

A young man in a light blue shirt is looking at a smartphone in a crowded, blue-lit indoor space, possibly a transit station or a public event. He is surrounded by other people, some of whom are also looking at their phones. The background is filled with people and bright blue lighting, creating a busy, modern atmosphere. The overall scene suggests a focus on mobile technology and connectivity in a public setting.

Taboola

CONFIDENTIAL

**INVESTOR
PRESENTATION**

Forward-Looking Statements - Disclaimer

Certain statements in this presentation are forward-looking statements, including our Q4 and full-year 2022 guidance. Forward-looking statements generally relate to future events including future financial or operating performance of Taboola.com Ltd. (the "Company"). In some cases, you can identify forward-looking statements by terminology such as "may", "should", "expect", "guidance", "intend", "will", "estimate", "anticipate", "believe", "predict", "target", "potential" or "continue", or the negatives of these terms or variations of them or similar terminology. Such forward-looking statements are subject to risks, uncertainties, and other factors which could cause actual results to differ materially from those expressed or implied by such forward looking statements.

These forward-looking statements are based upon estimates and assumptions that, while considered reasonable by the Company and its management, are inherently uncertain. Uncertainties and risk factors that could affect the Company's future performance and cause results to differ from the forward-looking statements in this press release include, but are not limited to: the ability to recognize the anticipated benefits of the recent acquisition of Connexity and the business combination between the Company and ION Acquisition Corp. 1 Ltd. (together, the "Business Combinations"), which may be affected by, among other things, competition, the ability of the Company to grow and manage growth profitably, maintain relationships with customers and retain its management and key employees; the Company's ability to successfully integrate the Connexity acquisition; costs related to the Business Combinations; changes in applicable laws or regulations; the Company's estimates of expenses and profitability and underlying assumptions with respect to accounting presentations and purchase price and other adjustments; ability to attract new digital properties and advertisers; ability to meet minimum guarantee requirements in contracts with digital properties; intense competition in the digital advertising space, including with competitors who have significantly more resources; ability to grow and scale the Company's ad and content platform through new relationships with advertisers and digital properties; ability to secure high quality content from digital properties; ability to maintain relationships with current advertiser and digital property partners; ability to make continued investments in the Company's AI-powered technology platform; the need to attract, train and retain highly-skilled technical workforce; changes in the regulation of, or market practice with respect to, "third party cookies" and its impact on digital advertising, continued engagement by users who interact with the Company's platform on various digital properties; the impact of the ongoing COVID-19 pandemic; reliance on a limited number of partners for a significant portion of the Company's revenue; changes in laws and regulations related to privacy, data protection, advertising regulation, competition and other areas related to digital advertising; ability to enforce, protect and maintain intellectual property rights; and risks related to the fact that we are incorporated in Israel and governed by Israeli law, and other risks and uncertainties set forth in the Company's Annual Report on 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-3 filed on September 29, 2022, as it may be amended or supplemented from time to time, under the sections entitled "Cautionary Note Regarding Forward-looking Statements" and "Risk Factors," and in the Company's subsequent filings with the Securities and Exchange Commission ("SEC").

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

Non-GAAP Financial Measures

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

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

About Pro Forma With Connexity Information

This presentation includes historical and projected pro forma information for ex-TAC Gross Profit. The pro forma information presents the pro forma effect of the Connexity acquisition as if it had been completed on January 1, 2021. The pro forma information is unaudited, is provided as supplemental information only and is subject to the limitations contained under the heading "Unaudited Pro Forma Condensed Combined Financial Information" in our Prospectus forming part of our Registration Statement on Form F-3 filed on September 29, 2022, as it may be amended from time to time, filed with the Securities and Exchange Commission.

About Cash Investment in Publisher Prepayments (Net)

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

Industry and Market Data

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

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TODAY'S PRESENTERS



ADAM SINGOLDA
FOUNDER & CEO

- Founded Taboola over 14 years ago
- Has led the company as its CEO ever since



STEPHEN WALKER
CFO

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



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Capturing Share of \$64B Ad Market & Taboola Overview

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Taboola's Differentiation and Why We Win

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

Taboola

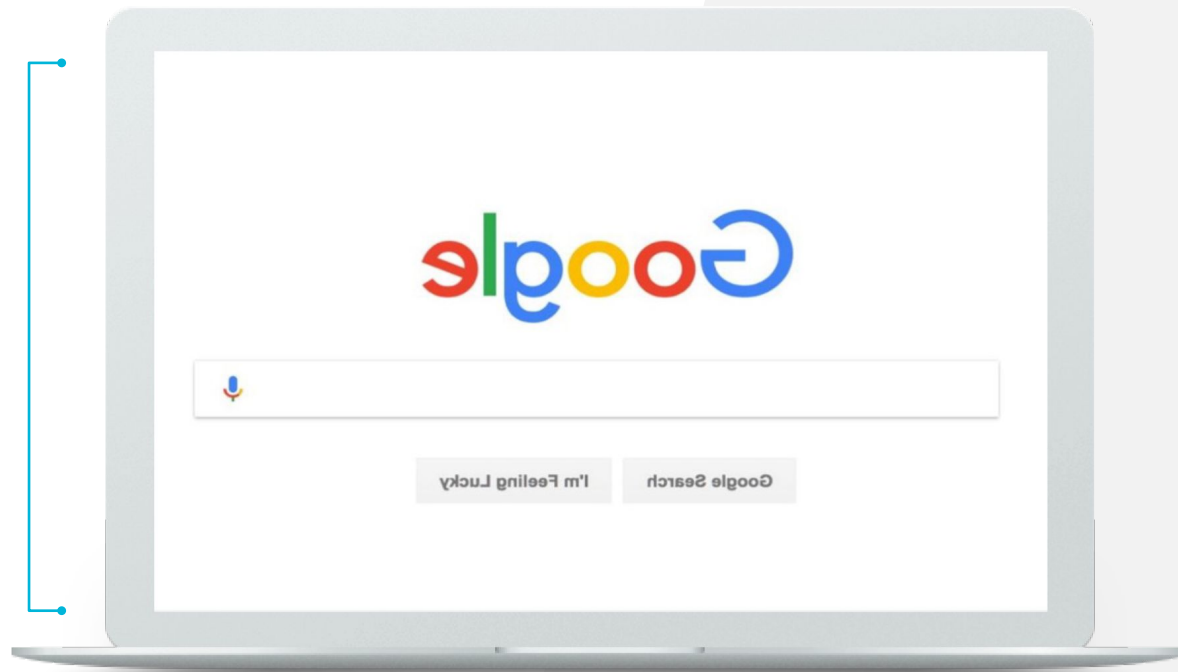
POWERING RECOMMENDATIONS FOR THE OPEN WEB

HELPING PEOPLE
DISCOVER THINGS
THEY MAY LIKE

Taboola

TABOOLA = SEARCH “IN REVERSE”

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



THE OPEN WEB

where we spend
25% of our time

RECOMMENDATION

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



WHERE

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

WHAT

video, product, tv show, app,...

DONE WRONG...

Amazon Gift Cards
There's still time to send the perfect present. E-mail or print now.

McDonald's ONE PRICE FITS ALL

Edible Arrangements
SHOP GIFTS UNDER \$50
Gingerbread Man Daisy Dipped Strawberries
SHOP NOW > \$59.81 (92% OFF) | \$42.16 (96% OFF)
Canon T4i
\$34.17 (94% OFF) | \$87.13 (93% OFF)
HOLIDAY BLOWOUT AUCTIONS
AS LITTLE AS \$0.01 COULD GET YOU AN IPAD, CAMERA, HD TV & MORE!
EdibleArrangements.com

Amazon
There's Still Time to send the perfect present
Amazon Gift Cards > E-mail or print now

Apple
Great HD content, AirPlay, and more on your widescreen TV. Just \$99.

Wreck-It Ralph
Disney
GOLDEN GLOBE™ NOMINEE BEST ANIMATED FEATURE
10 ACADEMY AWARD NOMINATIONS
FOR YOUR CONSIDERATION BEST ANIMATED FEATURE
www.waltdisney.com

Edible Arrangements
Save up to 75% off at restaurants in your city

Amazon Local
Free

Nokia Lumia 920
Only from AT&T.
\$99.99

Amazon.com
Average Amazon.com Customer Review
★★★★☆ (1,569) 12/13/12
441 have owned, 411 have owned, 411 have owned, 411 have owned

Amazon.com
\$50 Off Instantly
Learn more

Amazon.com
HOLIDAY INTERNET SALE
NOV 22 - DEC 31
exede internet
SAVE 25% ON HIGH-SPEED INTERNET
from wildblue.

Amazon.com
MATTRESS FIRM
Save Money. Sleep Happy.

Amazon.com
MERRY CHRISTMAS
amazon.com

Amazon.com
iPod nano
Completely redesigned. Just \$149.

Amazon.com
INNOVATE FASTER
Build mobile and social apps

Amazon.com
CHECK EVERYONE

Amazon.com
NOT YOUR AVERAGE CHOCOLATE™

Amazon.com
FORESTER
Get the Report

Amazon.com
FORE RUNNER 410
50% off

Amazon.com
HOLIDAY BLOWOUT AUCTIONS

Amazon.com
MIX 100.7

Amazon.com
FREE MUG

Amazon.com
HIGHEST rate of HOMELESSNESS?

Amazon.com
BUY HERE

Amazon.com
the ONION

Amazon.com
premium roasts coffee

Amazon.com
RICE \$1 SIZE

Amazon.com
FREE Credit Score

Amazon.com
HOLIDAY BLOWOUT AUCTIONS

Amazon.com
FREE at 7:30am

Amazon.com
iHeartRADIO

Amazon.com
Taboola

...DONE RIGHT

Walled garden integrated ad experience

facebook.

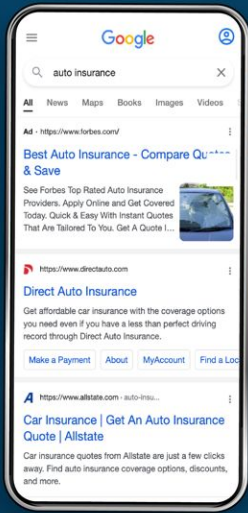


Paid

Paid

Organic

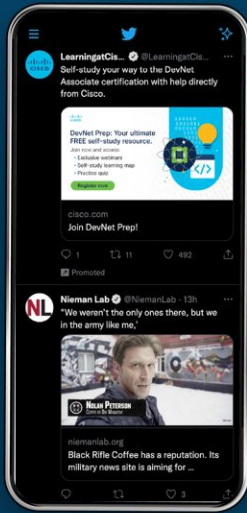
Google



Paid

Organic

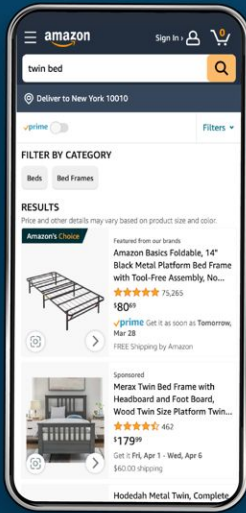
twitter



Organic

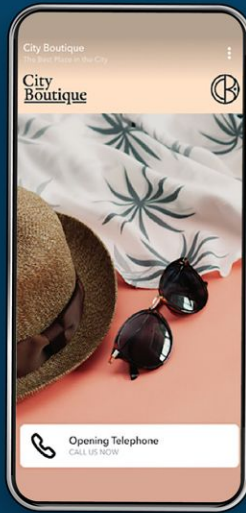
Paid

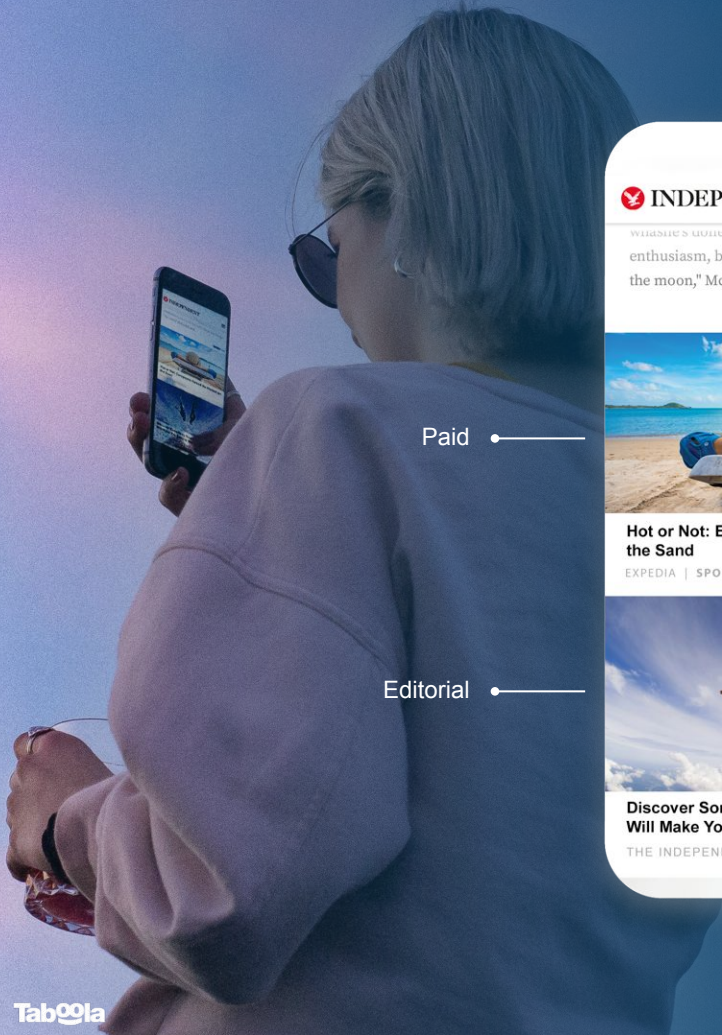
amazon



Paid

SnapChat





Paid

Editorial

THE INDEPENDENT

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

Taboola 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

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

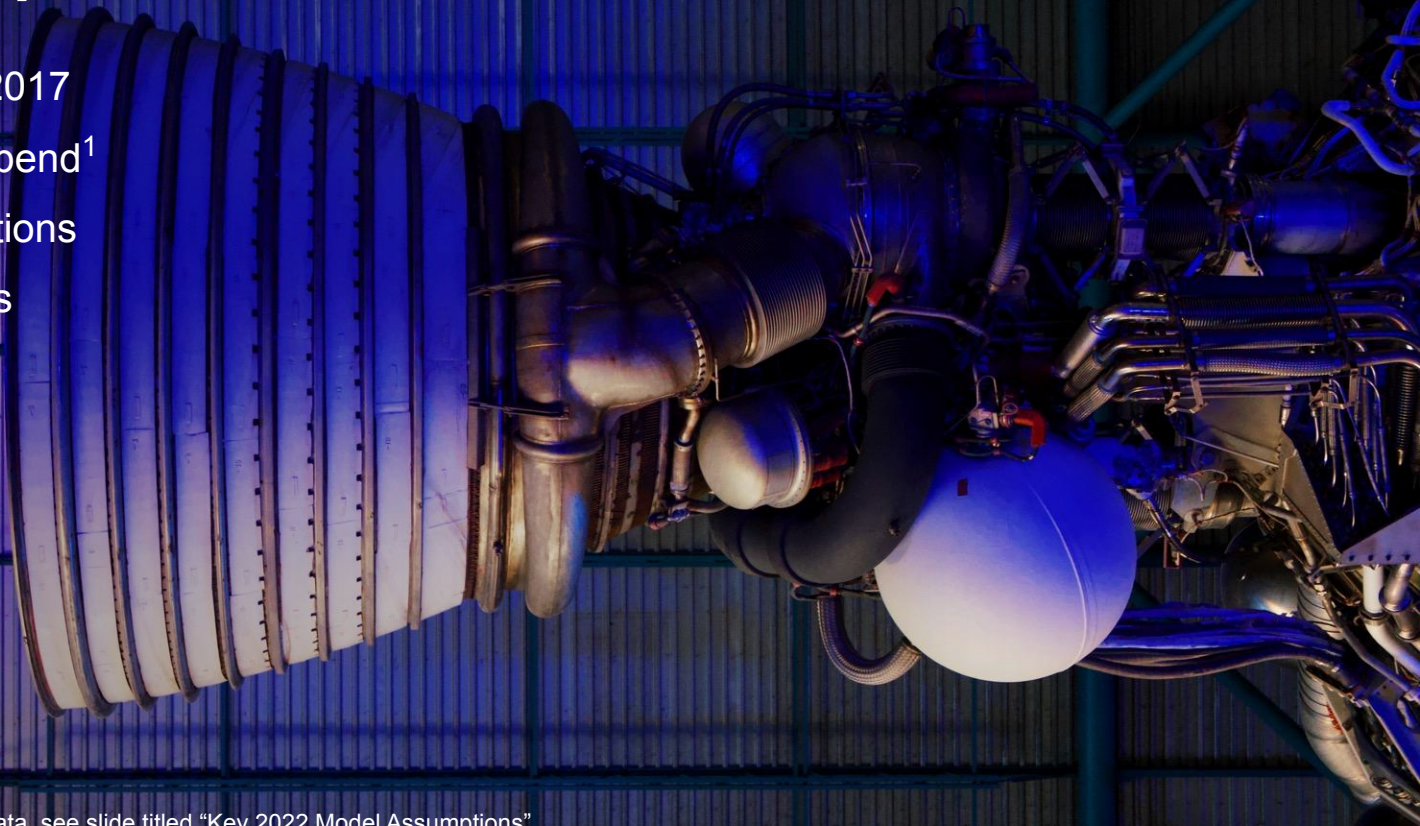
**ONE SIZE
DOES NOT
FIT ALL**



personalization.com

ROCKET ENGINE (AI)

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



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

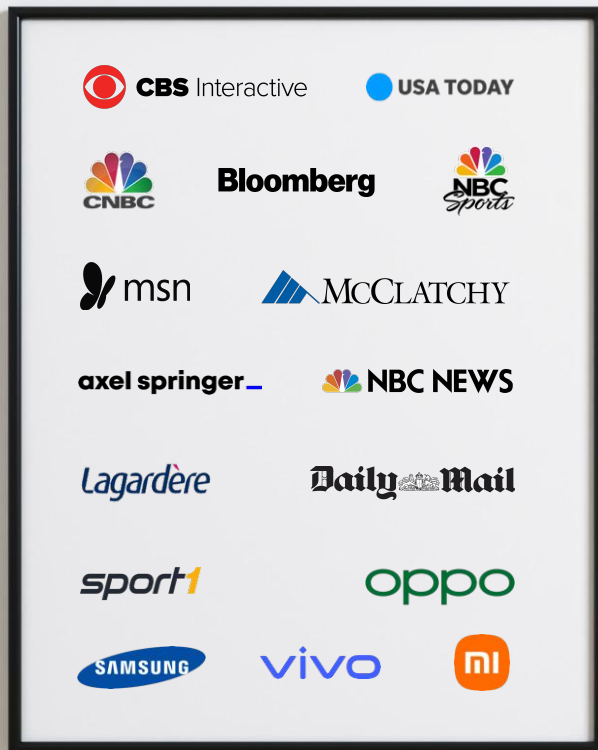
WE BUILD **THE BEST ROCKETS**

Walled Garden Dynamics for The Open Web

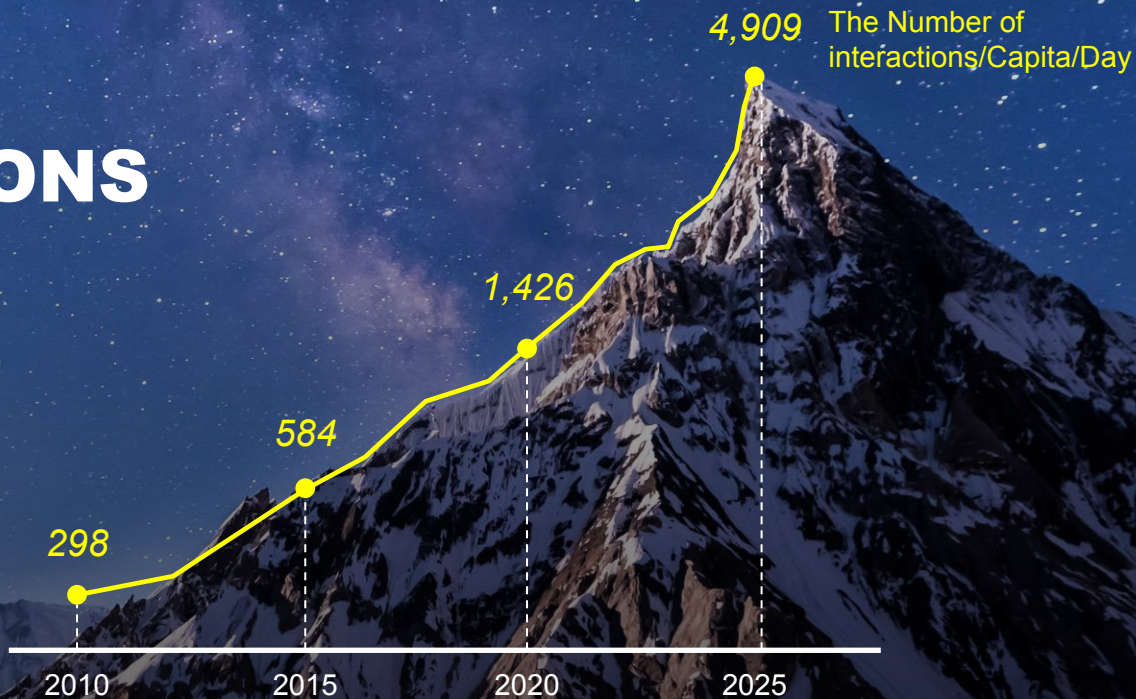


TECH DIFFERENTIATION

10 years partnerships, trust



AN OPEN WEB POWERED BY TABOOLA RECOMMENDATIONS



Source:

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



Over the next 3 years

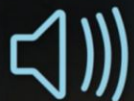
**WE EXPECT TO CROSS \$1B
EX-TAC WHILE MAINTAINING
OUR MARGINS**

ANYTHING.
ANYWHERE.





**ANYTHING.
ANYWHERE.**



What are Blue Zones and
why they are the secret to



**ANYTHING.
ANYWHERE.**





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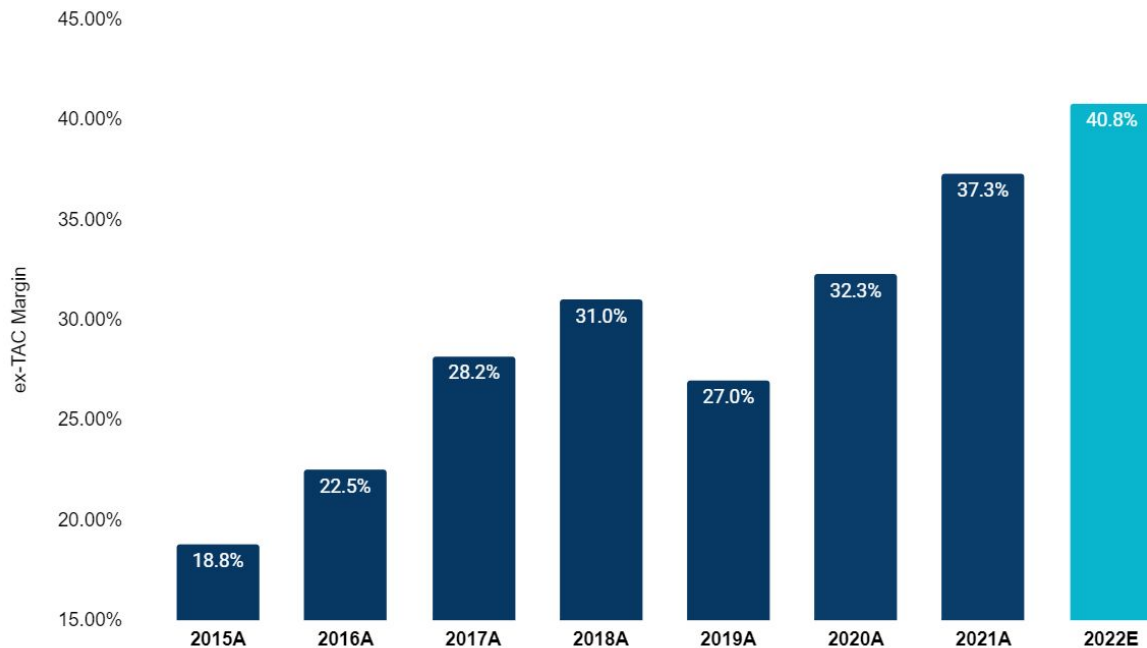
TABOOLA'S DIFFERENTIATION

HOW IT DRIVES SUPERIOR
FINANCIAL PERFORMANCE &
EXPANDING MARGINS

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

EXPANDING EX-TAC MARGINS POINT TO COMPETITIVE ADVANTAGE

ex-TAC Margin By Year¹

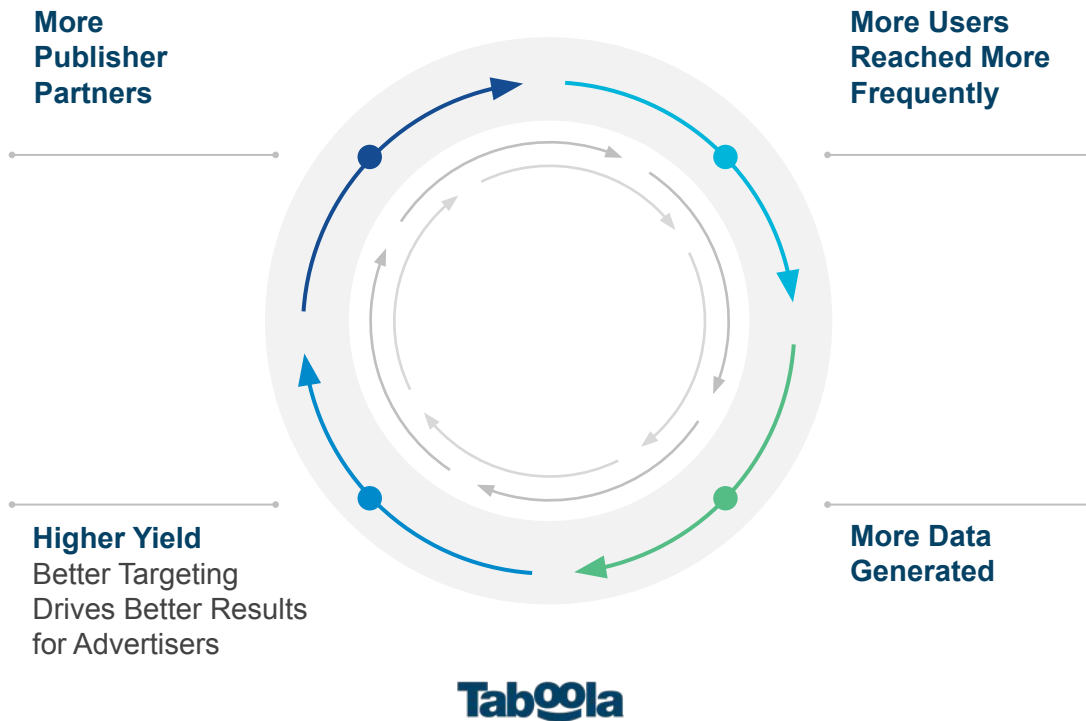


- ex-TAC Margin has increased significantly since 2015
- Competitive landscape has not changed significantly in that time period
- Margins increase as competitive advantages increase

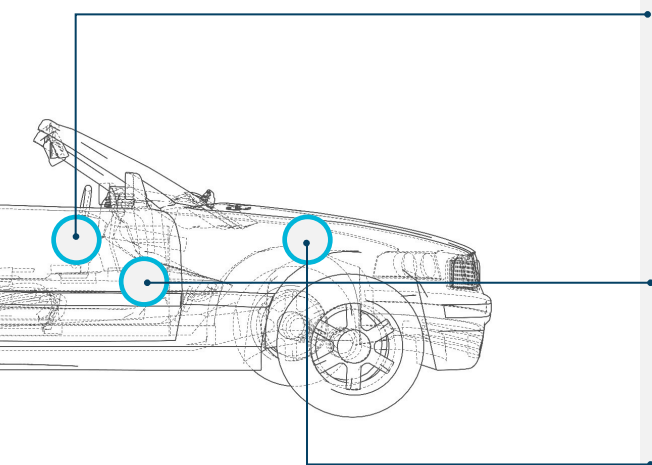
1

SCALE MATTERS IN OUR INDUSTRY

GROWTH WITH A BUILT-IN
NETWORK EFFECT



WHAT MAKES UP YIELD



Click Through Rate (CTR):

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

Cost Per Click (CPC):

The amount advertisers pay for each click on their ads.

Conversion Rate:

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



CTR
Click Through
Rate



CPC
Cost Per
Click

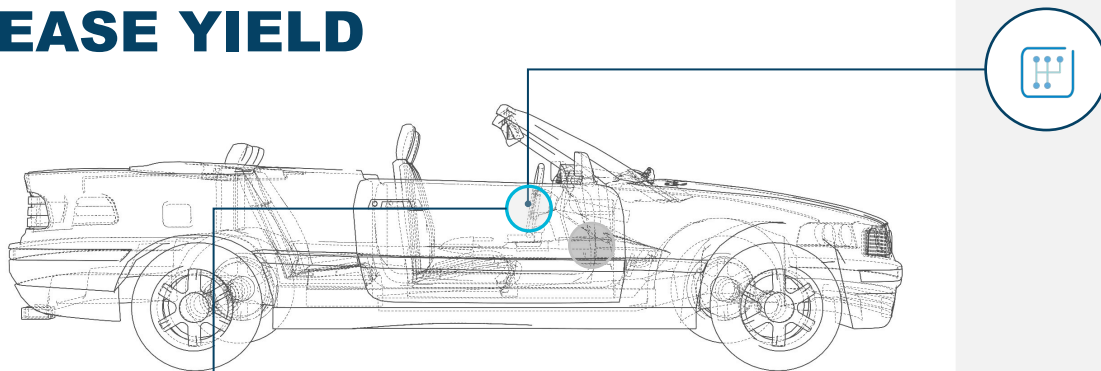


**Conversion
Rate**



YIELD

HOW WE INCREASE YIELD



CPC

Cost Per Click

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



CTR and Conversions

Click Through Rate, Conversion Rates

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

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



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



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



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

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



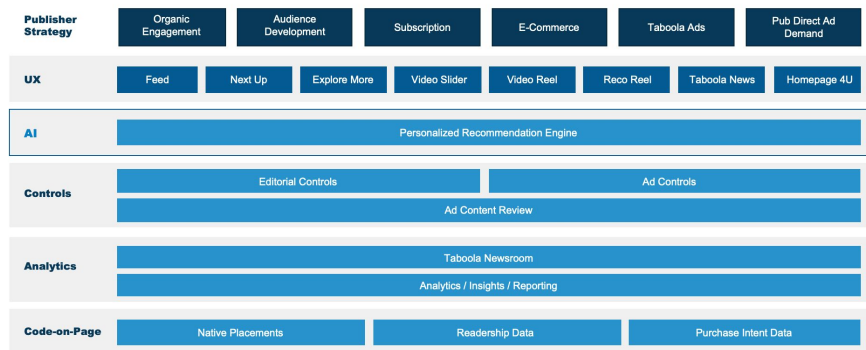
Taboola’s strong yield performance despite 3rd party cookies being blocked in the industry for years:

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

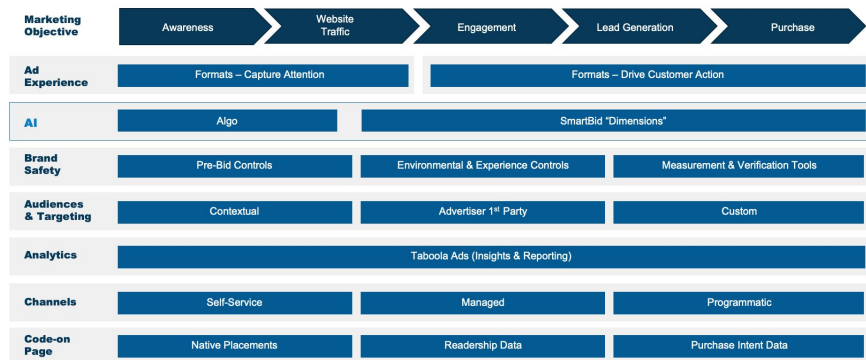
PLATFORM ADVANTAGE DRIVEN BY INVESTMENT IN TECHNOLOGY

CAPABILITIES NOT AVAILABLE
FROM OUR COMPETITORS

COMPREHENSIVE
PUBLISHER PLATFORM



COMPREHENSIVE
ADVERTISER PLATFORM



4

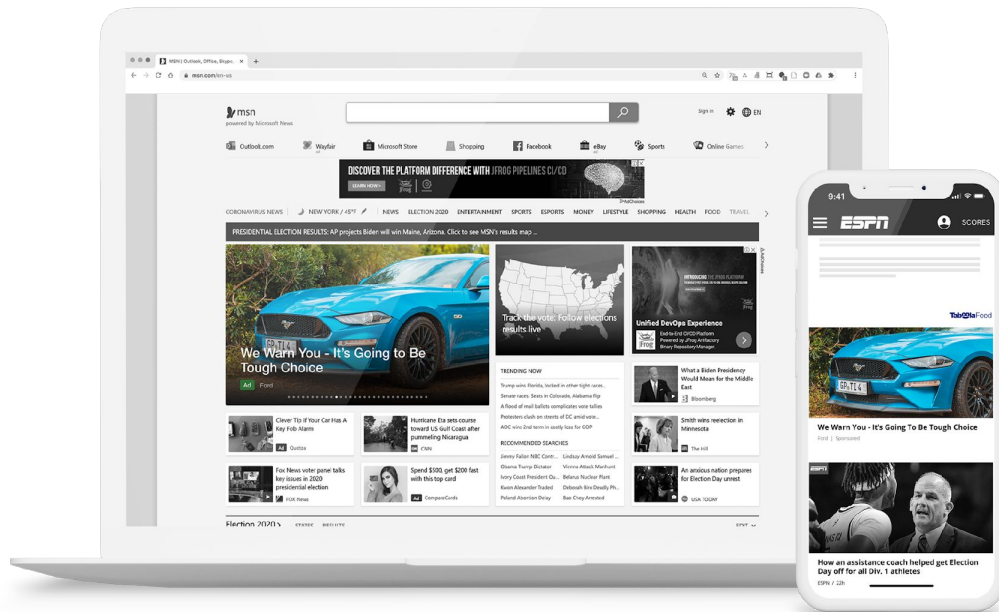
TABOOLA FOR BRANDS & AGENCIES

High Impact Placements: a premium solution for achieving brand awareness

Premium Ad Placements & Experiences

Brand Safety & Adjacency Control

Unique Readership Data & Insights



4

TABOOLA NEWS

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

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

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

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

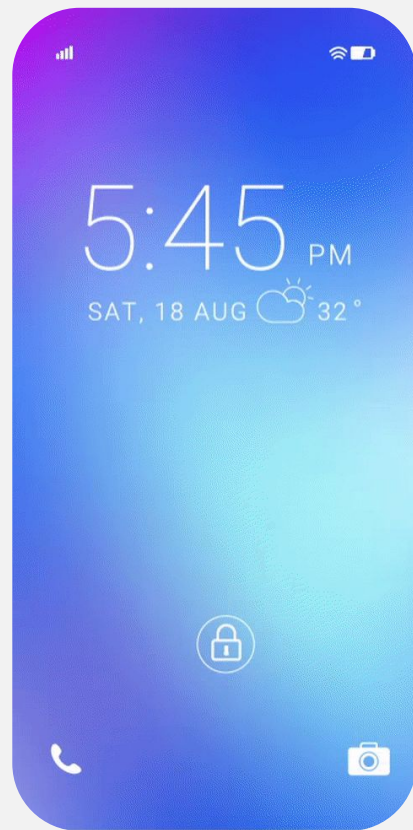
WORKING WITH THE TOP OEMS:

SAMSUNG



vivo

oppo



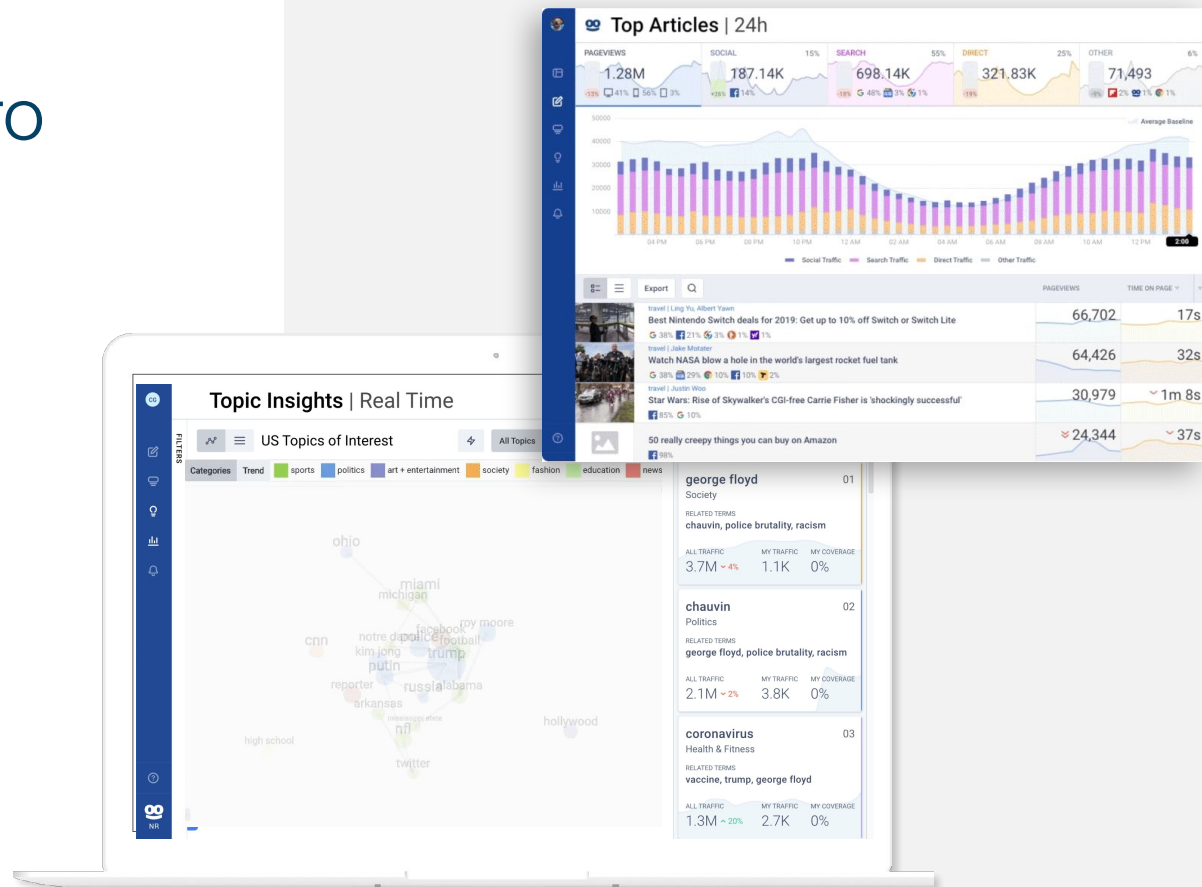
ACTIONABLE INSIGHTS TO GROW READERSHIP & ENGAGEMENT

Easily **ANALYZE**:

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

Instantly **ACT**:


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






HOMEPAGE FOR YOU

International Hiring Handbook



Source: FIU employee confided to colleague that Rosenberg had been harassing her





Are your retirement investments getting you ahead?



This does not pass the smell test: Rush to hire Miami school superintendent angers many



COLLAPSE

Florida's top-selling housing market ends 2023 at record levels. What does it mean for apartment investors?

Florida's top-selling housing market ends 2023 at record levels. What does it mean for apartment investors?

FOR ALL

Must-know information,
hand-curated by editors

FOR YOU

Personalized
recommendations,
powered by
editor-enhanced algo

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



5 CONNEXITY FURTHERS OUR COMPETITIVE ADVANTAGE

INTRINSIC VALUE OF BUSINESS

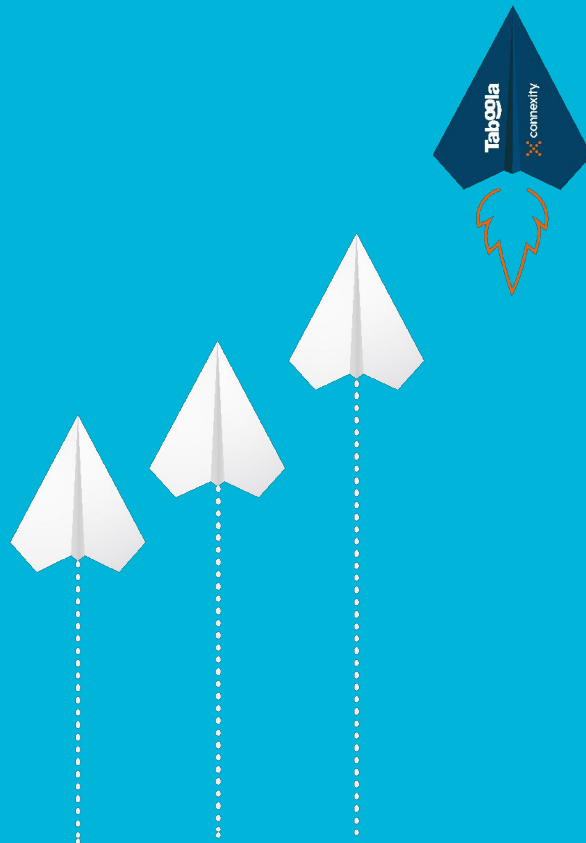
Significant expansion of our addressable TAM with long runway of growth

SYNERGIES

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

STRATEGIC VALUE

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



CONNEXITY SYNERGIES

\$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

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



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Q3 2022 IN REVIEW - capturing more of the \$64 billion ad market

Renewing and building new long term relationships

- Signed new digital property partner agreements, including competitive wins with BuzzFeed, Huffington Post, MOPO, ModelPress, Reach PLC, Prensa Iberica
- Signed key renewals, including deals that bring us to 10-year relationships with iMedia, Cox Media Group, Cyzo

Seeing strength in key business areas

- Taboola Header Bidding selected by 50+ publishers
- Taboola News' growth rate is triple digits and on track to exceed \$50M in revenues this year.

BuzzFeed

HUFFPOST

モデルプレス
modelpress
エンタメ&ライフスタイルニュースサイト

HAMBURGER
**MOR
GEN
POST**

Reach



CONSISTENTLY EXCEEDED 2021 FINANCIAL EXPECTATIONS

| | 2021 | GROWTH RATE | ORIGINAL PIPE EXPECTATIONS |
|----------------------------------|-----------------|------------------------|-------------------------------|
| Revenues | \$1,378M | 16% | \$1,277M |
| Gross Profit | \$441M | 38% | \$365M |
| ex-TAC Gross Profit ¹ | \$519M | 36%² | \$445M |
| Adj. EBITDA ¹ | \$179M | 69% | \$127M |

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

(2) Pro Forma ex-TAC growth of 25%, above original PIPE Expectation of 16% growth

STRONG FUNDAMENTALS IN 2022

\$1.4B REVENUE | \$150M+ AEBITDA | STRONG CASH FLOW

FY 2022
GUIDANCE

| | |
|--|-------------------------|
| Revenues | \$1,388 - 1,404M |
| Gross Profit | \$458 - 470M |
| ex-TAC Gross Profit ¹ | \$564 - 576M |
| Adj. EBITDA ^{1, 2} | \$152 - 160M |
| Ratio of Adj. EBITDA to ex-TAC Gross Profit | 26.9 - 27.7% |

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

(2) We calculate Adjusted EBITDA as Net income (loss) before net financial expenses, income tax expenses/ benefit and depreciation and amortization, further adjusted to exclude share-based compensation and other noteworthy income and expense items such as certain merger or acquisition related costs, which may vary from period-to-period.



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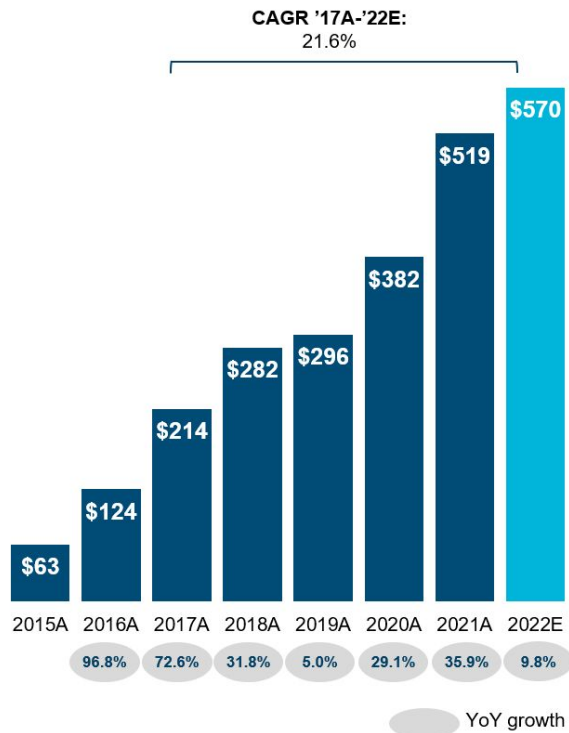
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Financial Update

TABOOLA FOCUSES ON PROFITABLE GROWTH

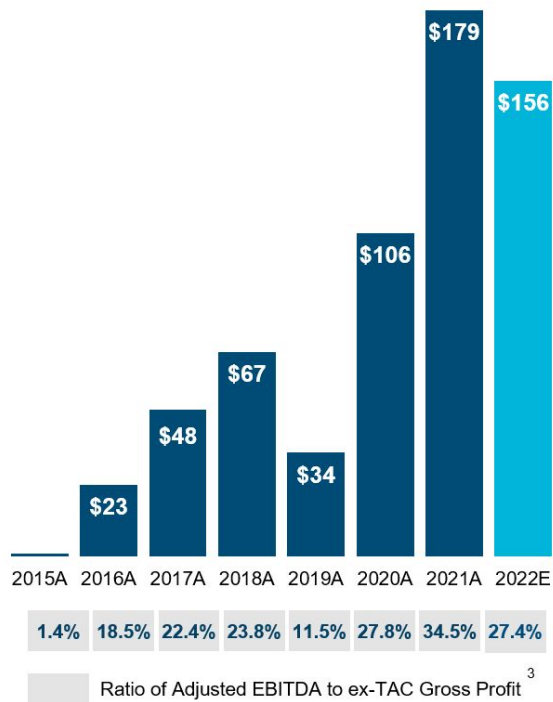
ex-TAC Gross Profit¹

(\$ in millions)



Adj. EBITDA²

(\$ in millions)



PROFITABLE GROWTH

Rule of 40 Business

Upside in our model

- Conservative growth assumed for core base
- Additional upside from existing growth initiatives

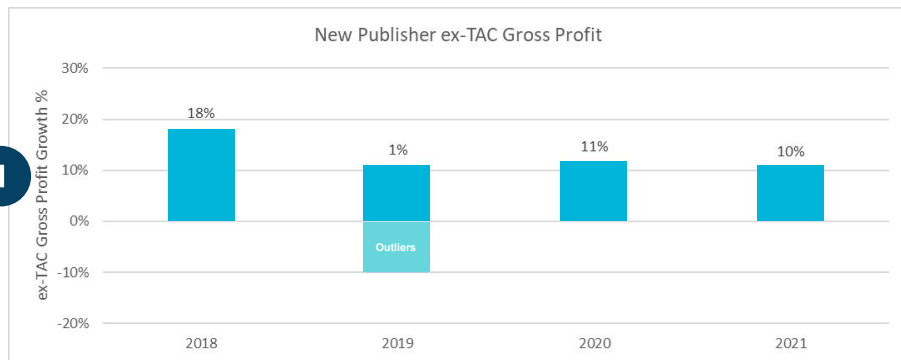
Long-term model

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

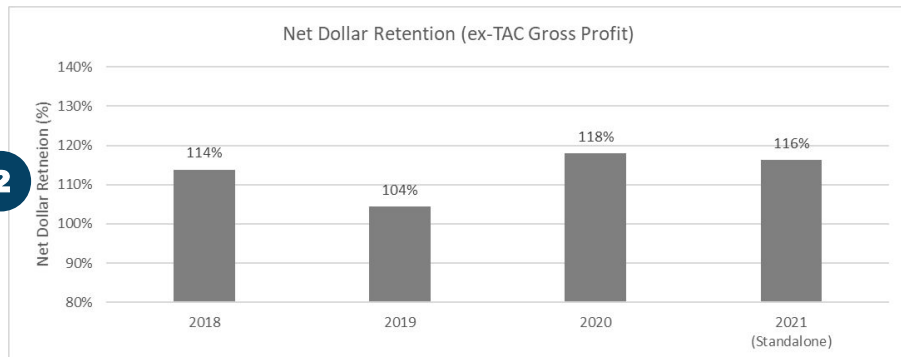
(1),(2),(3) Non-GAAP measure, see appendix for reconciliation to GAAP
Note: Projections reflect the mid-point of 2022 guidance

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.

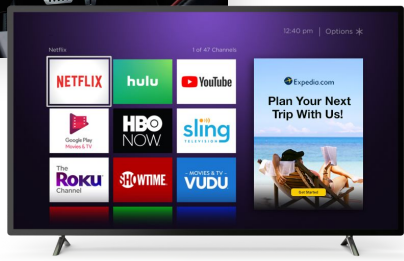
GROWTH PROJECTIONS BASED PRIMARILY ON CORE BUSINESS

- ANYTHING, ANYWHERE GROWTH
INITIATIVES PROVIDE UPSIDE



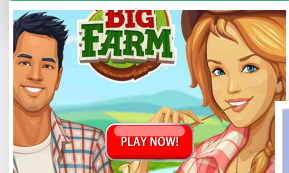
\$10M's in 2021¹

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

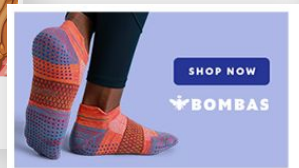


\$100M's in 2021³

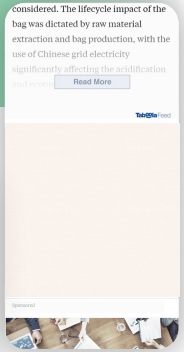
ANYTHING
New products and segments
(TV ads, eCommerce, app
downloads, gaming...)



This Game Will Keep You Up All Night!
Good Game | Sponsored

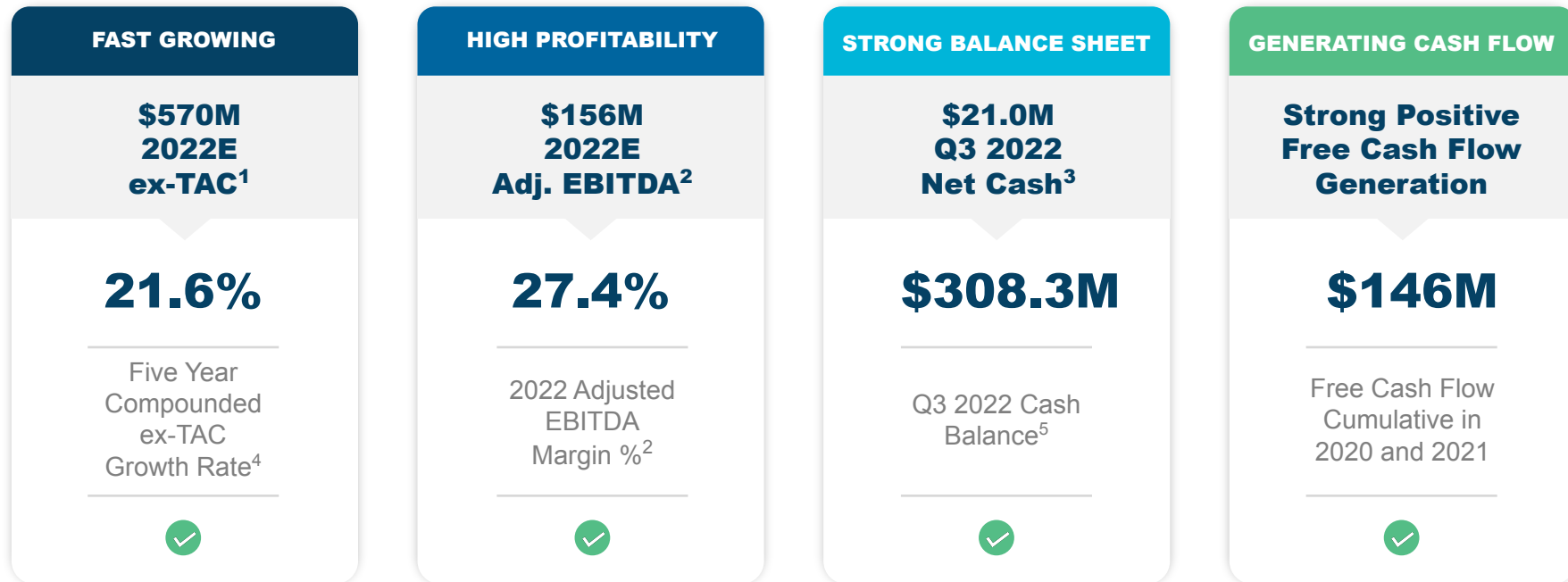


These Socks Are So Soft You'll Never Want to Take Them Off
BOMBAS



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 September 30, 2022. Cash, cash equivalents and short-term investments of \$308.3 million minus long-term loan (including current portion) of \$287.6 million. Note: The Company's current estimate of minimum cash and cash equivalents needed for working capital is \$80-100 million. It is only one factor considered in evaluating operating, investing and other strategies, is highly dependent on multiple conditions, is not a projection and subject to change at any time without notice.

(4) Growth Rate includes actual results for 2017-2021 plus 2022E results based on the midpoint of guidance.

(5) Cash, cash equivalents and short-term investments.

Taboola

Thank you.

APPENDIX

OUR MODEL IN A NUTSHELL

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



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

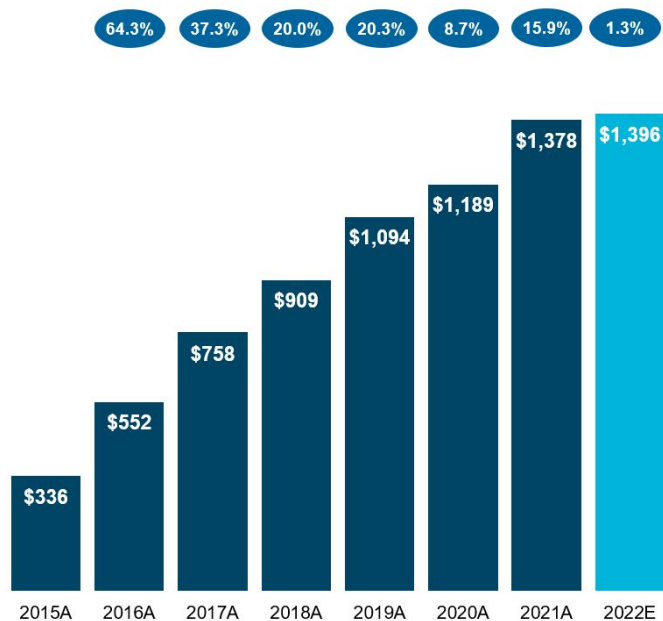
(2) Revenue to Taboola after TAC paid to Publishers. Non-GAAP measure, see appendix for reconciliation to GAAP

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

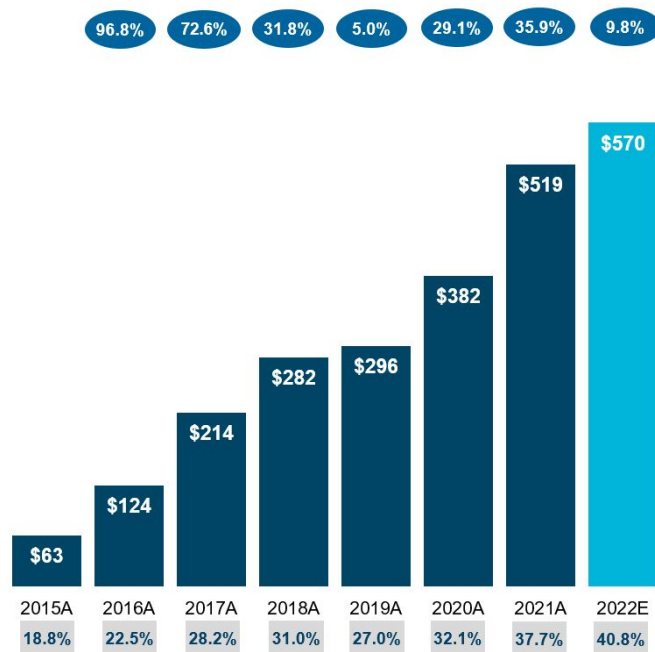
(4) Non cash charges, Cash charges excluded from Adjusted EBITDA

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

Gross Revenue



ex-TAC Gross Profit



KEY 2022 MODEL ASSUMPTIONS

ex-TAC Gross Profit¹

- Historically, Taboola grew 20%+ (CAGR '17-'21)
- In 2021, Taboola generated \$519 million ex-TAC Gross Profit
- For FY 2022, the Company expects ex-TAC Gross Profit in range of \$564 - 576M

ADJUSTED EBITDA²

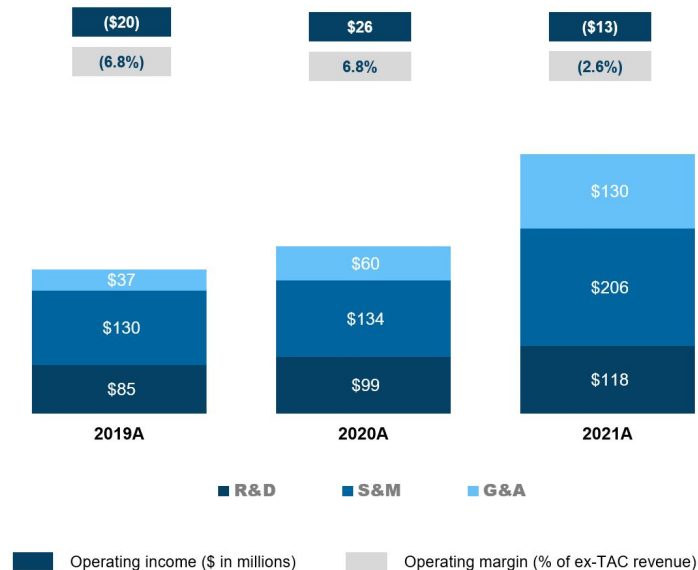
- \$179 million in 2021 and grew faster than ex-TAC Gross Profit
- For FY 2022, the Company expects Adjusted EBITDA in range of \$152 - 160M
- Rule of 40: ex-TAC growth + Ratio of Adj. EBITDA to ex-TAC Gross Profit³ always above 40%

COST ASSUMPTIONS

- Return to “normal” operations and cost basis in 2022
- Two primary costs (headcount and hardware / IT) grow commensurate with revenue growth
- Higher costs (and lower operating margin) in 2021 driven by transaction related share-based compensation expenses

Operating costs:

(\$ in millions)



(1),(2),(3) Non-GAAP measures, see appendix for reconciliation to GAAP

SELECTED GAAP AND NON-GAAP METRICS

| (\$ in millions, FYE) | 2018A | 2019A | 2020A | 2021A | 2022E | Long-Term Model |
|---|---------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Revenues | \$ 909 | \$ 1,094 | \$ 1,189 | \$ 1,378 | \$ 1,396 | |
| % YoY Growth | 20.0% | 20.3% | 8.7% | 15.9% | 1.3% | |
| ex-TAC Gross Profit ¹ | \$ 282 | \$ 296 | \$ 382 | \$ 519 | \$ 570 | |
| % YoY Growth | 31.8% | 5.0% | 29.1% | 35.9% | 9.8% | 20%+ |
| % ex-TAC Gross Profit margin | 31.0% | 27.1% | 32.2% | 37.7% | 40.8% | |
| Gross Profit | \$ 234 | \$ 232 | \$ 319 | \$ 441 | \$ 464 | |
| % Adj margin | 83.1% | 78.4% | 83.4% | 85.0% | 81.4% | |
| Adjusted EBITDA ¹ | \$ 67 | \$ 34 | \$ 106 | \$ 179 | \$ 156 | |
| % margin | 23.8% | 11.5% | 27.7% | 34.5% | 27.4% | 30%+ |

FY 2022 GUIDANCE

| (\$ in millions) | Actual | Guidance |
|---|----------------|---------------------------|
| | FY 2021 | FY 2022 |
| Revenues | \$1,378 | \$1,388 to \$1,404 |
| ex-TAC Gross Profit ¹ | \$519 | \$564 to \$576 |
| Gross Profit | \$441 | \$458 to \$470 |
| Adjusted EBITDA ¹ | \$179 | \$152 to \$160 |
| Non GAAP Net Income ¹ | \$109 | \$83 to \$91 |

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

ADDITIONAL MODELING ASSUMPTIONS

- Interest expense of approximately \$5M per quarter associated with \$300M term loan related to the Connexity acquisition
- Share based compensation of \$128M in 2021 unusually high as a result of going public triggering event, 2022 estimated at \$76M
- Depreciation & Amortization of \$53M in 2021; increase related to Connexity Purchase Price Accounting allocation, 2022 estimated at \$91M
- CAPEX estimated to be \$34M in 2022 and includes investments in property and equipment, leasehold improvements and capitalized software
- Free Cash Flow before publisher prepayments (net) expected to be 50 - 60% of Adjusted EBITDA in long-term models

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) |
| <i>Adjustments:</i> | | | | | | |
| 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) |
| <i>Adjustments:</i> | | | | | |
| 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 |

Note: 2022 projections reflect the midpoint of current company guidance.

RATIO OF ADJUSTED EBITDA TO EX-TAC GROSS PROFIT RECONCILIATION

(\$ in millions)

| | 2016A | 2017A | 2018A | 2019A | 2020A | 2021A |
|--|--------|--------|--------|--------|--------|--------|
| Gross Profit | \$ 101 | \$ 179 | \$ 234 | \$ 232 | \$ 320 | \$ 441 |
| Net Income (loss) | (3) | 3 | 11 | (28) | 8 | (25) |
| <i>Ratio of Net income (loss) to Gross profit</i> | -3% | 2% | 5% | -12% | 3% | -6% |
| ex-TAC Gross Profit | \$ 124 | \$ 214 | \$ 282 | \$ 296 | \$ 382 | \$ 519 |
| Adjusted EBITDA | 23 | 48 | 67 | 34 | 106 | 179 |
| <i>Ratio of Adjusted EBITDA to ex-TAC Gross Profit</i> | 19% | 23% | 24% | 11% | 28% | 34% |

EX-TAC GROSS PROFIT MARGIN 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 | 320 | 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% |

HISTORICAL & PROJECTED ADJ. GROSS PROFIT MARGIN RECONCILIATION

(\$ in millions)

| | 2020A | 2021A | 2022E |
|---------------------------------------|----------|----------|----------|
| Revenues | \$ 1,189 | \$ 1,378 | \$ 1,396 |
| Traffic Acquisition Cost (TAC) | 807 | 859 | 826 |
| ex-TAC Gross Profit | \$ 382 | \$ 519 | \$ 570 |
| Other Cost of Revenues | 63 | 78 | 106 |
| Gross Profit | \$ 319 | \$ 441 | \$ 464 |
| <i>Gross Profit Margin</i> | 27% | 32% | 33% |
| <i>Adj. Gross Profit Margin</i> | 84% | 85% | 81% |

HISTORICAL FREE CASH FLOW RECONCILIATION

\$ In Millions

| | 2019A | 2020A | 2021A | Q1-Q3 '22 |
|---|---------|---------|---------|-----------|
| Net cash from operating activities ¹ | \$ 18 | \$ 139 | \$ 64 | \$ 33 |
| <u>Net cash used in the following investing activities</u> | \$ (44) | \$ (18) | \$ (39) | \$ (28) |
| Capitalized internal-use software | (6) | (9) | (14) | (10) |
| Purchases of property and equipment | (38) | (9) | (25) | (18) |
| Free Cash Flow | \$ (26) | \$ 121 | \$ 25 | \$ 5 |

(1) Adj. EBITDA plus the change in working capital reflects the Net cash provided by operating activities. For estimated periods, Net cash from operating activities assumes 53-57 days payables outstanding and 40-45 days sales outstanding.

SUPPLEMENTAL CASH FLOW INFORMATION

| | 2020A | 2021A | Q1-Q3 '22 |
|--|-----------------|----------------|----------------|
| Free Cash Flow | \$ 121.3 | \$ 24.5 | \$ 5.0 |
| <u>Add back:</u> | | | |
| Cash investment in publisher prepayments (net) ¹ | (4.5) | 59.1 | 15.7 |
| Cash interest expense for money borrowed | 0.0 | 1.1 | 15.1 |
| Total - Cash generated before cash interest and publisher prepayments (net) | \$ 116.8 | \$ 84.7 | \$ 35.7 |

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

EXAMPLE OF PUBLISHER PREPAYMENTS

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

CONSOLIDATED BALANCE SHEET

| (\$ in millions) | As of Dec 31, 2019 | As of Dec 31, 2020 | As of Dec 31, 2021 |
|---|-----------------------|-----------------------|-----------------------|
| Cash, cash equivalents and short-term deposits | \$ 116 | \$ 243 | \$ 319 |
| Total Assets | \$ 482 | \$ 580 | \$ 1,598 |
| Total Liabilities & Convertible Shares | \$ 475 | \$ 534 | \$ 830 |
| Accumulated Deficit | \$ (40) | \$ (31) | \$ (56) |
| Additional Paid-in-capital | \$ 47 | \$ 78 | \$ 824 |
| Total Shareholders' Equity | \$ 7 | \$ 47 | \$ 768 |

QUARTERLY RESULTS: EX-TAC GROSS PROFIT RECONCILIATION

(\$ in millions)

| | Q1-21A | Q2-21A | Q3-21A | Q4-21A | Q1-22A | Q2-22A | Q3-22A |
|---------------------------------------|----------|----------|----------|----------|----------|----------|----------|
| Revenues | \$ 303.0 | \$ 329.1 | \$ 338.8 | \$ 407.7 | \$ 354.7 | \$ 342.7 | \$ 332.5 |
| Traffic Acquisition Cost (TAC) | 197.0 | 212.2 | 211.9 | 238.5 | 216.5 | 199.5 | 203.2 |
| Other Cost of Revenues | 16.4 | 16.6 | 19.2 | 25.6 | 26.2 | 26.8 | 26.6 |
| Gross Profit | \$ 89.6 | \$ 100.3 | \$ 107.7 | \$ 143.6 | \$ 112.0 | \$ 116.4 | \$ 102.7 |
| Other Cost of Revenues | 16.4 | 16.6 | 19.2 | 25.6 | 26.2 | 26.8 | 26.6 |
| ex-TAC Gross Profit | \$ 106.0 | \$ 116.9 | \$ 126.9 | \$ 169.2 | \$ 138.2 | \$ 143.2 | \$ 129.3 |

2022 FULL YEAR GUIDANCE: EX-TAC GROSS PROFIT RECONCILIATION

| | Guidance |
|---------------------------------------|------------------------|
| | FY 2022 |
| <i>(\$ in millions)</i> | |
| Revenues | \$1,388 - 1,404 |
| Traffic Acquisition Cost (TAC) | (\$824 - \$828) |
| Other Cost of Revenues | (\$105 - \$107) |
| Gross Profit | \$458 - \$470 |
| Other Cost of Revenues | \$105 - \$107 |
| ex-TAC Gross Profit | \$564 - \$576 |

Taboola



**THANK
YOU!**