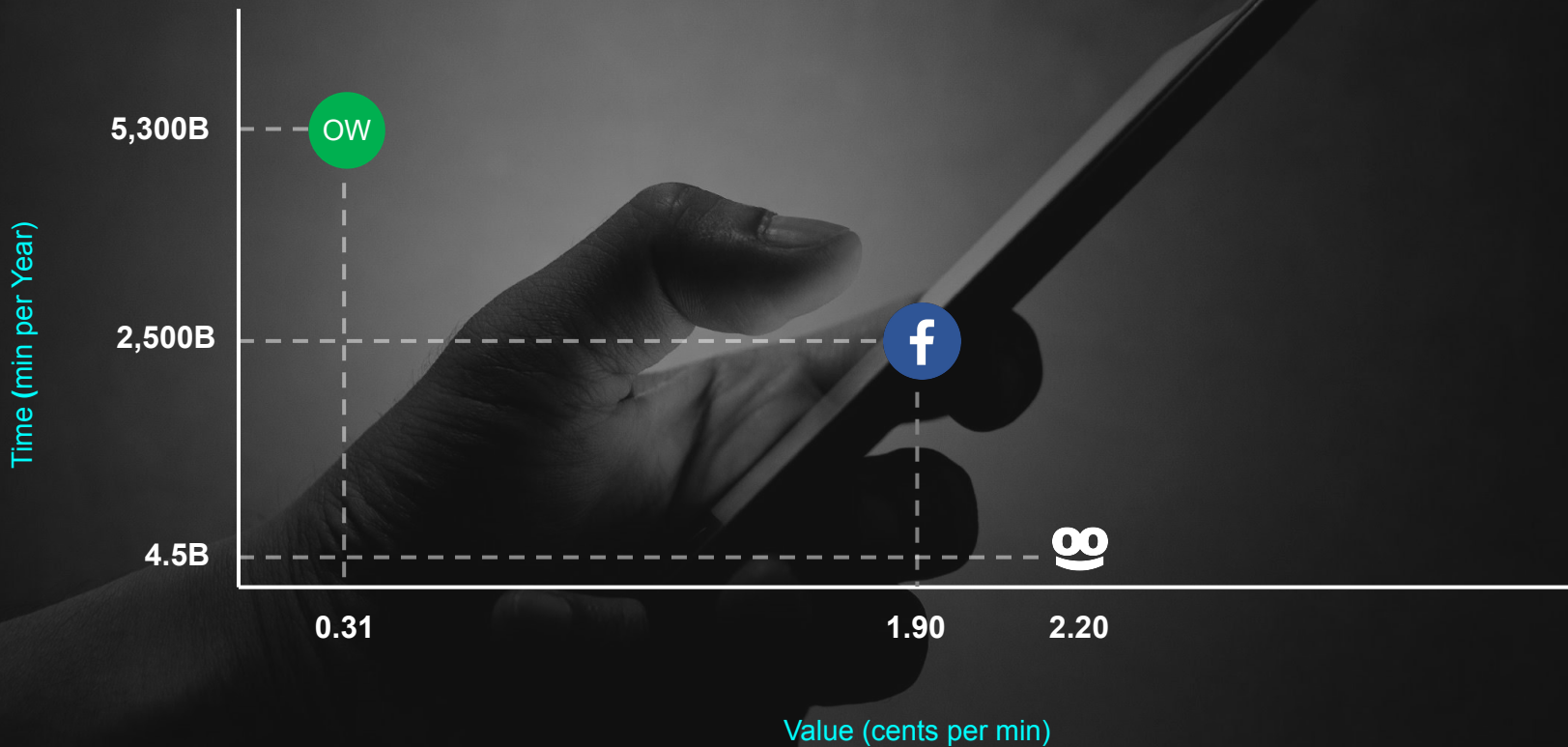
0.13%



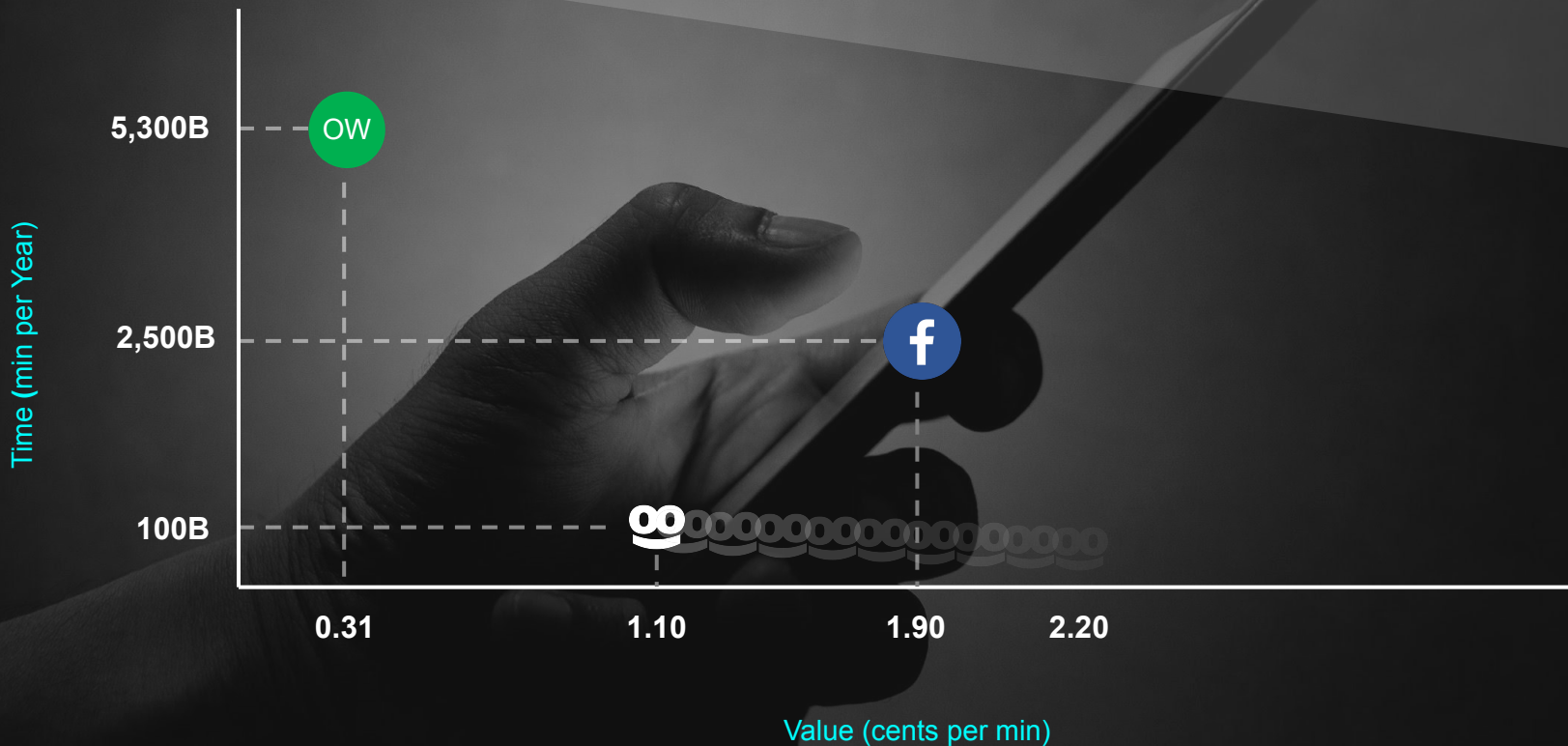
of the 130 min spent in
segments Taboola is
already established in
exc. Social networks

0.03%

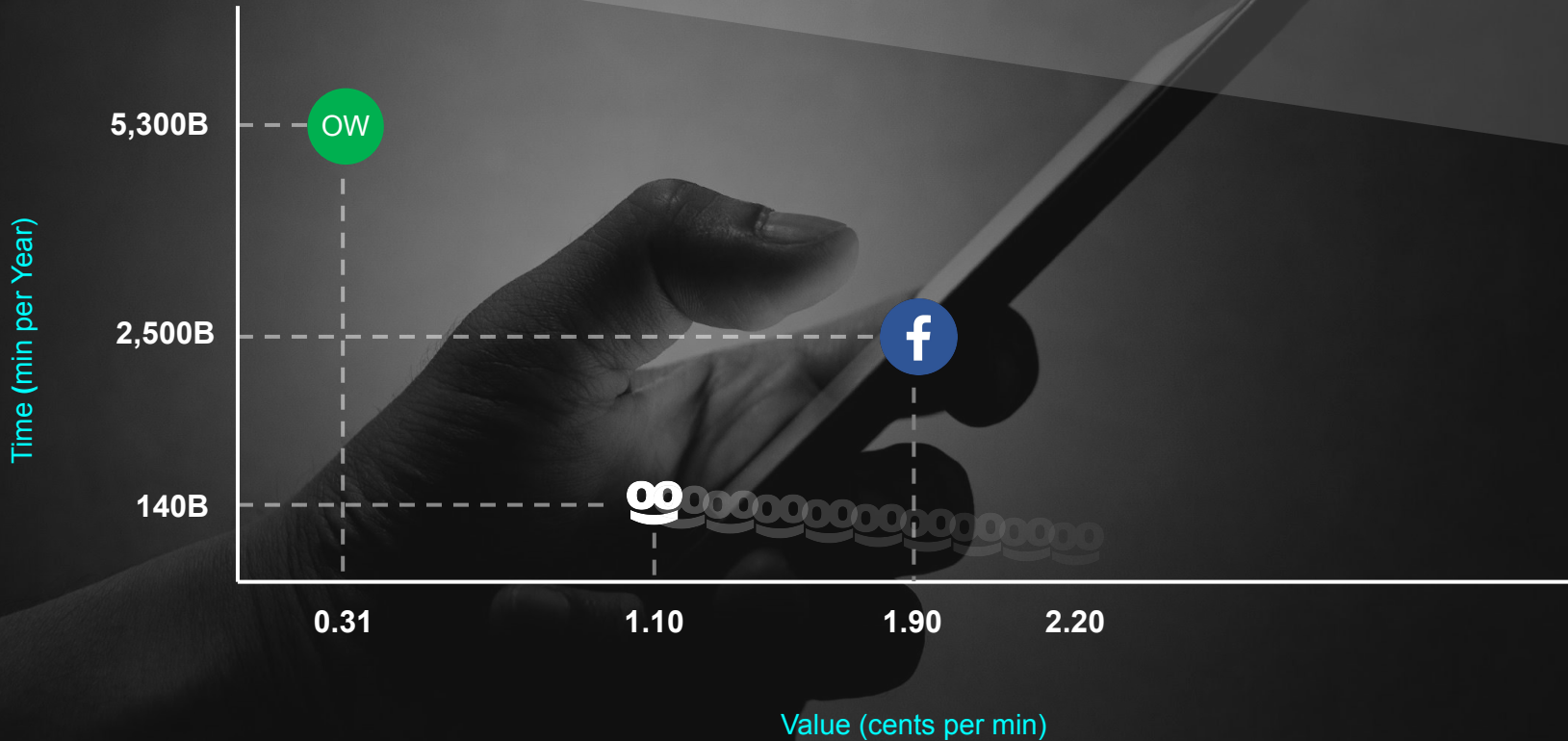
of the 480 min in
digital media



$$\begin{array}{ccccccc}
 \sim 3.5 & \rightarrow & 100B & \times & 1.10 & = & \$1.1B & = & \$3.5B \\
 \text{min per user} & & \text{min} & & \text{cents} & & \text{ExTAC} & & \text{Total ExTAC} \\
 \text{per day} & & \text{per year} & & \text{per min} & & \text{Gross Profit} & & \text{Gross Profit} \\
 & & & & & & \text{In US Mobile} & &
 \end{array}$$



$$\begin{array}{ccccccc}
 \sim 5 & \longrightarrow & 140\text{B} & \times & 1.10 & = & \$1.5\text{B} & = & \$5\text{B} \\
 \text{min per user} & & \text{min} & & \text{cents} & & \text{ExTAC} & & \text{Total ExTAC} \\
 \text{per day} & & \text{per year} & & \text{per min} & & \text{Gross Profit} & & \text{Gross Profit} \\
 & & & & & & \text{In US Mobile} & &
 \end{array}$$





Taboola

**AI@
TABOOLA**

Gil Chamiel

VP of Algorithms and Data
Science

March 29th, 2022



AGENDA

1

The Revolution of Deep Learning

2

Taboola's AI revolution

3

The AI behind SmartBid

4

Things we are working on



REVOLUTION OF AI DRIVEN BY DEEP LEARNING

Machines that learn things on their own

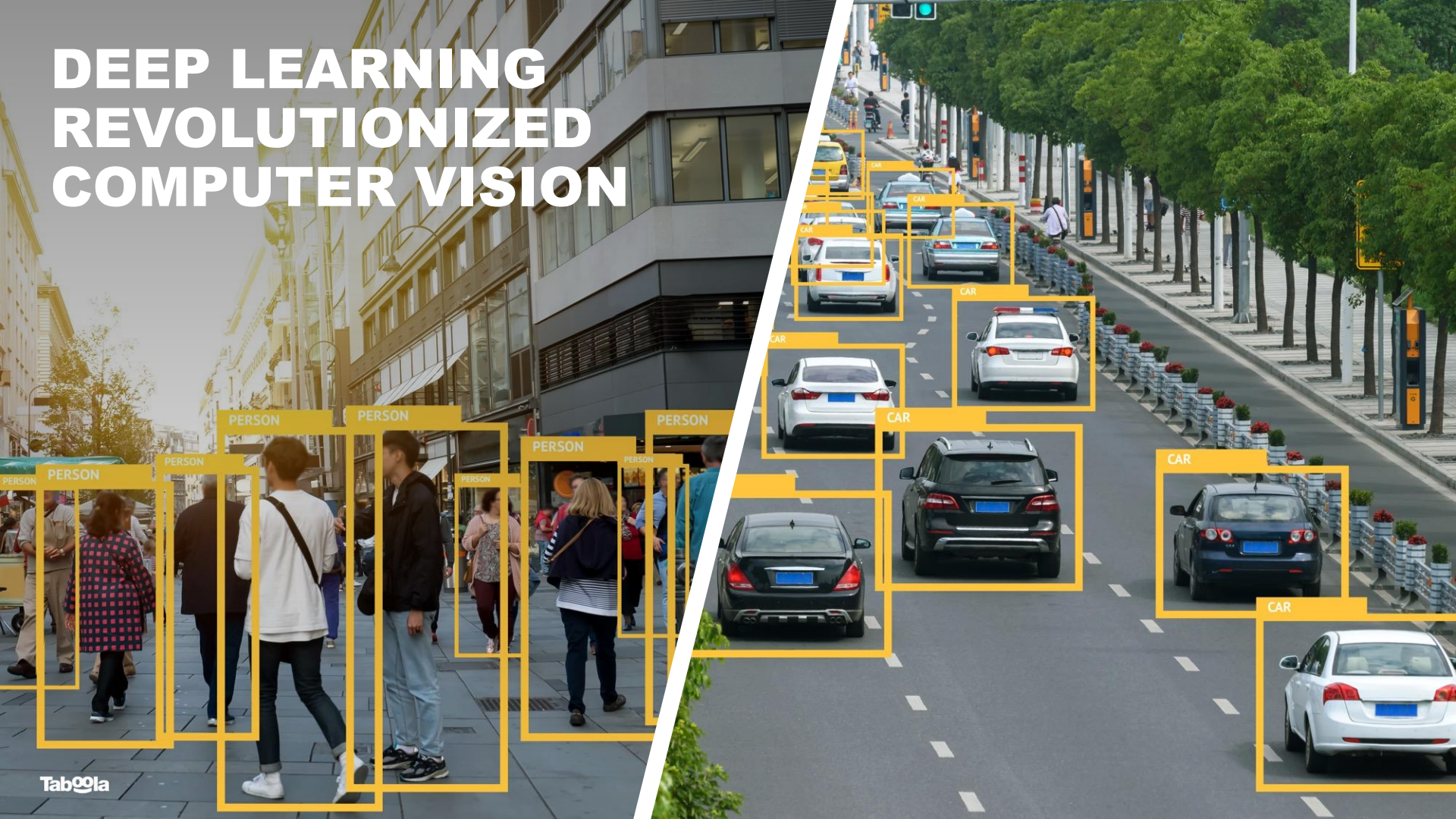
WHAT DO PEOPLE ATTEMPT WITH AI?

Observe the world
in a meaningful way

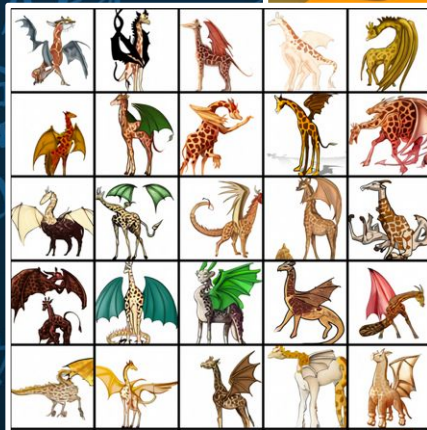
Learn new
skills



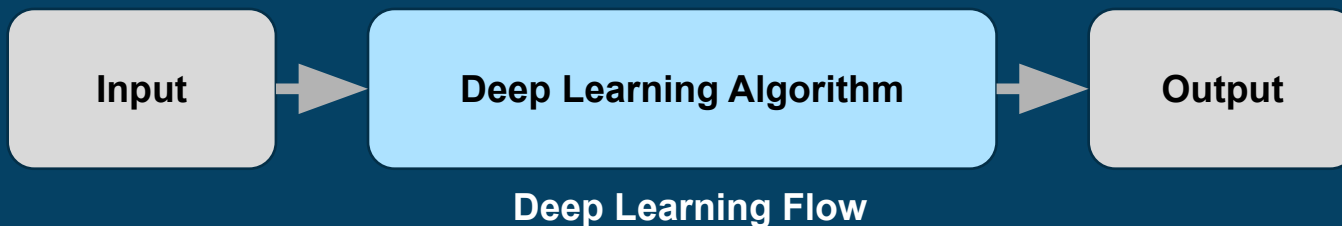
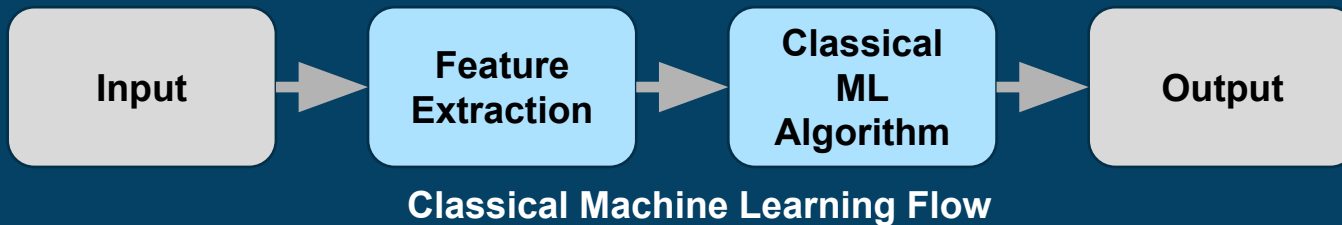
DEEP LEARNING REVOLUTIONIZED COMPUTER VISION



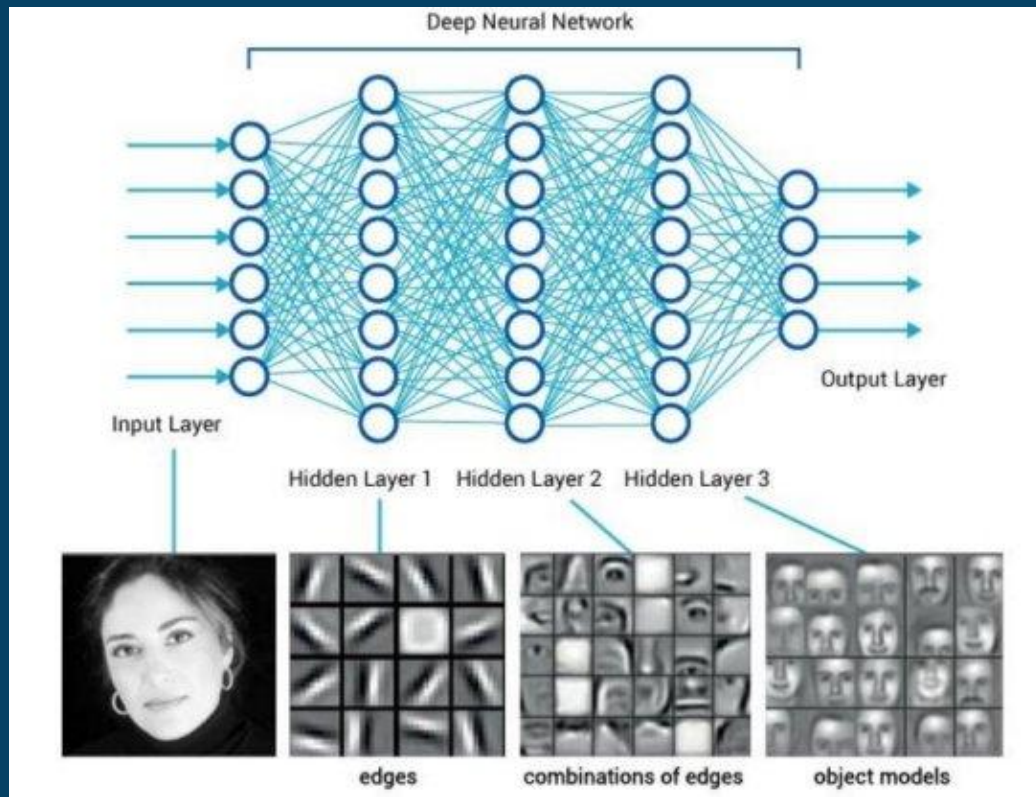
DEEP LEARNING REVOLUTIONIZED NATURAL LANGUAGE PROCESSING



“CLASSICAL” MACHINE LEARNING VS DEEP LEARNING

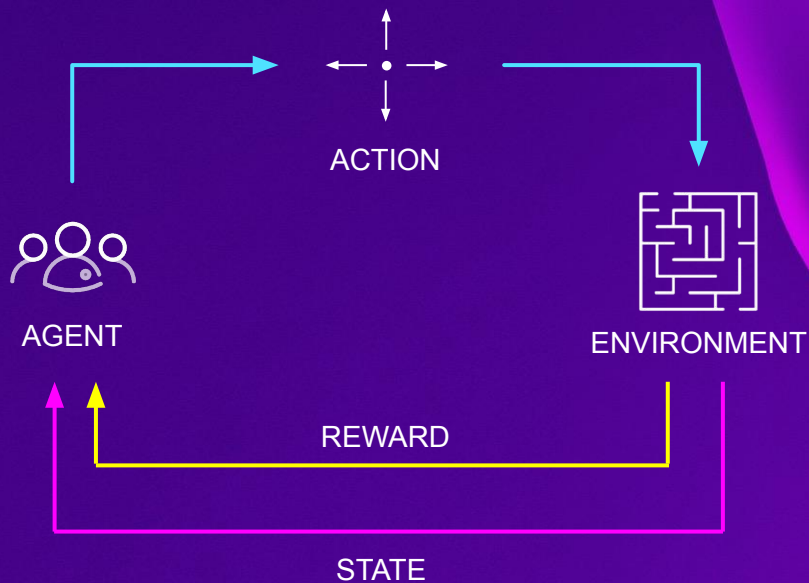


“CLASSICAL” MACHINE LEARNING VS DEEP LEARNING



[/https://www.saagie.com/blog/object-detection-part1](https://www.saagie.com/blog/object-detection-part1)

AI THAT TEACHES ITSELF



Explore

Unseen areas

Exploit

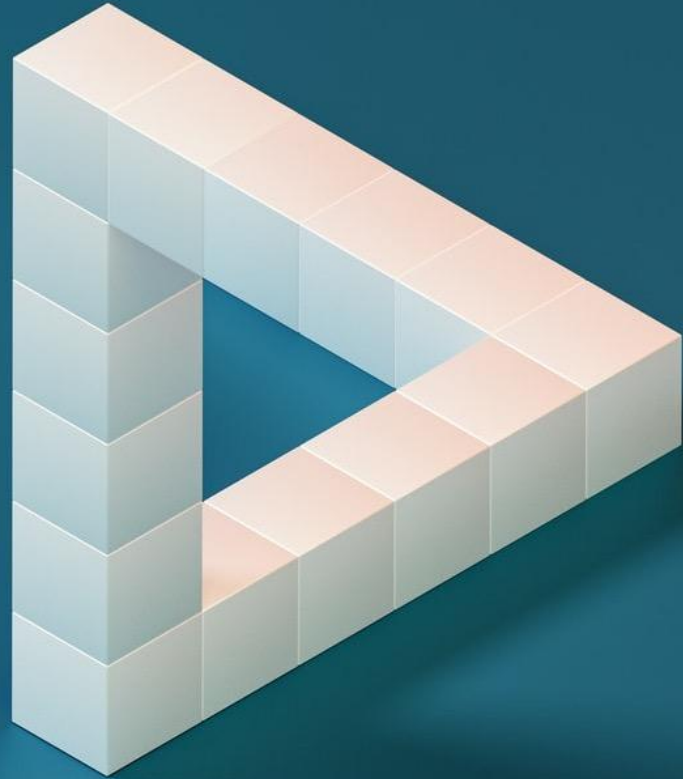
Previously learned insights

AI THAT TEACHES ITSELF



WHAT ARE WE TRYING TO SOLVE?

Matching millions of content items with over a billion people every month while optimizing publisher & advertiser success



100TB+ Daily data

500 R&D Team Members

50B+ Recommendations per day

30M Predictions Per Second

85 Deep Learning Scientists

200 Deep Learning Models Trained Daily

500K+ Requests per Sec

88% US Mobile Internet Users Reached

7 Global Data Centers

1.3B Monthly Unique Users Globally

OUR SCALE

Is one of the main advantages of working with Taboola

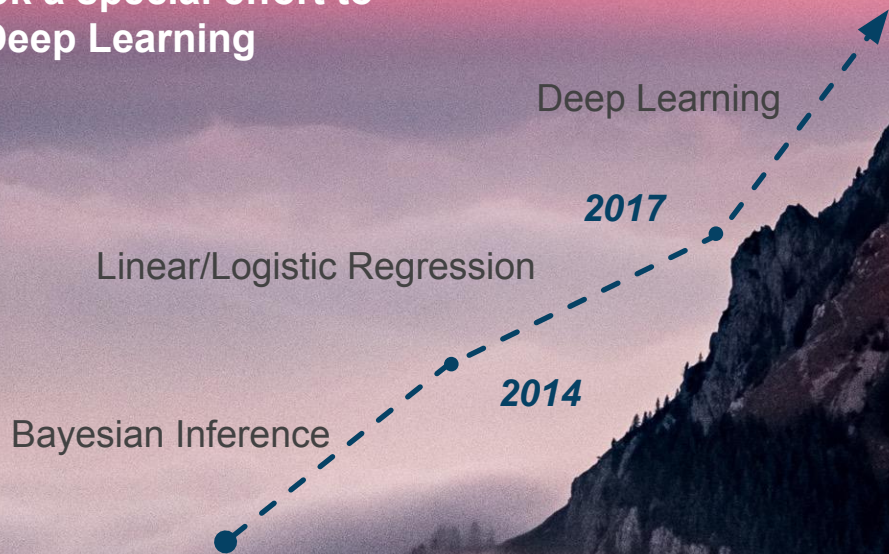
TABOOLA'S AI DEPARTMENT

- 85 Research Engineers
- Research Engineer =
Data Scientist + Software Engineer
- Analysis -> Modeling -> Experiments -> Production
- Pipeline is geared for continuous experimentation



IT IS A JOURNEY...

And it took a special effort to get into Deep Learning



THE IMPACT OF DEEP LEARNING ON TABOOLA'S CUSTOMERS

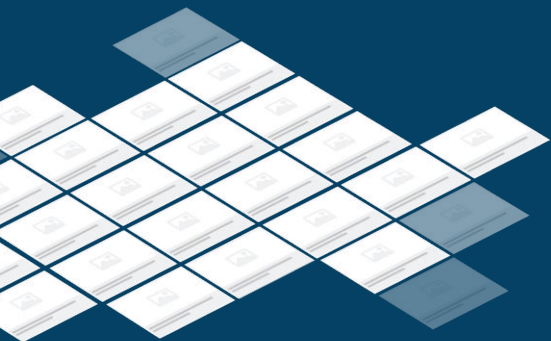
Dramatic improvement in
RPM, CVR, CPA and
organic recirculation*

* Tracked via long term a/b testing



WHERE DOES DEEP LEARNING FIT AT TABoola

WHAT ARE WE TRYING TO SOLVE?



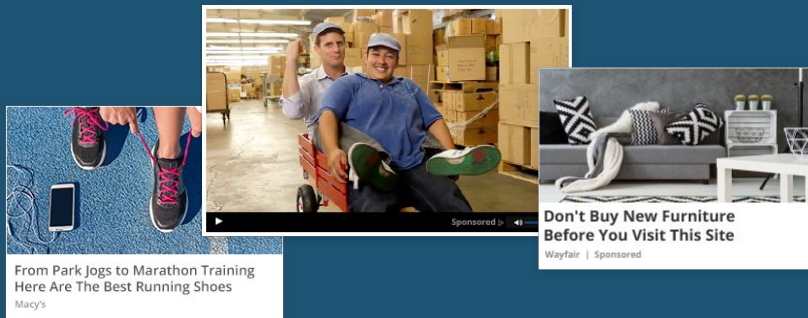
Millions of Possible Recommendations



Rank N recommendations
by *estimated CPM*



Sponsored Content



Context Metadata



Location Region based Information



Curiosity Graph

WHAT ARE WE TRYING TO SOLVE?

Rank N recommendations
by CTR * CPC * CVR



eCPM

Representing the
publisher's interest

Representing the
advertiser's interest

CTR = Click Through Rate

CPC = Cost Per Click

CVR = Conversion Rate

SMARTBID AI - TABOOLA'S SELF DRIVING DISCOVERY PLATFORM



WHAT DOES SMARTBID CAPTURE

For users reading about COVID-19, SmartBid found that they have



High tendency to engage
with travel campaigns
35% Higher Ranking Score
CPA down 40%



Lower tendency to engage
with personal investing
campaigns:
40% Lower Ranking Score
(CPA would be up 50%)

HOW DOES SMARTBID GET SMARTER ON ITS OWN

It actively seeks new knowledge

EXPLOIT

I'm fairly certain I know what to do



Environment



EXPLORE

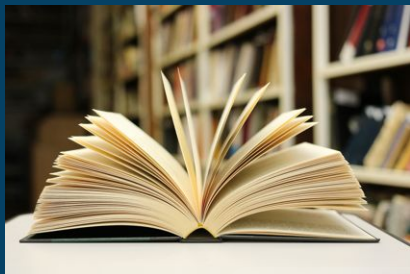
I need to learn more about this



Autonomous
Driving tool

WHAT DOES SMARTBID CAPTURE

For users reading about Sports, SmartBid found that they have



Not so much into books and literature campaigns
45% Lower Ranking Score
(CPA would be up 25%)

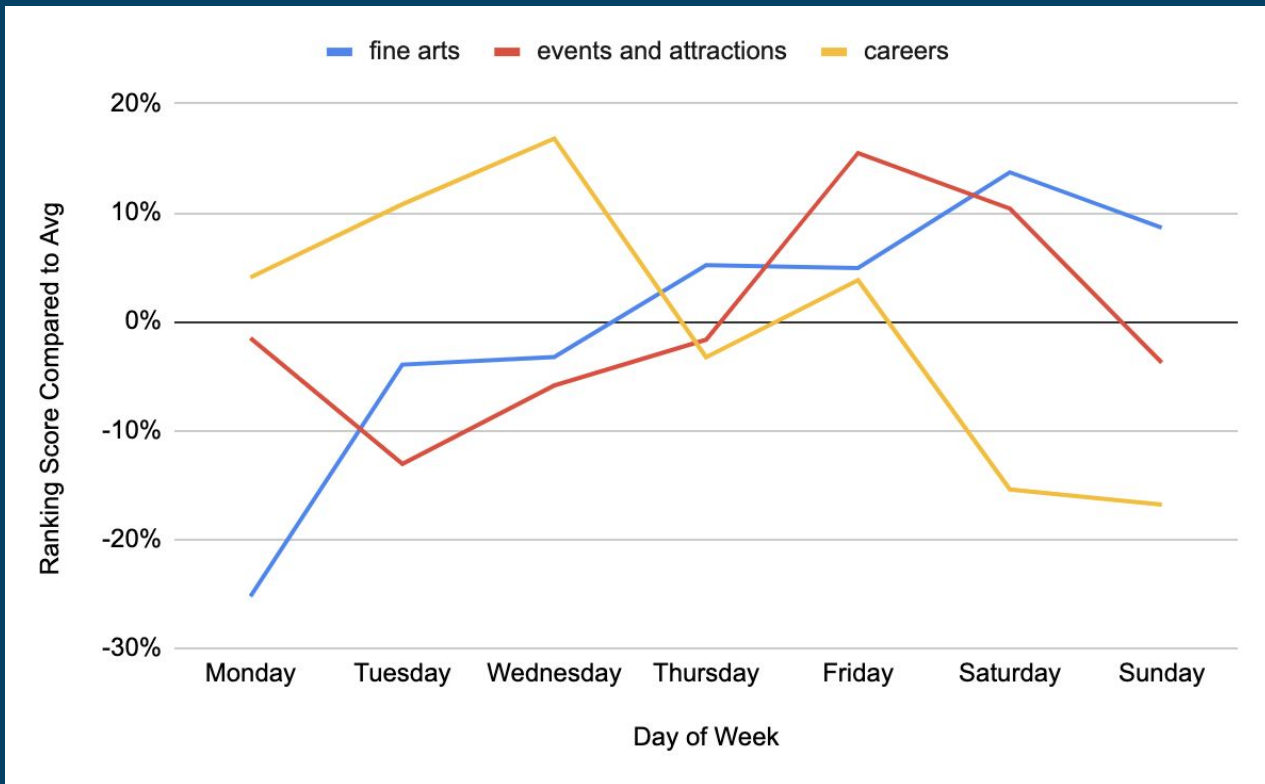


Much more into “lighter” subjects like other hobbies and interests:
25% Higher Ranking Score
CPA down 60%



WHAT DOES SMARTBID CAPTURE

Trends throughout the week



WHAT DOES SMARTBID CAPTURE

*SmartBid knows that users reading tech are more likely to engage with finance ads.
But more specifically...*

For users reading articles
about this

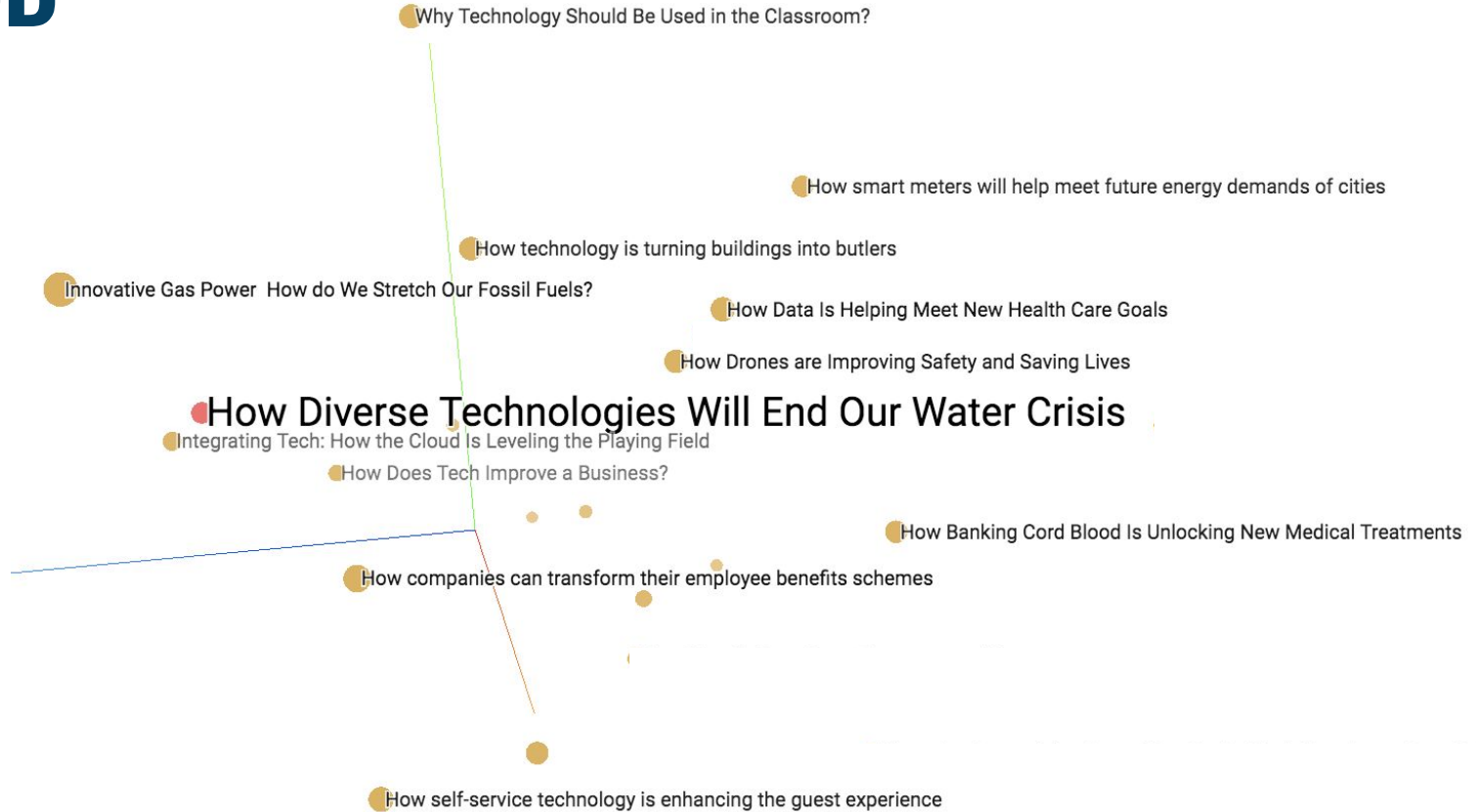
SmartBid: stock
investing ads will
perform exceptionally
well in this context.

Ranking Score x15 compared to
how it ranks on an average article;
x3 compared to other tech articles

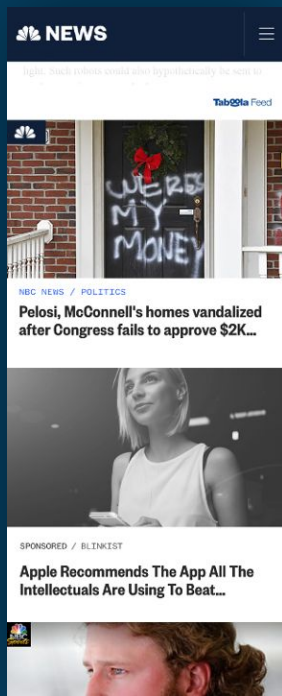
Amazon announces 20-to-1 stock split



UNDER THE HOOD

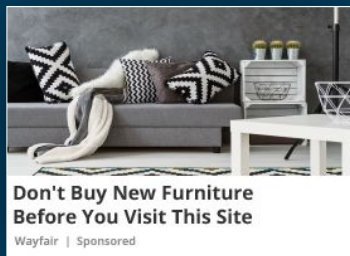


WE SOLVE MULTIPLE PROBLEMS USING THE SAME PLATFORM



PUBLISHERS

Revenue;
Subscription;
View per session



ADVERTISERS

CPA/ROAS;
Conversions@scale



OEMs

User Engagement
& Retention





SOME THINGS WE ARE WORKING ON?

- Contextual intent at higher scale
- Faster way to explore new matching patterns
- Models which allow scaling more diverse types of advertisers
- Model lifetime value and increased engagement over time
- Smarter Bidding on any supply



REVOLUTION OF AI DRIVEN BY DEEP LEARNING

Machines that learn things on their own



Taboola

CORE PLATFORM

Eldad Maniv

President & COO

March 29th, 2022

ALL ONLINE PUBLISHERS HAVE THE SAME GOAL

MORE USERS,
visiting more often....

... STAYING LONGER,
engaging more...

... And taking
REVENUE-DRIVING ACTIONS.

Audience X Engagement X Revenue = Maximum value

PUBLISHERS APPLY DOZENS OF TOOLS AND SOLUTIONS



BUT EXTRACTING OPTIMAL VALUE IS INCREDIBLY HARD

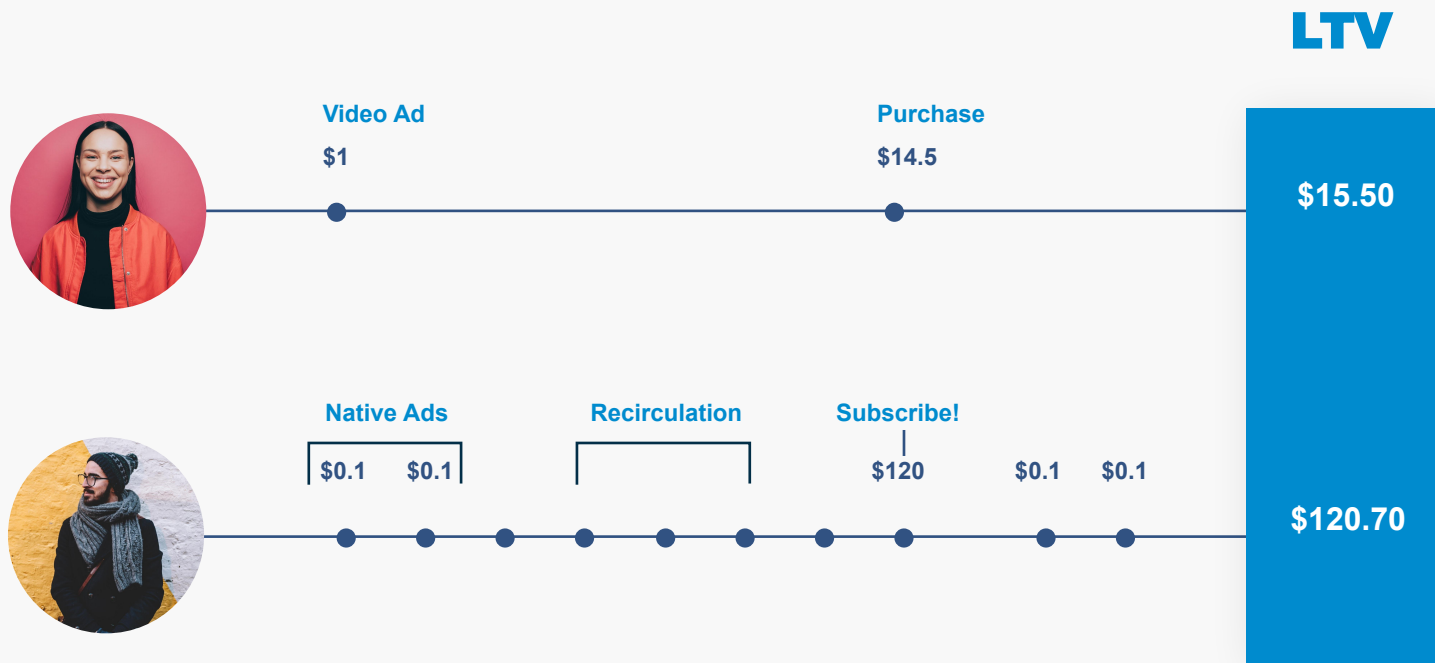
IN-STREAM VIDEO *OUTSTREAM VIDEO* **SUBSCRIPTIONS** **INSIGHT** SOCIAL STRATEGY NEWSLETTERS

Audience X Engagement X Revenue = ?

NOTIFICATIONS E-COMMERCE AUDIENCE DEVELOPMENT

DIRECT DEMAND **AUDIENCE** *VIDEO PRODUCTION* **SEO** **PREMIUM ADS**

PERSONALIZATION IS KEY TO MAXIMIZING LIFETIME VALUE



TABOOLA IS THE LEADER IN PERSONALIZATION POWERED BY OUR RECOMMENDATION ENGINE

DATA

Readership data
from **~16,000** digital
properties

100TB data processed
daily

TECHNOLOGY

500 employees in R&D
(out of 1,850 employees)

\$100M+ Annual R&D
Spend

SCALE

9,500 Servers

Up to **1 Trillion**
Recommendations per month

Tens of Billions of clicks
per year

COMPREHENSIVE PUBLISHER PLATFORM

Publisher Strategy

Organic Engagement

Audience Development

Subscription

E-Commerce

Taboola Ads

Pub Direct Ad Demand

UX

Feed

Next Up

Explore More

Video Slider

Video Reel

Reco Reel

Taboola News

Homepage 4U

AI

Personalized Recommendation Engine

Controls

Editorial Controls

Ad Controls

Ad Content Review

Analytics

Taboola Newsroom

Analytics / Insights / Reporting

Code-on-Page

Native Placements

Readership Data

Purchase Intent Data

COMPREHENSIVE ADVERTISER PLATFORM

Marketing Objective

Awareness → Website Traffic → Engagement → Lead Generation → Purchase

Ad Experience

Formats – Capture Attention

Formats – Drive Customer Action

AI

Algo

SmartBid “Dimensions”

Brand Safety

Pre-Bid Controls

Environmental & Experience Controls

Measurement & Verification Tools

Audiences & Targeting

Contextual

Advertiser 1st Party

Custom

Analytics

Taboola Ads (Insights & Reporting)

Channels

Self-Service

Managed

Programmatic

Code-on Page

Native Placements

Readership Data

Purchase Intent Data

MONETIZATION DRIVEN BY 'ALWAYS-ON' ADVERTISERS

4.6 Years

Average Top 50 Advertiser Tenure

\$7M+

Average Annual Revenue amongst Top 50 Advertisers

200+

Advertisers That Spent >\$1M in 2021 (~15,000 Advertisers in Total)

Active Advertisers



(1) Source: Company Data



ACCESS TO PROGRAMMATIC CHANNELS

Connections to major
Media buying platforms

 theTradeDesk

 xandr

 CRITEO

 A9

 Adobe

 MediaMath

 AMOBEE

 Display &
Video 360

STRATEGIC VALUE TRANSLATES TO LONG-TERM RELATIONSHIPS WITH PUBLISHERS

5+ Years

Average Top 50
Publisher Tenure

3+ Years

Typical contract length,
Revenue-weighted

Publishers on a 5+ Year Contract with Taboola



Bloomberg

Daily Mail

sport1



NBC NEWS



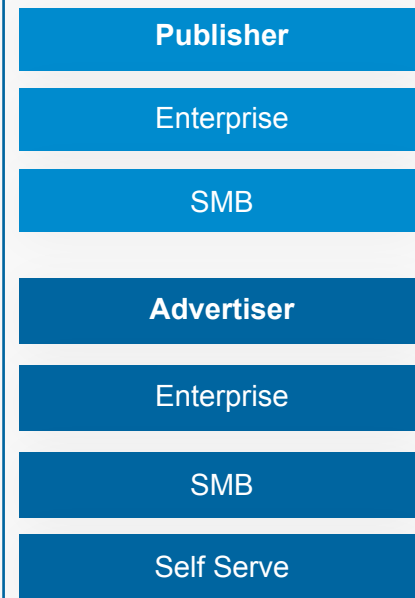
SYNACOR

USA TODAY

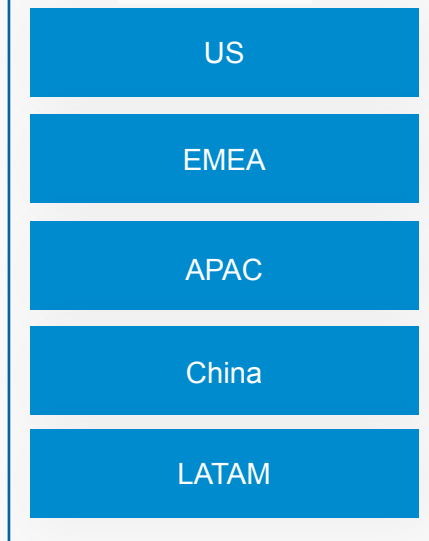
Lagardère

GO TO MARKET OVERVIEW

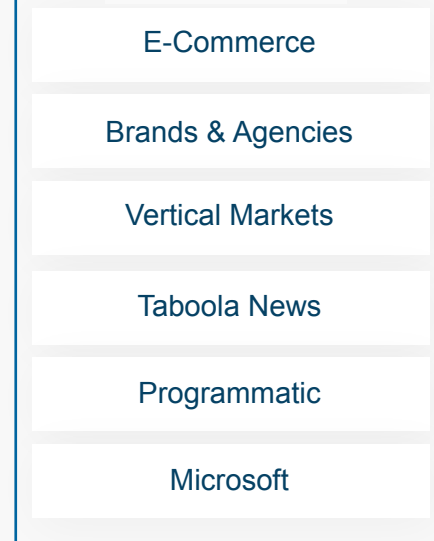
CUSTOMER SEGMENTATION



GEOS



SPECIALIZED



PREDICTABLE BUSINESS RESULTS



RECOMMENDING ANYTHING, ANYWHERE A MULTI BILLION DOLLAR OPPORTUNITY

Taboola

Core Business

\$1B+ in 2020 &
Growing Rapidly²

\$10M's in 2020¹

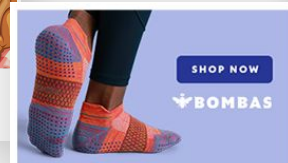
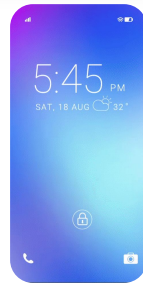
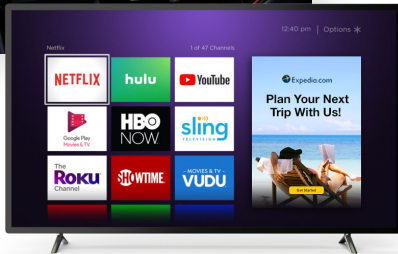
ANYWHERE

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

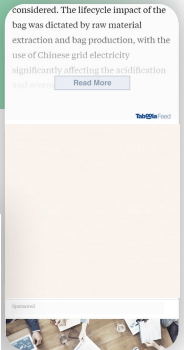
ANYTHING

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

\$10M's in 2020³



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



A man with curly hair is sitting on a brown couch, smiling as he works on a laptop. The laptop lid features the Taboola logo. In the foreground, a woman with short dark hair is smiling and looking towards the man. The background consists of a blue wall with vertical slats and an orange wall to the left. A small potted plant sits on a table next to the man, and another potted plant is on the coffee table in front of him.

Taboola

BRANDS AND AGENCIES

Nadav Perry

VP, Global Brands and Agencies Development

March 29th, 2022

AGENDA

1

Why should
brands care?

2

Our investment in brands:

- a.** Product
- b.** Partnerships
- c.** People

3

Success Stories

DIVERSIFY & ENGAGE THE CONSUMER AT ALL MOMENTS



FACEBOOK



TikTok

Taboola

amazon

Google

Moments of
ENTERTAINMENT

Moments of
DISCOVERY

Moments of
INTENT

PEOPLE SPEND 25% OF THEIR ONLINE TIME ON THE OPEN WEB

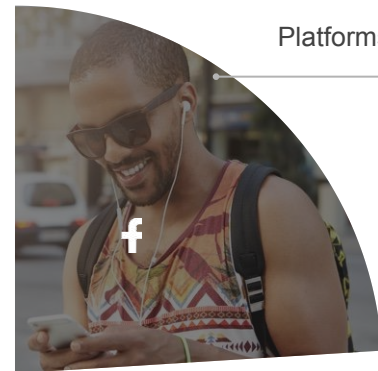
Open Web 25%



Shopping
Platforms 15%



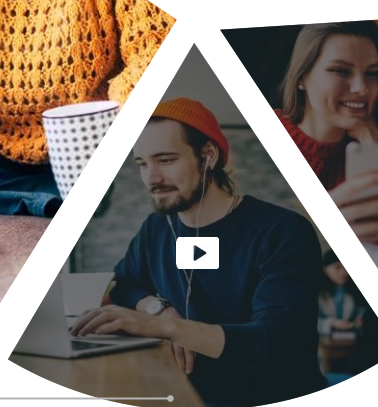
Social
Platforms 23%



Search
Platforms 16%



Video
Platforms 17%





TECH

Your iPhone Could Stop You From Texting And Driving Soon

JUNE 15, 2017 by [Yuyu Chen](#)

Apple unveiled a new iPhone feature this week that aims to cut down on the number of distracted drivers.

The "Do Not Disturb While Driving" setting will automatically silence incoming texts and notifications while an iPhone is connected to a car via Bluetooth or cable, the tech giant announced Monday.

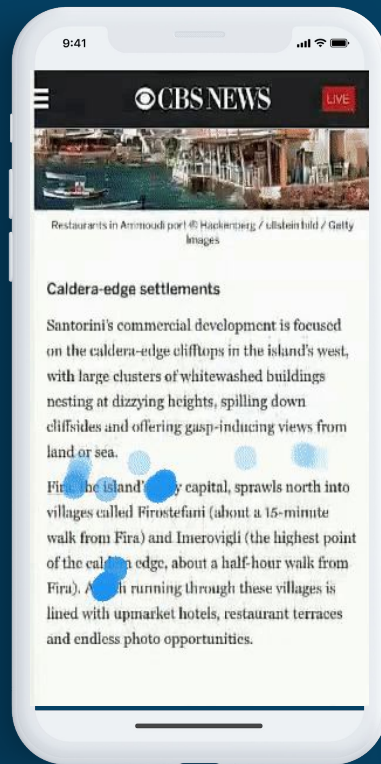
DNDWD, which will be available in fall 2017 with the release of Apple's mobile operating system iOS 11, will allow users to send automatic replies to contacts attempting to reach them

ADS IN THE MOMENT OF DISCOVERY HAD 25% HIGHER ATTENTION

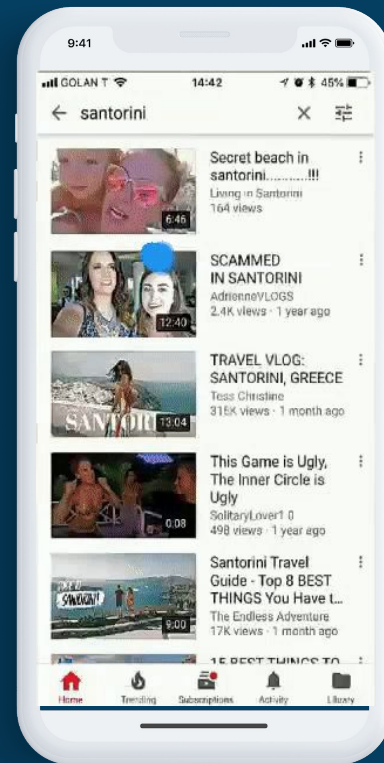
nielsen

Taboola

25%

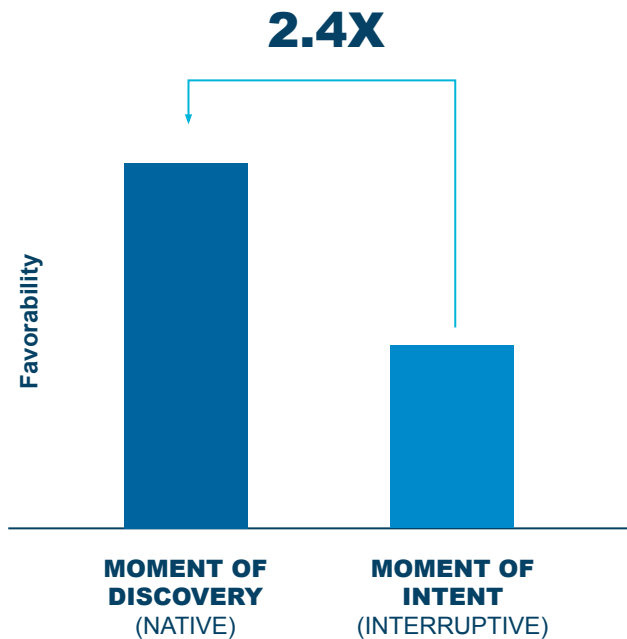


**MOMENT OF
DISCOVERY**
(NATIVE)



**INTERRUPTIVE
(PREROLL)**

ADS IN THE MOMENT OF DISCOVERY WERE RATED 2.4X MORE FAVORABLE



BRAINSTER



“77% of people under 35 feel the pandemic has made them value journalism more and trust news brands more than social environments.”

IAB 2021 - 'The Value of Quality Environments'

**AD PERCEPTION ON
HIGH QUALITY SITES**

▲ 74%

VERSUS THE SAME AD ON
A **LOW QUALITY** SITE



AGENDA

1

Why should brands care?

2

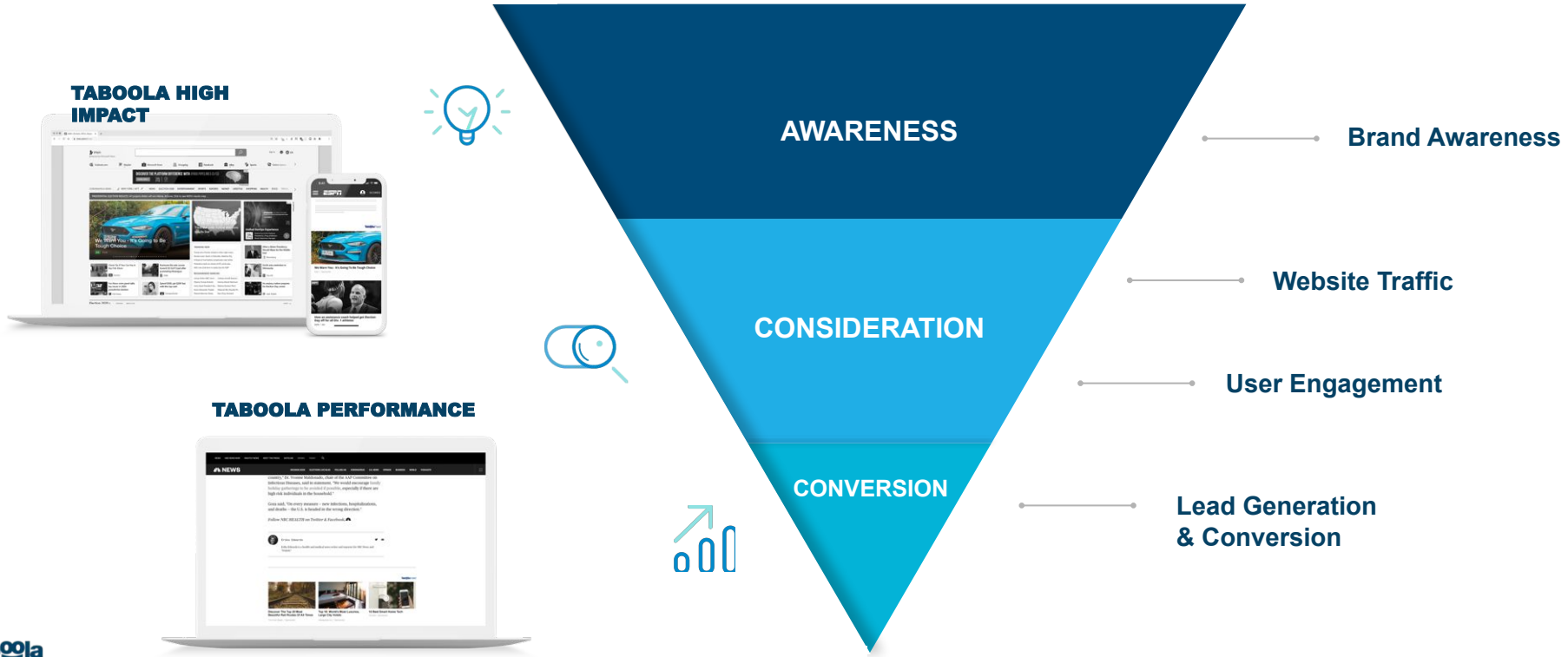
Our investment in brands :

- a.** Product
 - b.** Partnerships
 - c.** People
-

3

Success Stories

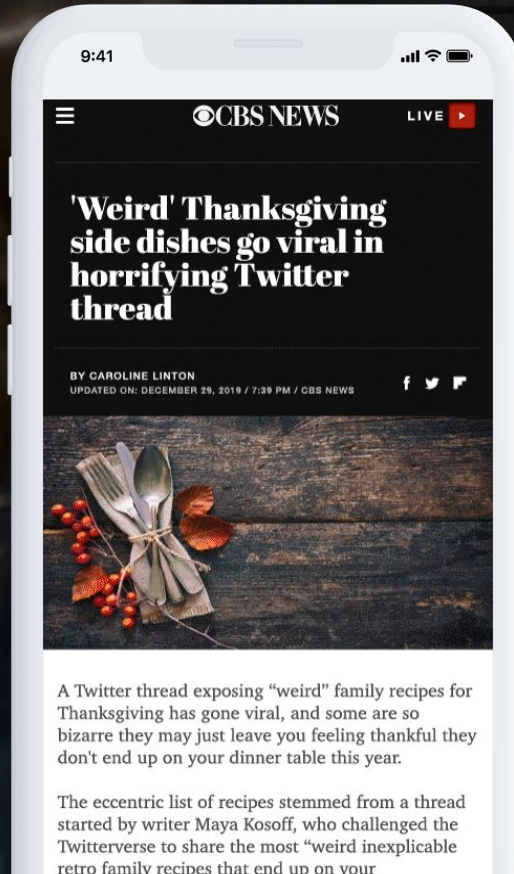
CONNECTING BRANDS TO CONSUMERS ACROSS THE FUNNEL



HIGH IMPACT PLACEMENTS

Premium Ad Placements on Premium Publishers.

A highly-viewable advertising solution, with brand safety controls, optimal for achieving branding and awareness goals.



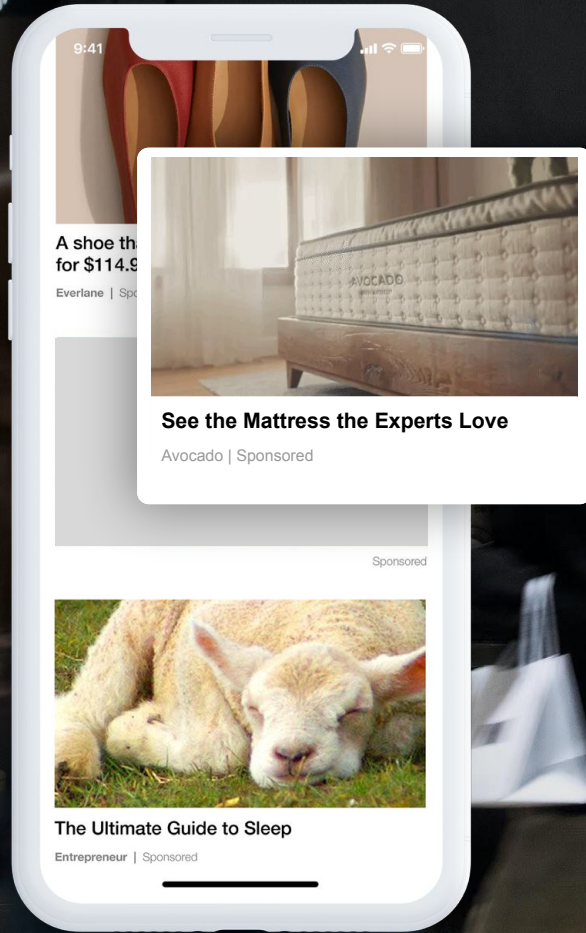
A Twitter thread exposing “weird” family recipes for Thanksgiving has gone viral, and some are so bizarre they may just leave you feeling thankful they don’t end up on your dinner table this year.

The eccentric list of recipes stemmed from a thread started by writer Maya Kosoff, who challenged the Twitterverse to share the most “weird inexplicable retro family recipes that end up on your



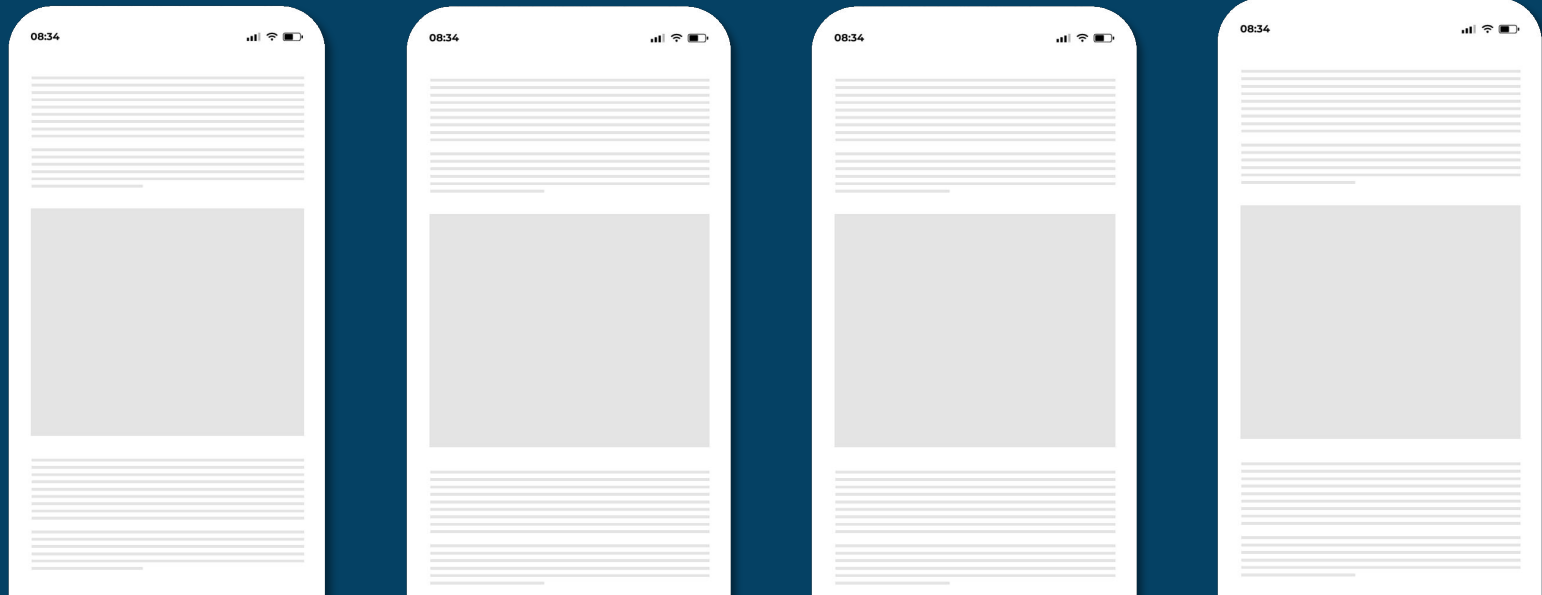
PERFORMANCE MARKETING

A data driven solution for performance focused outcomes. Leveraging image, motion ads and video assets and SmartBid Algorithms to achieve lower-funnel KPIs.

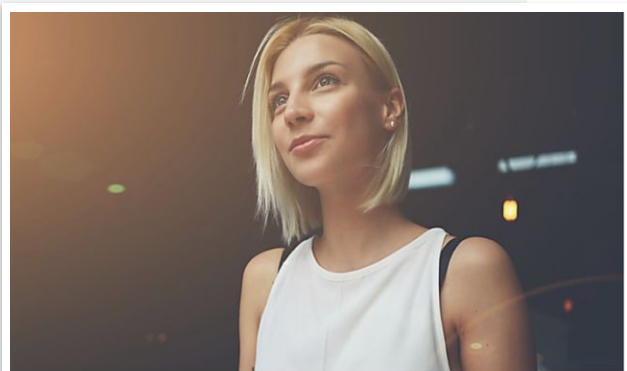


INNOVATION: DRIVING AWARENESS

Experimenting with new rich ad experiences



INNOVATION: DRIVING PERFORMANCE



The Innovative App That's Trending Among Intellectuals

Blinklist is an app used by top thinkers around the world- it provides genuine value for people who love to learn

Blinklist | Sponsored

Learn More

DESCRIPTION

CTA
BUTTON

ADS WITH DESCRIPTION

Elevate The Brand Message:

Advertisers have greater storytelling opportunities to highlight details about their product or service.

DRIVING
PURCHASES

+26%

CVR

CALL TO ACTION

Drive users To Action:

Help users convert with a specific post-click action

LEAD
GENERATION

+6%

CVR

Learn More

CREATE A SAFE ENVIRONMENT FOR BRANDS

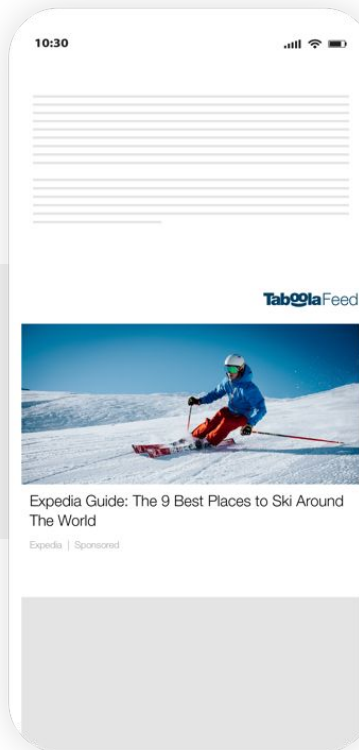
IAS Integral
Ad Science

MOAT

- Control which sites & articles your ad appears on
- Control what content surrounds your ad

DV
DoubleVerify

 White Ops



Editorial Content

Your ad, adjacent to safe editorial content

Editorial Content

TABOOLA ACHIEVES

IAB UK GOLD
STANDARD 2.0



TABOOLA MEETS THE INDUSTRY'S HIGHEST STANDARDS by ensuring that your brand will appear in **premium, brand safe environments** across our publisher network, which are **respectful of user experience and privacy**.

ANTI FRAUD



Implementing [IAB Tech Lab's](#) ads.txt, sellers.json and Open RTB Supply Chain Object

BRAND SAFETY



Obtaining [TAG Brand Safety Certification](#), providing robust policy, and long-term commitment to compliance monitoring policies

USER EXPERIENCE



Adhering to [The Coalition for Better Ads](#) (CBA) advertising standards

PRIVACY



Ensuring compliance with the GDPR and ePrivacy law by adopting [IAB Europe's Transparency Consent Framework](#) (TCF)

Taboola News

CONTENT EXPERIENCES INTEGRATED INTO DEVICES

Make an impact in native environments alongside premium content.

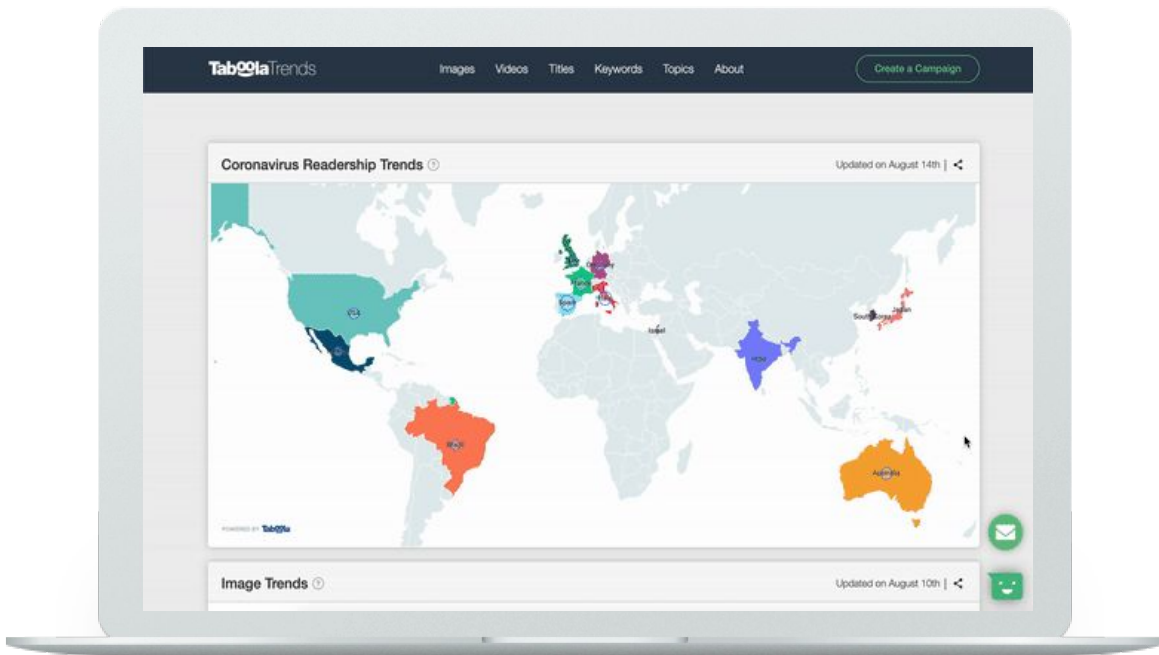


OUR SERVICE TEAMS GLOBALLY INCLUDE:

- Industry experts (Auto, Retail, Finance etc)
- Agency leaders
- Client Success leads
- Creative experts
- Analytics experts
- And more...

DRIVING INSIGHTS VIA TABOOLA DATA

Shape the Brand Story, the
Creative, the Landing Page,
the audience Targeting...
**based on unique
readership data**



AGENDA

1

Why should brands care?

2

Our investment in brands:

- a.** Product
- b.** Partnerships
- c.** People

3

Success Stories



AGENCY COLLABORATIONS



sparro



nasmedia



groupm

THE STAGWELL GROUP



BRAND SUCCESS STORIES



ERGO



KIA



+Babbel



Taboola

GROWING E-COMMERCE ON THE OPEN WEB

Connexity retail performance marketing

Bob Michaelian

President Connexity

March 29th, 2022



E-COMMERCE IS A ROCKET SHIP

- **E-Commerce will surpass 20% of all retail globally in 2022.**¹
- **US retail e-Commerce will surpass \$1 trillion in sales for the first time in 2022.**²

**INSIDER
INTELLIGENCE**

eMarketer

We expect US e-commerce sales will cross \$1 trillion for the first time in 2022.

Prior to the pandemic, we did not forecast e-commerce reaching this milestone until 2024.

*- Alicia Phaneuf
eMarketer | Insider Intelligence*

(1) Source: [eMarketer](#), [Global Ecommerce Forecast 2022](#)

(2) Source: eMarketer, Insider Intelligence – [Ecommerce Statistics: Industry benchmarks & growth](#)

AND IS ENABLING THE FUTURE OF OPEN WEB CONTENT

- **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

The INDEPENDENT

“Revenue diversification is a key theme for The Independent’s continued growth as e-commerce grew by 60% in 2021”

- **Zach Leonard**
The Independent

CONDÉ NAST

“We expect that a third of revenue will come directly from readers through the likes of ecommerce by 2025”

- **Natalia Gamero del Castillo**
Conde Nast

FUTURE

“Without cookies, publishers should be looking to place extra focus on their commerce content as an alternative revenue stream.”

- **Mike Peralta**
Future, PLC

CONNEXITY IS AN E-COMMERCE MARKET MAKER

Direct relationships with blue-chip partners in both retail demand and publisher traffic supply.

SELECT DIRECT MERCHANT RELATIONSHIPS



PREMIER PUBLISHER RELATIONSHIPS



LONGSTANDING PREMIUM PARTNERS

- 20+ Years in e-Commerce, pioneers of retail lead gen
- 90%+ of revenue from direct merchant relationships with 10+ years average tenure
- 15 of the top 20 global publishers leverage platform for monetization

HOW CONNEXITY DRIVES SHOPPERS TO MERCHANTS

FINDING NEW CUSTOMERS



150
M

shopper visits
per month*



750
M

product offers
processed*



\$4
B

in gross
merchant sales
generated
annually*

We find incremental, retail oriented audiences.

ON UNIQUE CHANNELS



HEARST



CONDÉ NAST



We access sources in both the open web and walled gardens.

USING PROPRIETARY TECH



Inventory
Management System



Smart Pricing
System



Custom Reporting/
Analytics

We create growth with turnkey performance technology.

FOR BLUE CHIP RETAILERS



We deliver on goals & KPIs defined by our partners.

CONNEXITY PRODUCT PLACEMENTS ON EDITORIAL CONTENT



12 Best Mattresses of 2021
Say goodbye to back pain and hello to deep sleep.

BY **LEXIE SACHS**, GOOD HOUSEKEEPING INSTITUTE | Sep 6, 2021

SAATVA

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

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 supportive to give 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 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.

In addition to researching the brands, materials and features, we have product experts

Lexie Sachs.
connexity *LINK

The 10 Best Walking Shoes Of 2021, According To Podiatrists And User Reviews
You'll never want to take them off.

BY **MALORY CREVELING**, ELIZABETH BACHMANN PHOTO **JASMINE GONZALEZ** | JUN 11, 2021

HOKA CITRIX 8
Outdoor shoes
outdoor-women.com
\$130.00
SHOP NOW

Because these shoes allow your feet to rock off the ground rather than push off with your toes, podiatrist Casey Pichler, DPM, recommends these supportive options to patients (and has even treated BIL). "A friend of mine with painful flat feet ran the NYC marathon in these!" he says.

The Citrixes are made with a breathable mesh upper and feel super lightweight despite all their comfy cushioning. Since

SHOP NOW
connexity *LINK

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

BY **SHARON KILGUS**, BIKES | APR 10, 2021

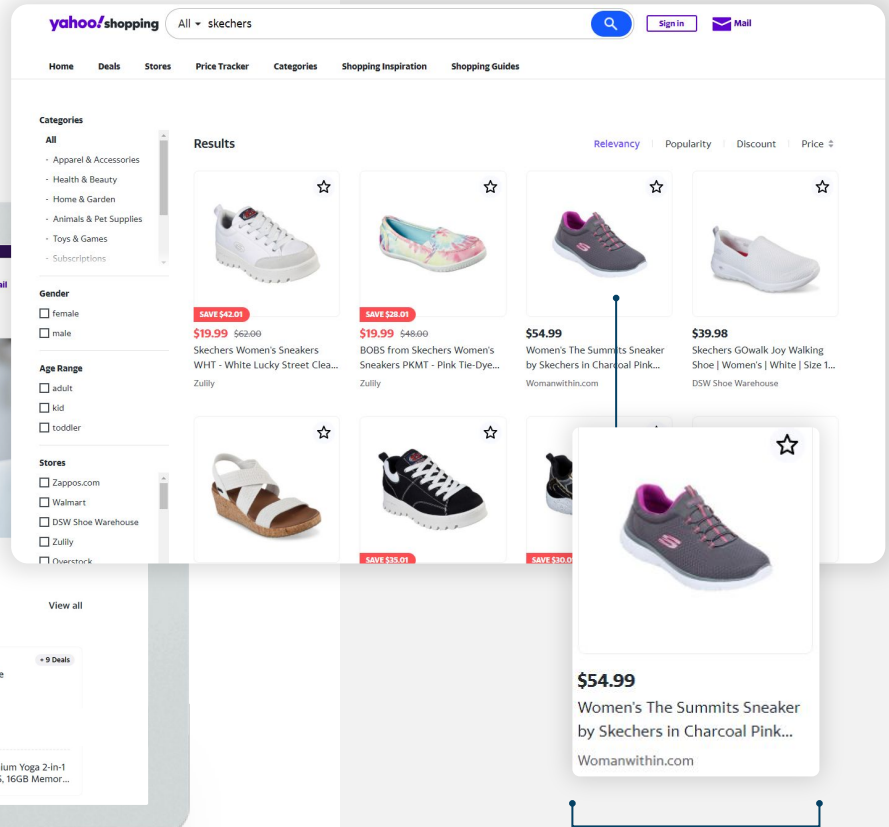
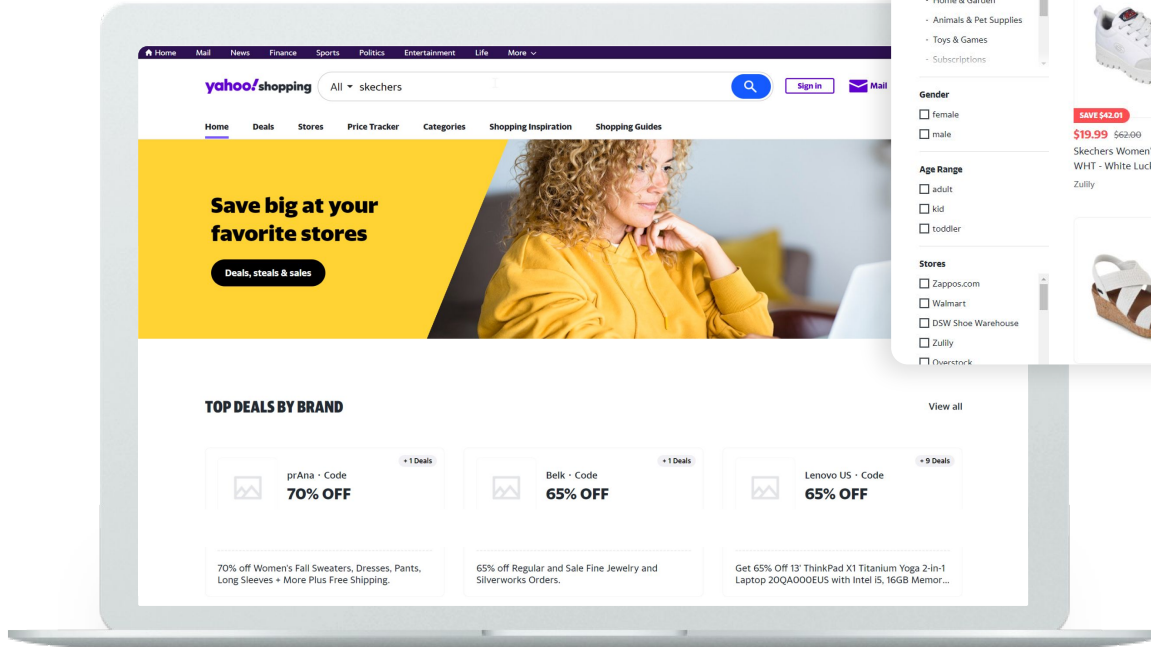
It's official: Electric bikes are here to stay, and their popularity is through the roof. Lined up from most of the most convenient to standard bike design like weight and gearing, e-bike design has exploded. If you can imagine it, someone has built a three-speed bike in city and commuter bikes, mountain bikes, road bikes, folding bikes, and even beach cruisers and garden bikes, there is something for everyone. The best of e-bikes so they make the joy of riding accessible to so many people in so many ways.

See six e-bikes review below. Five of our top-rated e-bikes that are available for preorder or in stock now and available to ship today for full reviews of these and other high-renting options.

COMMUTER/CITY/CRUISER	ROAD & HILLS BIKE	CITY/ROLLER/CRUISER	BEACH CRUISER	LEVEL CROSSING E-BIKE
Husky Check the Husky electric bike page on Taboola	City Check the Husky electric bike page on Taboola	Pace 350 Check the Husky electric bike page on Taboola	Husky Check the Husky electric bike page on Taboola	Level Crossing E-Bike Check the Husky electric bike page on Taboola
Order online, arrives fully assembled	Includes handlebars, seating lights, and more tools.	Cheap and reliable e-bike through and through.	Affordable, powerful, and ships immediately.	Powerful and perfect for your commute.

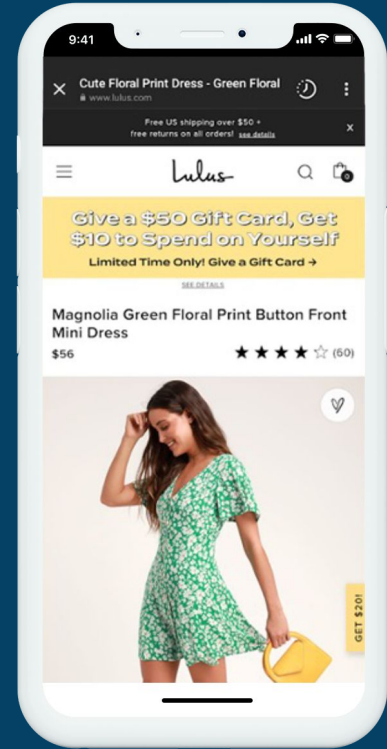
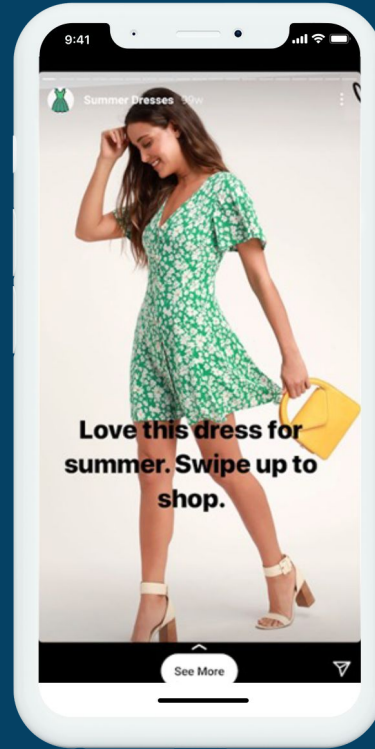
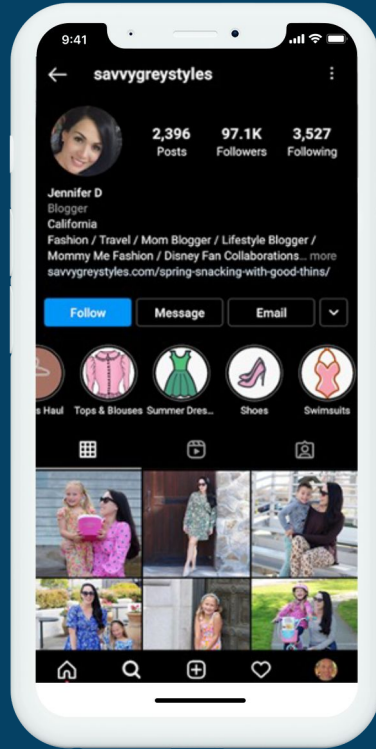
\$1,699.00
BUY TODAY
connexity *LINK

CONNEXITY PRODUCT PLACEMENTS ON MARKETPLACE SITES



CONNEXITY PRODUCT PLACEMENTS IN SOCIAL MEDIA

Products recommended to followers through Instagram stories, Facebook, blogs, etc.



SYNERGY INTEGRATION STARTS

Key focus areas combining Taboola efforts to drive growth in expanded Connexity footprint

- **Expansion of Connexity Publisher Relationship in APAC/EMEA**
 - Actively rolling out to 14 new markets
 - Pitching 2-5 new partners per week
- **Leveraging Taboola Ad Sales to Sell Connexity**
 - Rolling out Commerce Vertical Ad Sales in US
 - Actively Selling in China (3 new clients signed)
- **Leveraging Taboola's network as a supply source**
 - 18 of top 100 US advertisers opted into program already





E-COMMERCE IS THE FUEL TO POWER GROWTH IN THE OPEN WEB

Connexity empowers publishers and merchants to scale e-Commerce on the open web

- Efficient, open channels for advertisers to find more new customers
- Valuable retailer relationships for publishers to grow commerce content revenue



Taboola

OUR FINANCIALS

Steve Walker

CFO

March 29th, 2022

AGENDA

1

**Profitable Growth Model
& Historical Results**

2

Taboola's Differentiation
That Drives Superior
Financial Results

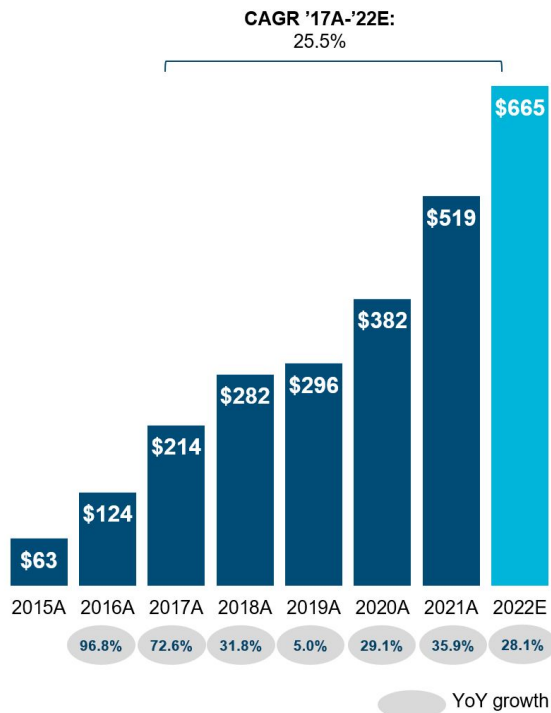
3

How We Drive Growth
And Returns Over Time

TABOOLA FOCUSES ON PROFITABLE GROWTH

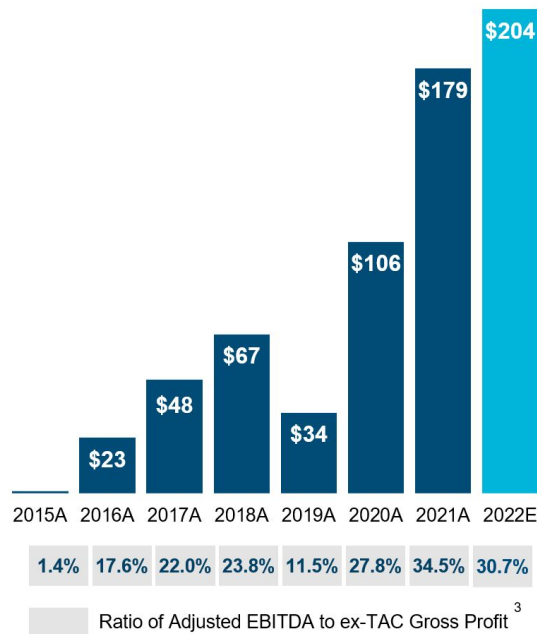
ex-TAC Gross Profit¹

(\$ in millions)



Adj. EBITDA²

(\$ in millions)



PROFITABLE GROWTH

Rule of 50 Business

Upside in our model

- Model includes primarily 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 Gross Profit Growth
- 30%+ Ratio of Adjusted EBITDA to ex-TAC Gross Profit

(1),(2),(3) Non-GAAP measure, see appendix for reconciliation to GAAP
Note: Projections reflect the mid-point of 2022 guidance

2021 SIGNIFICANTLY EXCEEDED EXPECTATIONS

ex-TAC Gross Profit¹

\$ in millions

17.4%

YoY growth

35.7%



Adjusted EBITDA¹

\$ in millions

28.5%

Adjusted EBITDA
Margin

34.6%



CONTINUED STRENGTH EXPECTED IN 2022

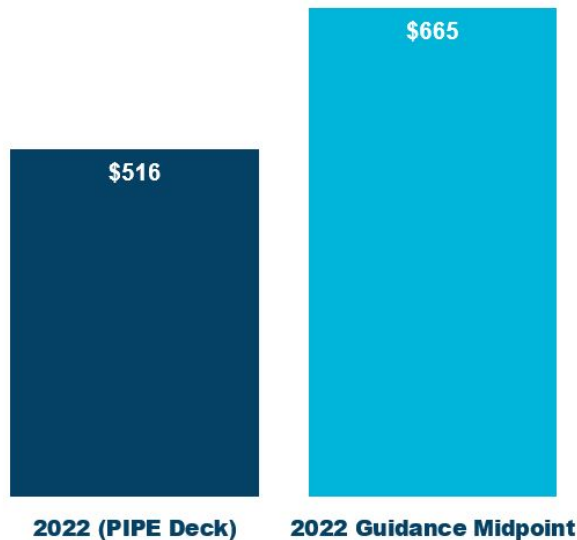
ex-TAC Gross Profit ¹

\$ in millions

16.0%

YoY growth

28.2%



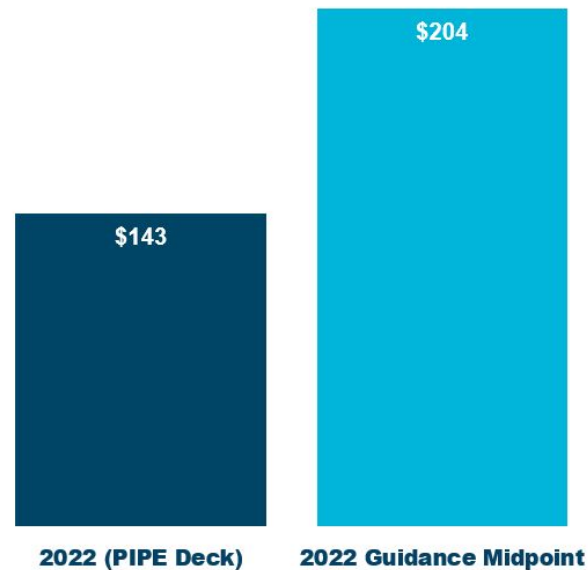
Adjusted EBITDA ¹

\$ in millions

27.7%

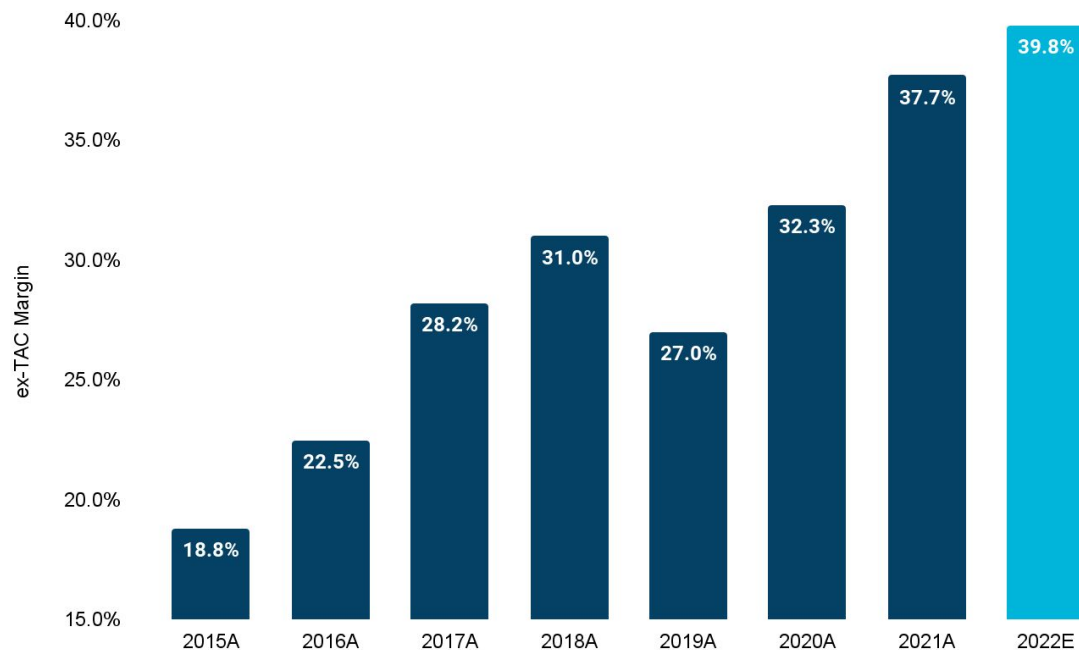
Adjusted₁ EBITDA
Margin

30.7%



EXPANDING EX-TAC MARGINS POINT TO COMPETITIVE ADVANTAGE

ex-TAC Margin By Year¹



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

AGENDA

1

Profitable Growth Model
& Historical Results

2

**Taboola's Differentiation
That Drives Superior
Financial Results**

3

How We Drive Growth
And Returns Over Time

TABOOLA'S DIFFERENTIATION

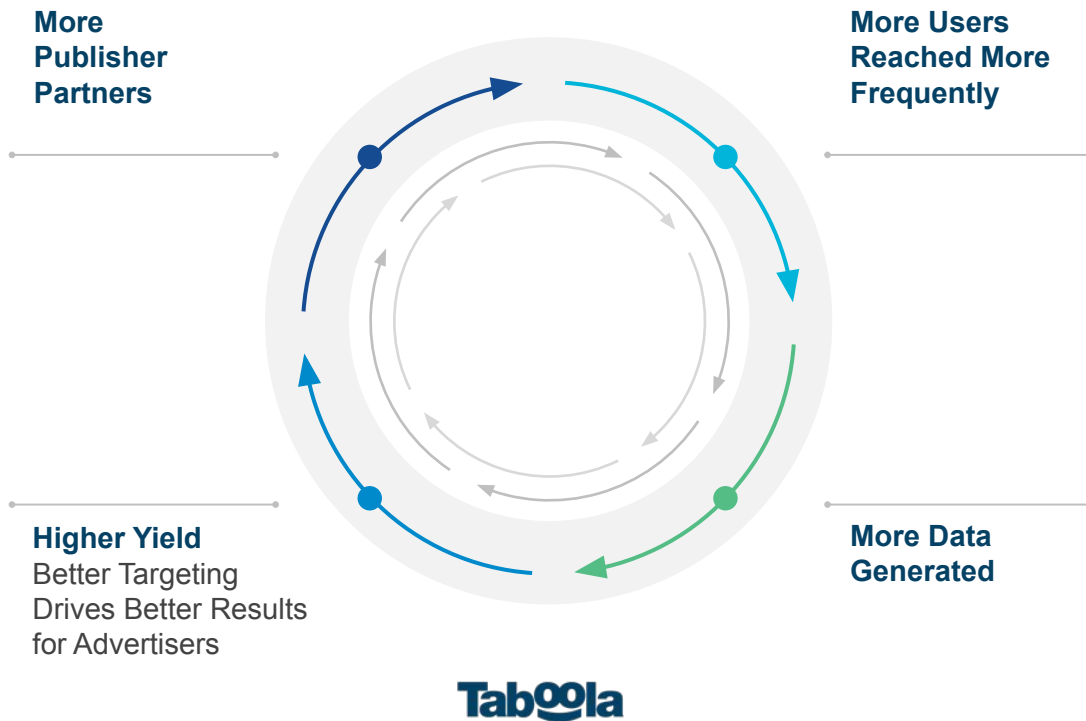
HOW IT DRIVES SUPERIOR
FINANCIAL PERFORMANCE &
EXPANDING MARGINS

- 1 Growth fueled by a network effect
- 2 Long-term yield increases
- 3 Taboola's technology is resilient to the future disappearance of third-party cookies
- 4 Platform advantage driven by Taboola's technology
- 5 Connexity will further increase competitive advantage
- 6 More resilient in troubled economic times

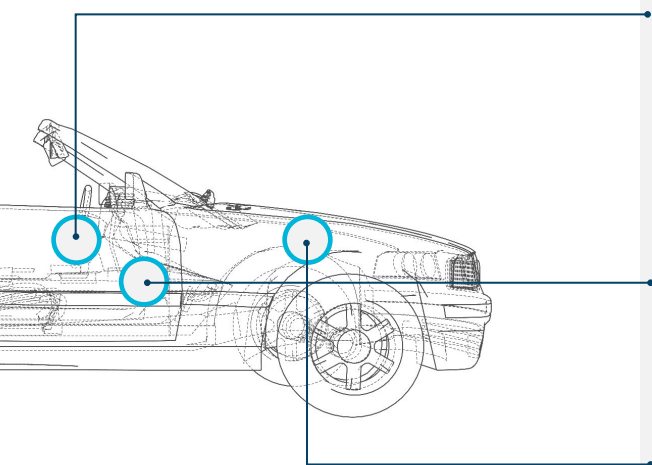
1

SCALE MATTERS IN OUR INDUSTRY

GROWTH WITH A BUILT-IN
NETWORK EFFECT



WHAT MAKES UP YIELD



Click Through Rate (CTR):

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

Cost Per Click (CPC):

The amount advertisers pay for each click on their ads.

Conversion Rate:

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



CTR
Click Through
Rate



CPC
Cost Per
Click

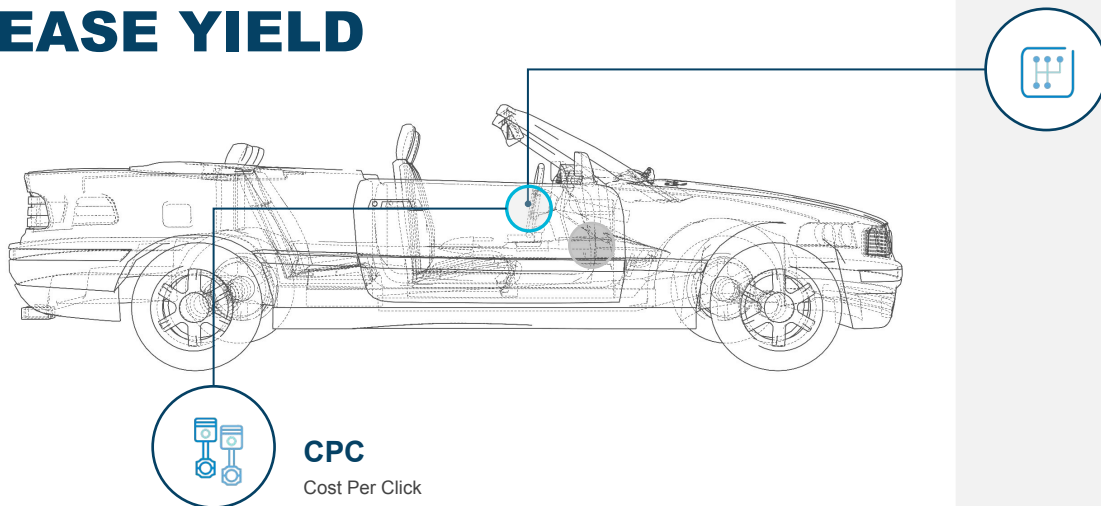


**Conversion
Rate**



YIELD

HOW WE INCREASE YIELD



CPC

Cost Per Click

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

CTR and Conversions

Click Through Rate, Conversion Rates

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

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



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

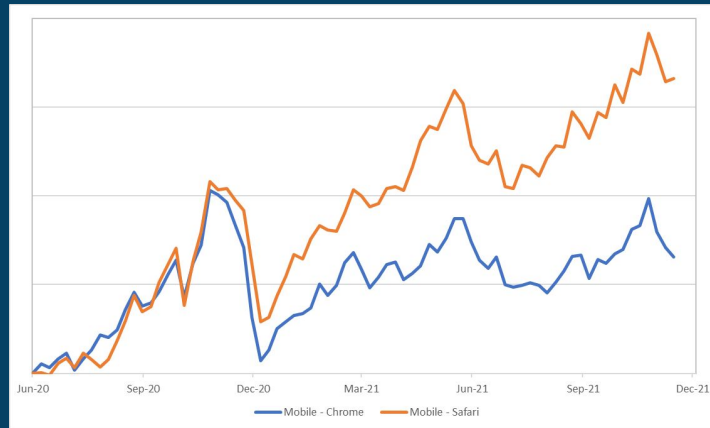


Unique readership context – deep access to the context of the page, allowing advertisers to target context (vs. “3rd party cookie behavior”)



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

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



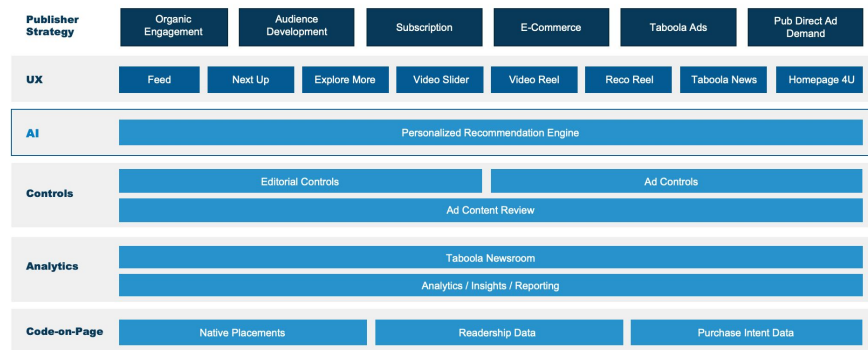
Taboola’s strong yield performance despite 3rd party cookies being blocked in the industry for years:

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

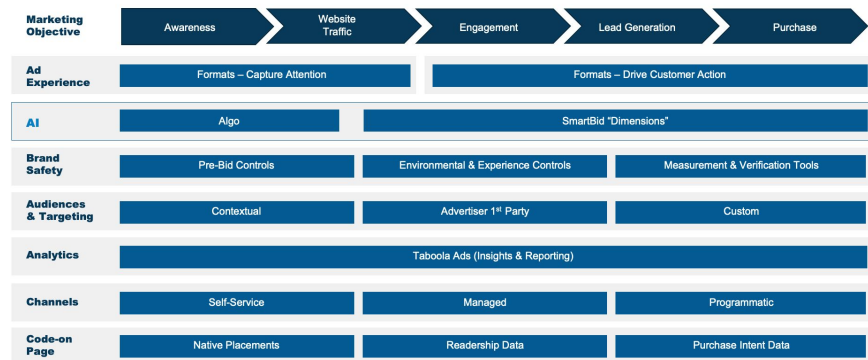
PLATFORM ADVANTAGE DRIVEN BY INVESTMENT IN TECHNOLOGY

LEADS TO A SET OF
CAPABILITIES NOT AVAILABLE
FROM OUR COMPETITORS

COMPREHENSIVE
PUBLISHER PLATFORM



COMPREHENSIVE
ADVERTISER PLATFORM



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



CONNEXITY FURTHERS OUR COMPETITIVE ADVANTAGE

INTRINSIC VALUE OF BUSINESS

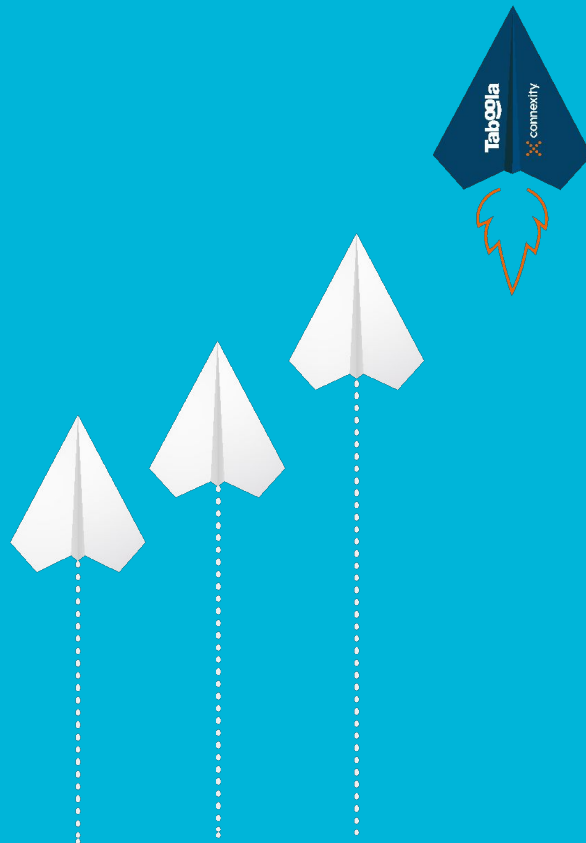
Significant expansion of our addressable TAM with long runway of growth

SYNERGIES

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

STRATEGIC VALUE

1/3 of Open Web Publisher Revenue will be e-Commerce¹ and Taboola with Connexity is uniquely differentiated



CONNEXITY SYNERGIES

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

SHORT-TERM

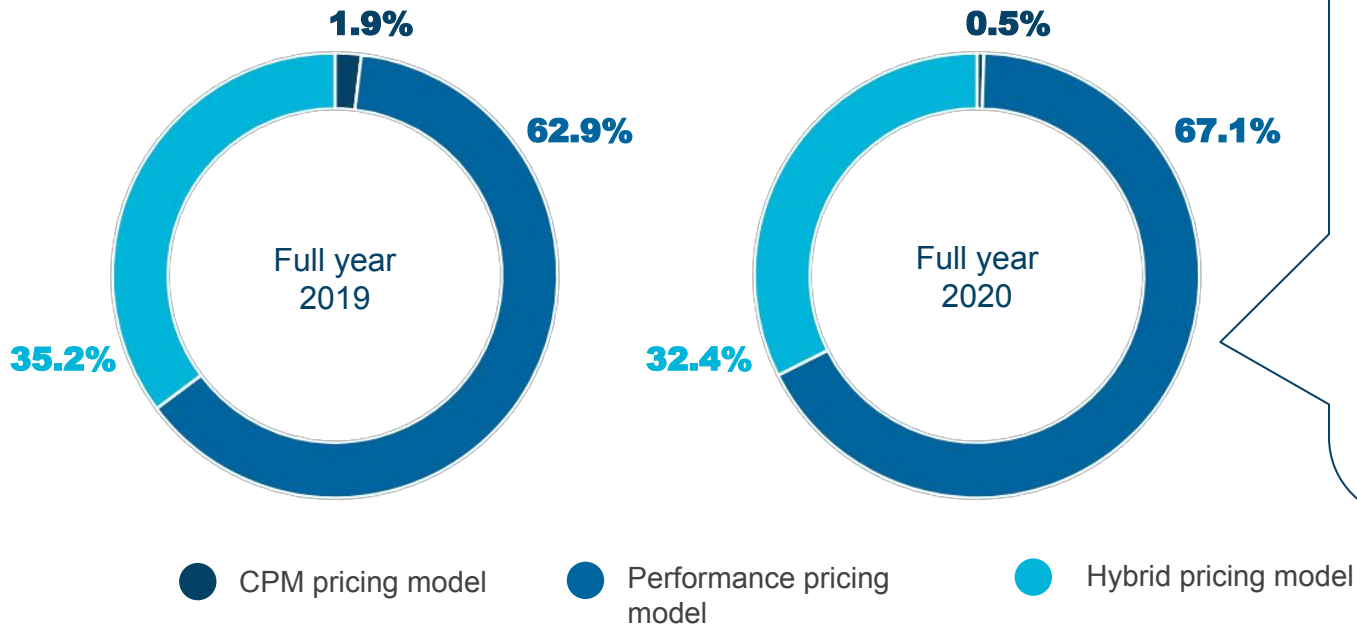
1. Connexity on Taboola Publishers, growing publishers % of traffic with intent
2. Take Connexity Global
3. Expanding Connexity's Client base by Leveraging Taboola Ad Sales

MEDIUM-TERM

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

TBLA BUSINESS MORE RESILIENT IN CHALLENGING ECONOMIC TIMES

Market Revenues by pricing model, full year results (2019-2020)¹



At the onset of the COVID slowdown, 65% of Advertisers Agreed or Strongly Agreed that:

Performance Media will get more of their focus²

AGENDA

1

Profitable Growth Model
& Historical Results

2

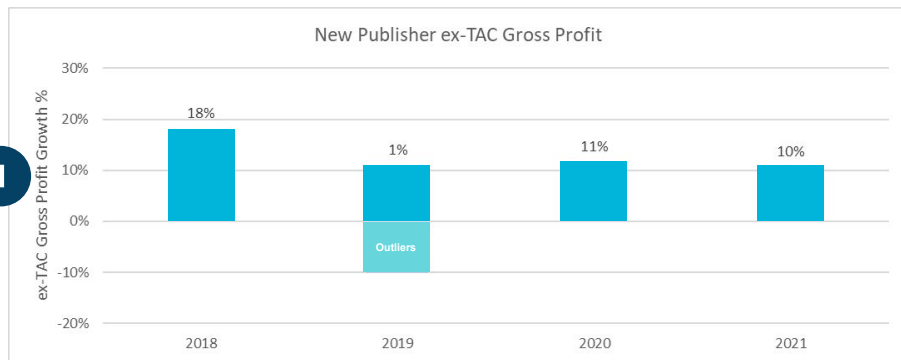
Taboola's Differentiation
That Drives Superior
Financial Results

3

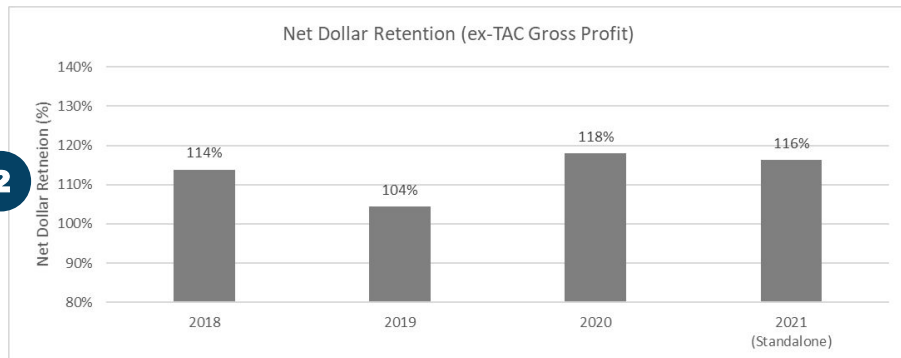
**How We Drive Growth
And Returns Over Time**

GROWTH DRIVEN BY CORE OPEN WEB INSTALLED BASE

1



2



**CONTINUED
GROWTH
FROM NEW
SUPPLY...**

**HELPS PROVIDE
FUEL FOR
GROWTH FROM
A STRONG
INSTALLED
BASE.**

1

New Publisher¹ ex-TAC Gross Profit

- Approximately 40% of total growth
- Historically 10%+ new supply growth
- Projecting similar range going forward

2

Net Dollar Retention² Growth Has Two Elements

- Approximately 60% of total growth
- Improvements in yield
- More supply from existing pubs
- Historically 110-120% on average

(1) New digital property partners within the first 12 months that were live on our network

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

GROWTH PROJECTIONS BASED PRIMARILY ON CORE BUSINESS

- ANYTHING, ANYWHERE GROWTH INITIATIVES PROVIDE UPSIDE

Taboola

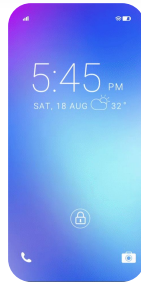
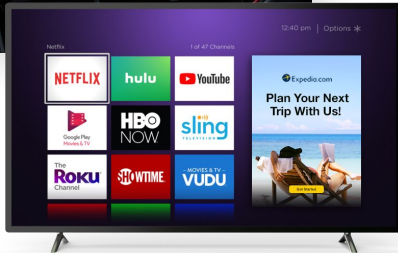
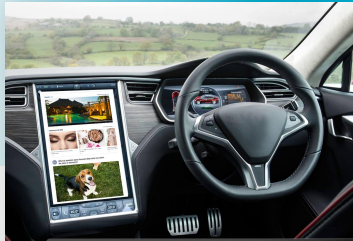
Core Business

\$1B+ in 2020 & Growing Rapidly²

\$10M's in 2020¹

ANYWHERE

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



ANYTHING

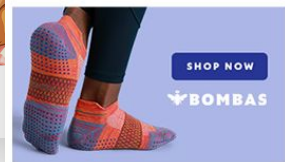
New products and segments
(TV ads, e-Commerce, app downloads, gaming...)

\$10M's in 2020³



This Game Will Keep You Up All Night!

Good Game | Sponsored

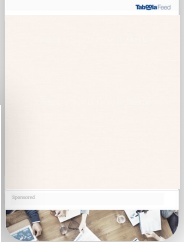


These Socks Are So Soft You'll Never Want to Take Them Off

BOMBAS

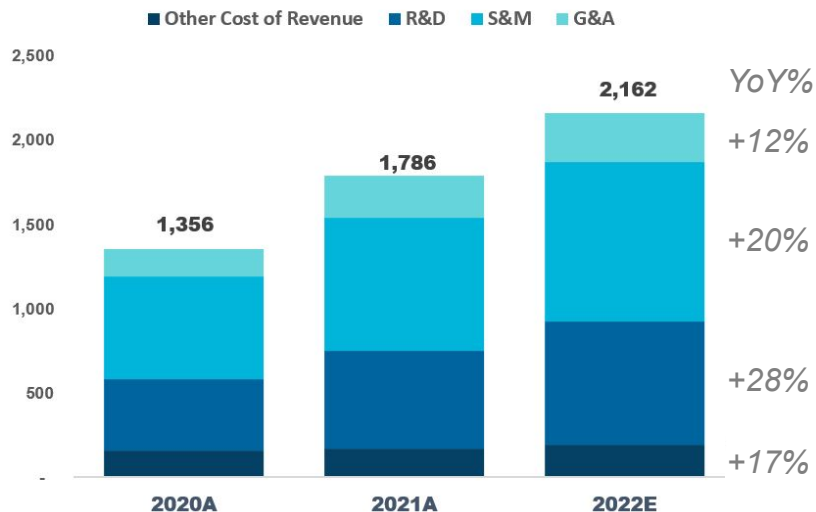
considered. The lifecycle impact of the bag was dictated by raw material extraction and bag production, with the use of Chinese grid electricity significantly affecting the acidification impact.

[Read More](#)



EXPECT OPERATING LEVERAGE FROM G&A OVER TIME - VIEW R&D AS INVESTMENT

Employees - Investing in R&D and S&M



Expectations For Adjusted Operating Expenses Over Time

G&A¹

S&M¹

R&D¹

Percent of ex-TAC Gross Profit in 2021¹

13%

Lower %
of ex-TAC
In Future

28%

Similar %
of ex-TAC
In Future

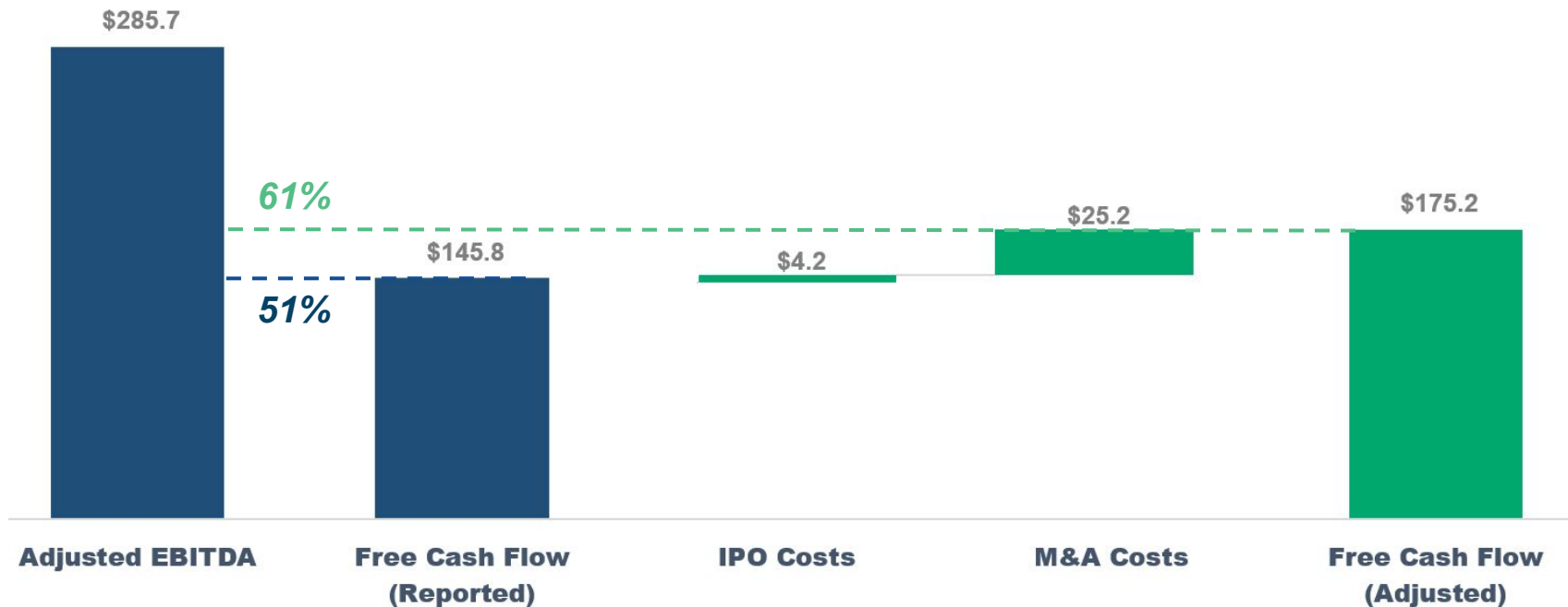
17%

Investment
Decision

(1) Non-GAAP measure. Excludes Share based compensation, Amortization of acquired intangibles, M&A costs and IPO related costs. See appendix for reconciliation to GAAP.

ADJUSTED EBITDA EXPECTED TO CONVERT TO FREE CASH FLOW¹ AT APPROXIMATELY 60% RATIO OVER TIME

Two Year (2020/2021) Adjusted EBITDA to Adjusted FCF Bridge



STRONG FINANCIAL PROFILE

2022 ESTIMATES ARE GUIDANCE MIDPOINTS



- (1) Non-GAAP measure; see appendix for reconciliation to GAAP
(2) Non-GAAP measure; see Note in appendix regarding Adjusted EBITDA Reconciliation.
(3) Non-GAAP measure; calculated as December 31, 2021 cash and cash equivalents of \$319.3 million minus long-term loan (including current portion) of \$288.4 million.
(4) Growth Rate includes actual results for 2017-2021 plus 2022E results based on the midpoint of guidance.

Appendix

ADJUSTED EBITDA RECONCILIATION

(\$ in millions)

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

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

2021 QUARTERLY RESULTS: ADJUSTED EBITDA RECONCILIATION

(\$ in millions)

	Q1-21A	Q2-21A	Q3-21A	Q4-21A	FY 2021
Net income (loss)	\$ 18.6	\$ (61.4)	\$ 17.3	\$ 0.6	\$ (24.9)
Adjustments:					
Financials expenses (income),net	0.8	0.1	(14.0)	1.8	(11.3)
Tax expenses	2.3	7.9	(3.5)	16.3	23.0
Depreciation and amortization	8.2	8.6	13.2	23.1	53.1
Share-based compensation expenses ¹	5.1	78.5	19.9	20.6	124.1
M&A costs & Transaction cost of Going Public ²	(1.5)	7.1	5.9	0.2	11.7
Connexity holdback	-	-	0.8	2.9	3.7
Adjusted EBITDA	\$ 33.5	\$ 40.8	\$ 39.6	\$ 65.5	\$179.4

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

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

EX-TAC GROSS PROFIT RECONCILIATION

(\$ in millions)

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

EX-TAC GROSS PROFIT RECONCILIATION

(\$ in millions)

	2016A	2017A	2018A	2019A	2020A	2021A
Revenues	\$ 552	\$ 758	\$ 909	\$ 1,094	\$ 1,189	\$ 1,378
Gross Profit	101	179	234	232	319	441
<i>Gross Profit Margin</i>	18%	24%	26%	21%	27%	32%
Revenues	\$ 552	\$ 758	\$ 909	\$ 1,094	\$ 1,189	\$ 1,378
ex-TAC Gross Profit	124	214	282	296	382	519
<i>ex-TAC Gross Profit Margin</i>	23%	28%	31%	27%	32%	38%

2022 FULL YEAR GUIDANCE: EX-TAC GROSS PROFIT RECONCILIATION

	Guidance
	FY 2022
<i>(\$ in millions)</i>	
Revenues	\$1,666 - \$1,678
Traffic Acquisition Cost (TAC)	(\$1003 - \$1011)
Other Cost of Revenues	(\$106 - \$112)
Gross Profit	\$552 - \$560
Other Cost of Revenues	\$106 - \$112
ex-TAC Gross Profit	\$661 - \$669

HISTORICAL FREE CASH FLOW RECONCILIATION

(\$ in millions)

	2019A	2020A	2021A
Net cash from operating activities	\$ 18	\$ 139	\$ 64
Net cash used in the following investing activities	\$ (44)	\$ (18)	\$ (39)
Intangible assets	\$ (6)	(9)	(14)
Purchase of IT equipment (servers)	\$ (38)	(9)	(25)
Free Cash Flow	\$ (26)	\$ 121	\$ 25

OPERATING EXPENSES RECONCILIATION

	2021A		
	R&D	S&M	G&A
Total expenses	117.9	206.1	130.3
<u>Adjustments:</u>			
Share based compensation	(29.0)	(44.8)	(52.2)
Amortization of acquired intengibles	-	(17.5)	-
M&A and IPO related Costs	(0.7)	(0.2)	(10.8)
Total expenses after adjustments	88.2	143.6	67.3

2021 ADJUSTED OPERATING EXPENSES TO EX-TAC GROSS PROFIT RECONCILIATION

(\$ in millions)

2021A

Gross Profit	\$	441
R&D		117.9
<i>Ratio of R&D to Gross profit</i>		27%
S&M		206.1
<i>Ratio of S&M to Gross profit</i>		47%
G&A		130.3
<i>Ratio of G&A to Gross profit</i>		30%
ex-TAC Gross Profit	\$	519
R&D		88.2
<i>Ratio of Adjusted R&D to ex-TAC Gross Profit</i>		17%
S&M		143.6
<i>Ratio of Adjusted S&M to ex-TAC Gross Profit</i>		28%
G&A		67.3
<i>Ratio of Adjusted G&A to ex-TAC Gross Profit</i>		13%

FREE CASH FLOW RECONCILIATION

2 YEAR COMBINED 2020-2021

(\$ in millions)

2020-2021

Net cash from operating activities	\$	203
Net cash used in the following investing activities	\$	(57)
Intangible assets		(23)
Purchase of IT equipment (servers)		(34)
Free Cash Flow	\$	146

ADJUSTED EBITDA RECONCILIATION

2 YEAR COMBINED 2020-2021

(\$ in millions)

2020-2021

Net income (loss)	\$	(16.5)
--------------------------	-----------	---------------

Adjustments:

Financial expenses (income), net	(8.5)
Tax expenses	37.9
Depreciation and amortization	87.1
Share-based compensation expenses	152.5
M&A costs and public related costs ¹	29.4
Holdback compensation expenses	3.7

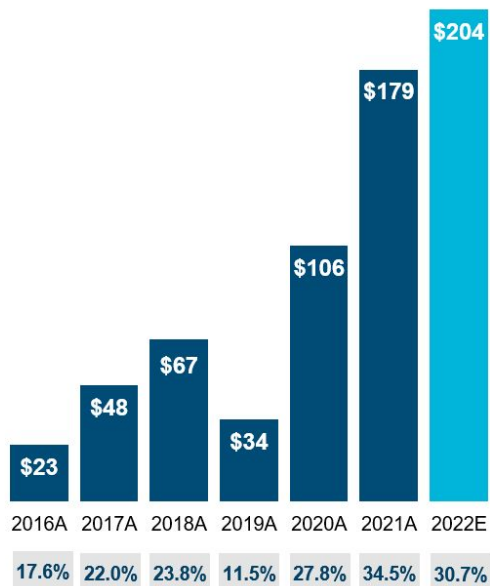
Adjusted EBITDA	\$	285.7
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(1) For 2020 periods, represents costs associated with the proposed strategic transaction with Outbrain Inc. which we elected not to consummate, and for 2021 periods, relates to the acquisition of ION Acquisition Corp. 1 Ltd., the acquisition of Connexity and going public.

HISTORICAL FREE CASH FLOW

Adjusted EBITDA ¹

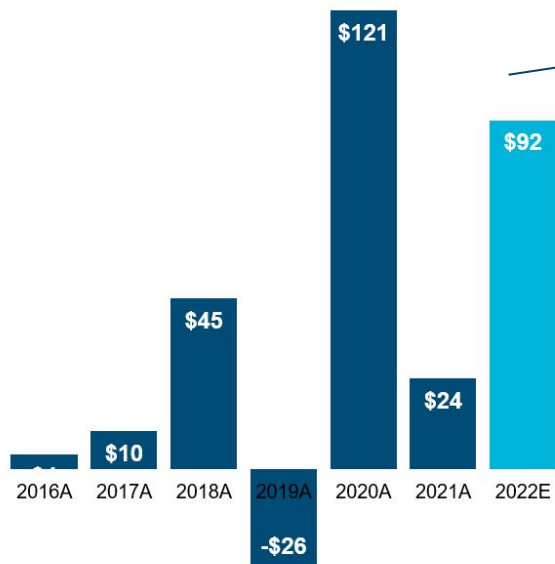
(\$ in millions)



Ratio of Adjusted EBITDA to ex-TAC Gross Profit

Free Cash Flow

(\$ in millions)



% Conversion for every 2 subsequent years

2017+2016	15%	
2018+2017		48%
2019+2018	19%	
2020+2019		68%
2021+2020	51%	
2022+2021	30%	