



Taboola

INVESTOR PRESENTATION

2024

Forward-Looking Statements - Disclaimer

Certain statements in this presentation are forward-looking statements, including our Q3 2024 and full-year 2024 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 Company's ability to grow and manage growth profitably, maintain relationships with customers and retain its management and key employees; 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; the extent to which we will buyback any of our Ordinary shares pursuant to authority granted by the Company's Board of Directors, which may depend upon market and economic conditions, other business opportunities and priorities, satisfying required conditions under the Israeli Companies Law and the Companies Regulations or other factors; the Company's ability to transition to and fully launch the native advertising service for Yahoo on the currently anticipated schedule; the ability to generate or achieve the increase in Adjusted EBITDA and Free Cash Flow in 2024 or our expected revenue run-rate once Yahoo integration is live, in each case to the levels assumed in this press release or at all; 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 prioritize investments to improve profitability and free cash flow; 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; 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; risks related to the fact that we are incorporated in Israel and governed by Israeli law; the potential impacts of the war in Israel to the Company's operations; and other risks and uncertainties set forth in the Company's Annual Report on Form 10-K for the year ended December 31, 2023 under Part 1, Item 1A "Risk Factors" 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 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 and Non-GAAP Net Income (Loss), 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, 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 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 in 2007; Has led the Company as its CEO ever since
- Previously: Israeli National Security Agency
- Graduated first in his class at the Officers Academy of the Israeli Defense Force and is an honored alumnus of the IDF's elite Mamram computer science training program

Stephen Walker

CFO

- Joined Taboola in 2014 when the Company acquired Perfect Market, which Steve founded
- Previously:   
- BS in Computer Science and Finance from Boston College and an MBA from Harvard Business School



AGENDA

1

Taboola Capturing Share of \$80B+ Open Web Ad Market

2

Taboola's Differentiation and Why We Win

3

Strong Financial Profile

4

Q2 2024 Updates & Momentum



We Power Recommendations for the Open Web

Driving Consumer Action with AI

THE OPEN WEB IS A LARGE AND GROWING MARKET

\$80B+

digital ad spend on the Open Web
growing at ~10% per year ⁽¹⁾



66%

of web/mobile time is spent
on the Open Web ⁽²⁾...

...but only 30%

of total digital ad spend is
spent on the Open Web ⁽²⁾

Open Web consists of iconic digital properties outside walled gardens (Google, Facebook, Amazon)

OPEN WEB CHALLENGES / OPPORTUNITIES

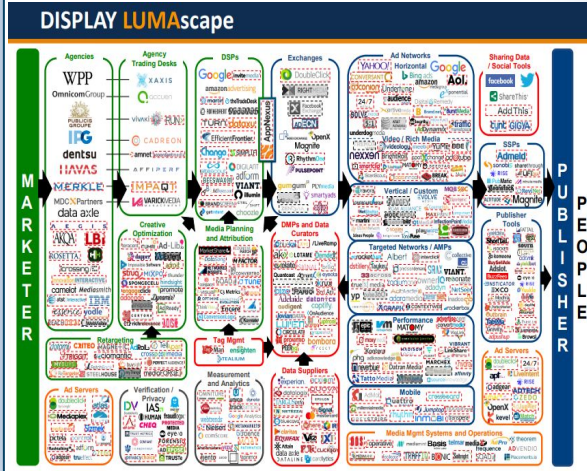
BAD USER EXPERIENCE

Open Web uses the same ad format as 30 years ago



BAD ADVERTISER EXPERIENCE

Open Web highly fragmented and complex⁽¹⁾



INFERIOR AD PERFORMANCE

No "walled garden" level of AI and data in the Open Web



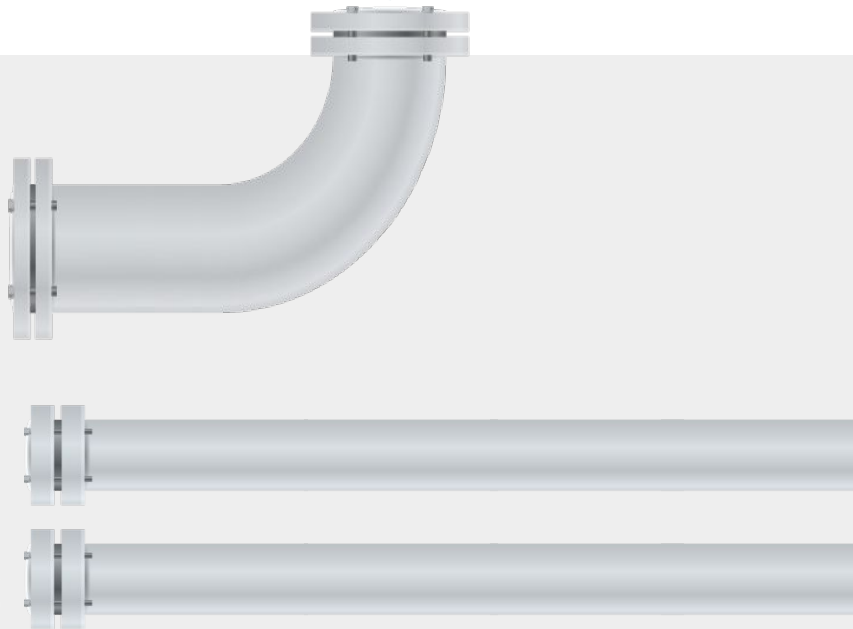
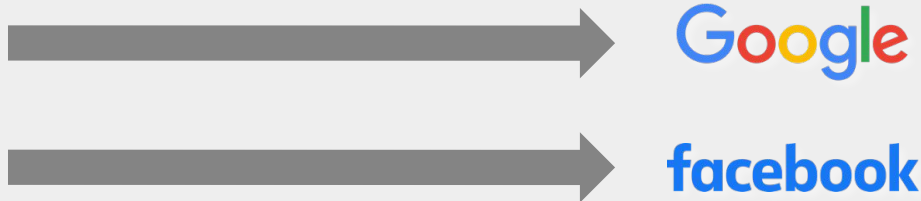
TABOOLA IS THE BEST POSITIONED TO BUILD THE FIRST “MUST BUY” COMPANY IN THE OPEN WEB

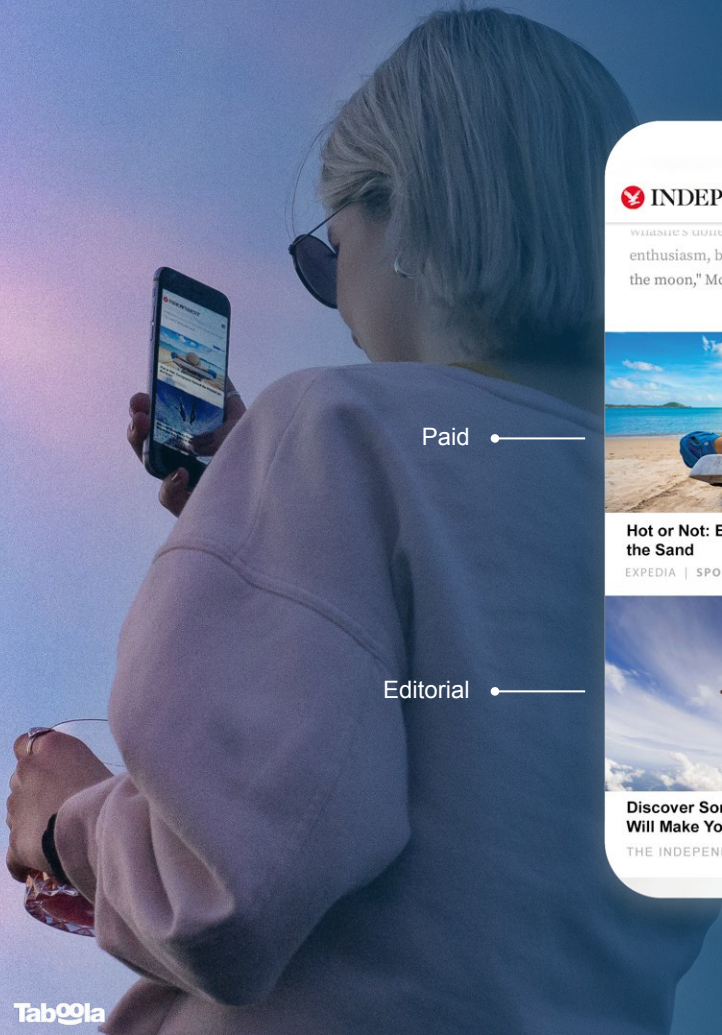


ADVERTISERS



- ✓ Long term exclusive publisher agreements
- ✓ Scaled, direct advertisers
- ✓ AI technology
- ✓ ~600M DAU 1st party, contextual data





Paid

Editorial

INDEPENDENT

what she'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

Brings power of walled gardens to Open Web with tens of billions clicks a year

COMPANY

Bombas is a comfort-focused apparel brand with a mission to help those in need.

CHALLENGE

Drive holiday sales for its revamped and expanded line of slippers, and reach new customers

SOLUTION

Use **Taboola** native ads, Attentive Audiences, and site retargeting to reach potential customers across the open web.

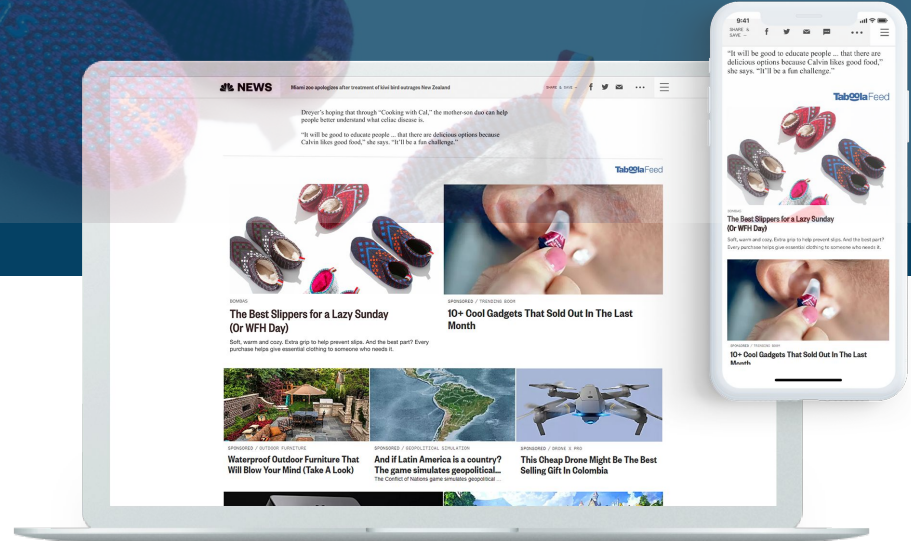
RESULTS

With **Taboola**, Bombas achieved a **50% increase in ROAS**, above-average CTR, and **1.26x increase in ROAS with Attentive Audiences**.



"Throughout our long-standing partnership with Taboola, we have seen incredible campaign results, and it's great to see the recent success of our slippers — a category we've been especially focused on. It's important for us to invest in strategies and partner with companies that drive tangible results. We enjoy working with the Taboola team and appreciate their quick turnaround when recommending and implementing strategies."

- **Carolyn Dixon**, Senior Associate of Performance Marketing, Bombas



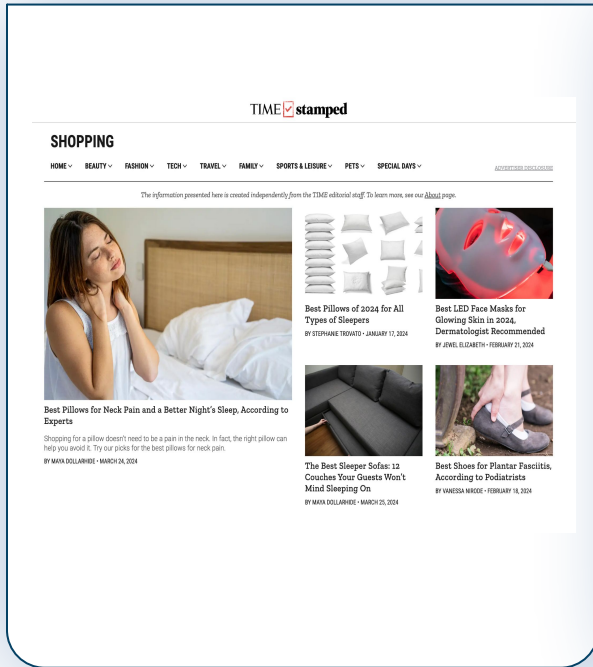
50%
Increase in
ROAS

40%
Holiday
Conversions Came
From the Slippers
Category

1.26x
Increase in ROAS
with Attentive
Audiences

BIG MOMENTUM

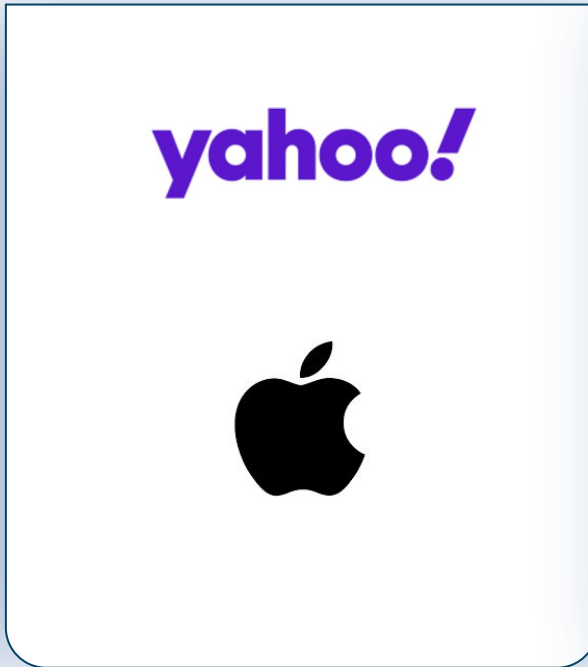
E-COMMERCE GROWTH



The screenshot shows the 'TIME stamped' shopping section. At the top, it says 'SHOPPING' with a navigation menu including HOME, BEAUTY, FASHION, TECH, TRAVEL, FAMILY, SPORTS & LEISURE, PETS, and SPECIAL DAYS. Below the navigation, there's a disclaimer: 'The information presented here is created independently from the TIME editorial staff. To learn more, see our About page.' The main content area features four article cards:

- Best Pillows for Neck Pain and a Better Night's Sleep, According to Experts** - BY MARK KOLLARIDE - MARCH 24, 2024
- Best Pillows of 2024 for All Types of Sleepers** - BY STEPHANIE THOMAS - JANUARY 17, 2024
- Best LED Face Masks for Glowing Skin in 2024, Dermatologist Recommended** - BY JEWEL ELIZABETH - FEBRUARY 23, 2024
- The Best Sleeper Sofas: 12 Couches Your Guests Won't Mind Sleeping On** - BY MARK KOLLARIDE - MARCH 23, 2024
- Best Shoes for Plantar Fasciitis, According to Podiatrists** - BY VANESSA MICELO - FEBRUARY 14, 2024

ICONIC PARTNERSHIPS



The image displays two iconic logos side-by-side. The top logo is the 'yahoo!' logo in its signature purple, lowercase font. The bottom logo is the classic black silhouette of an Apple with a bite taken out of it.

RAPID AI ADOPTION

FOR ADVERTISERS

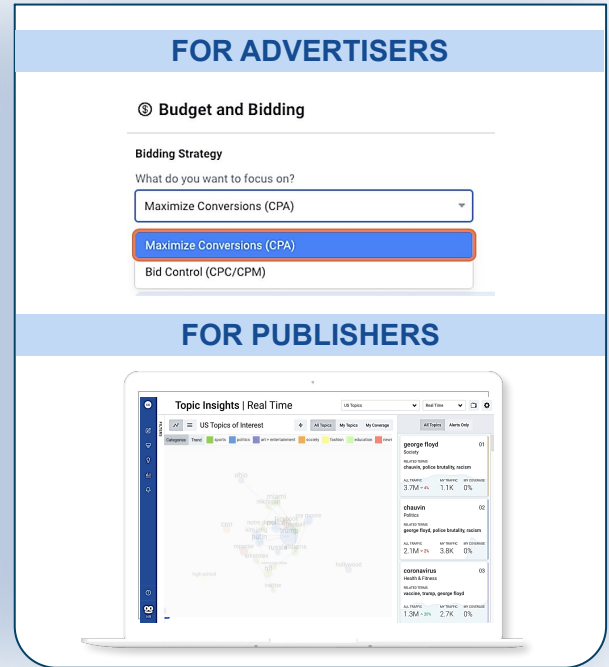
🕒 Budget and Bidding

Bidding Strategy

What do you want to focus on?

- Maximize Conversions (CPA)
- Maximize Conversions (CPA)**
- Bid Control (CPC/CPM)

FOR PUBLISHERS



The screenshot shows a 'Topic Insights | Real Time' dashboard. It features a world map on the left and a table of topic insights on the right. The table lists topics like 'george floyd', 'chavín', and 'coronavirus' with associated metrics.

| Topic | US Topics of Interest | Score | CPA | CPM |
|--------------|-----------------------|-------|-----|-----|
| george floyd | 3.75K | 1.1K | 0% | |
| chavín | 2.38K | 3.9K | 0% | |
| coronavirus | 1.28K | 2.7K | 0% | |



AGENDA

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Taboola Capturing Share of \$80B Open Web Ad Market

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Taboola's Differentiation and Why We Win

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Strong Financial Profile

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Q2 2024 Updates & Momentum

WHY TABOOLA

Bringing walled garden experiences to an \$80B+ Open Web market

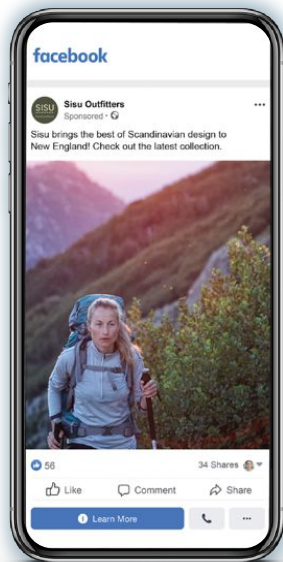
- 1 Integrated native advertising experience
- 2 Long-term, exclusive access to supply and direct relationships with advertisers
- 3 AI driven tech platform that is best-in-class
- 4 Taboola tech & code on page built for a cookie-less world

Positioned for continued leadership

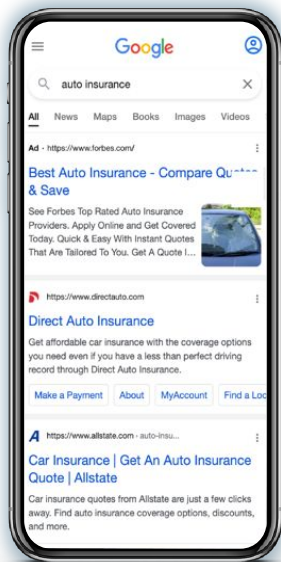
- 5 Our scale drives network effects that create competitive advantage
- 6 Significant growth opportunities
- 7 Proven, founder-led management team
- 8 Strong financial profile

1 INTEGRATED NATIVE ADVERTISING EXPERIENCE

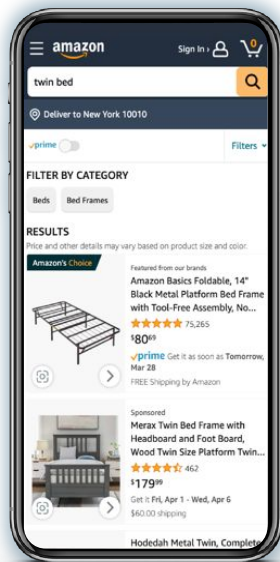
facebook



Google



amazon



Taboola



✓ More integrated ad experience

✓ Easy access to scale

✓ Better user data and AI for more accurate ad targeting

2

LONG-TERM, EXCLUSIVE ACCESS TO SUPPLY AND DIRECT RELATIONSHIPS WITH ADVERTISERS

Highly predictable supply base with 98%+ of supply consistent from quarter to quarter

Long-term, exclusive partnerships and native integrations with the world's top publishers



- ✓ Most extensive contextual dataset bolstered by 3+ year average contract length
- ✓ Native integrations deliver seamless user experience across editorial and advertising recommendations

Direct relationships with blue-chip, brand name global advertisers

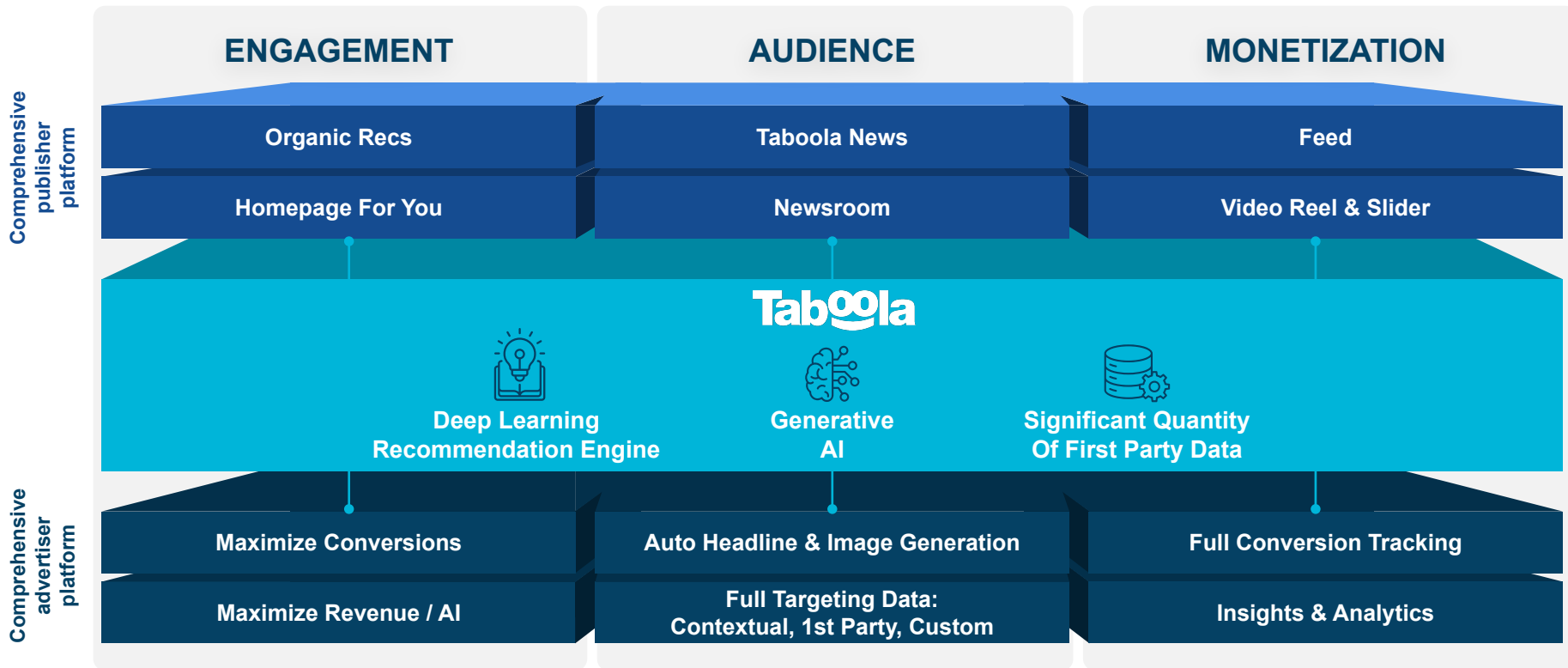


Connectors. Creators. Experience Makers.

- ✓ 90%+ of revenue comes from direct relationships with advertisers
- ✓ Performance focus with measurable ROI

3 AI DRIVEN TECH PLATFORM THAT IS BEST-IN-CLASS

Our unified tech stack offers comprehensive platforms for publishers and advertisers underpinned by AI



4 TABOOLA TECH & CODE ON PAGE BUILT FOR A COOKIE-LESS WORLD



Taboola has its own 1st party cookie thanks to “code on page” integrations with publishers recommending personalized editorial content enables serving our own 1st party identifier

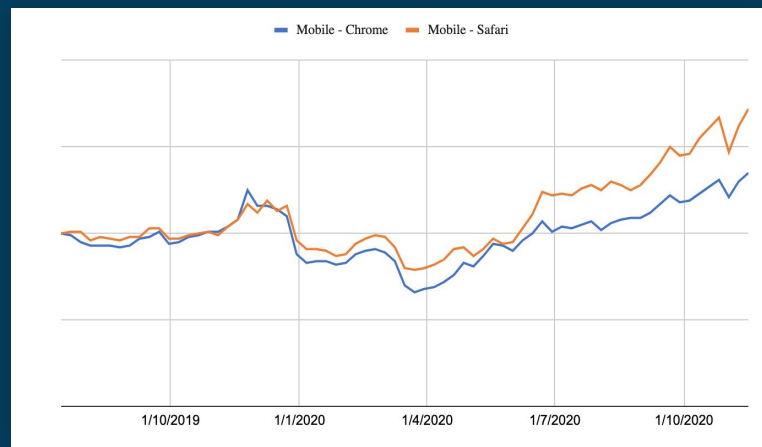


Unique readership context deep access to the context of the page, allowing advertisers to target context (vs. “3rd party cookie behavior”)



People click on Taboola recommendations tens of billions of times a year ⁽¹⁾

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



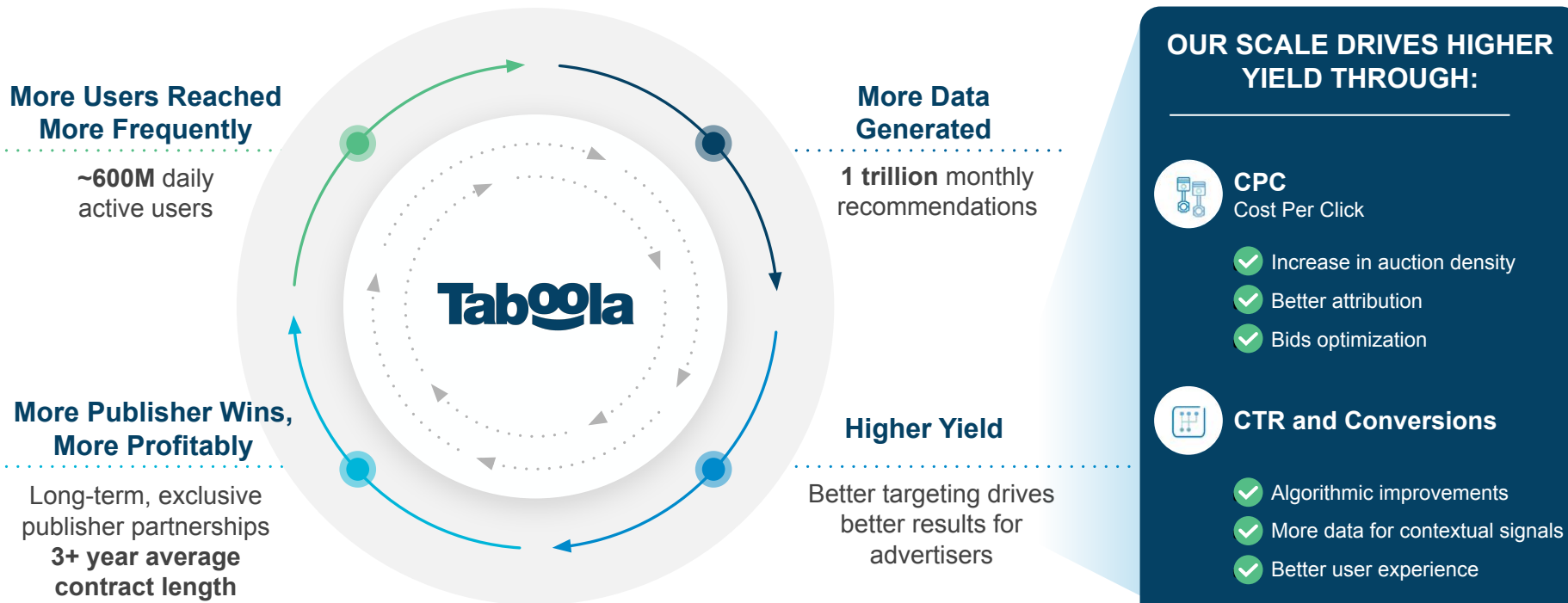
Taboola’s strong yield performance despite 3rd party cookies being blocked in the industry for years:

Apple blocked 3rd party cookies in phases, with more significant enforcement of cookie deprecation in 2020 helping drive Taboola’s yield (orange line) which accelerated faster than with alternative browsers.

5

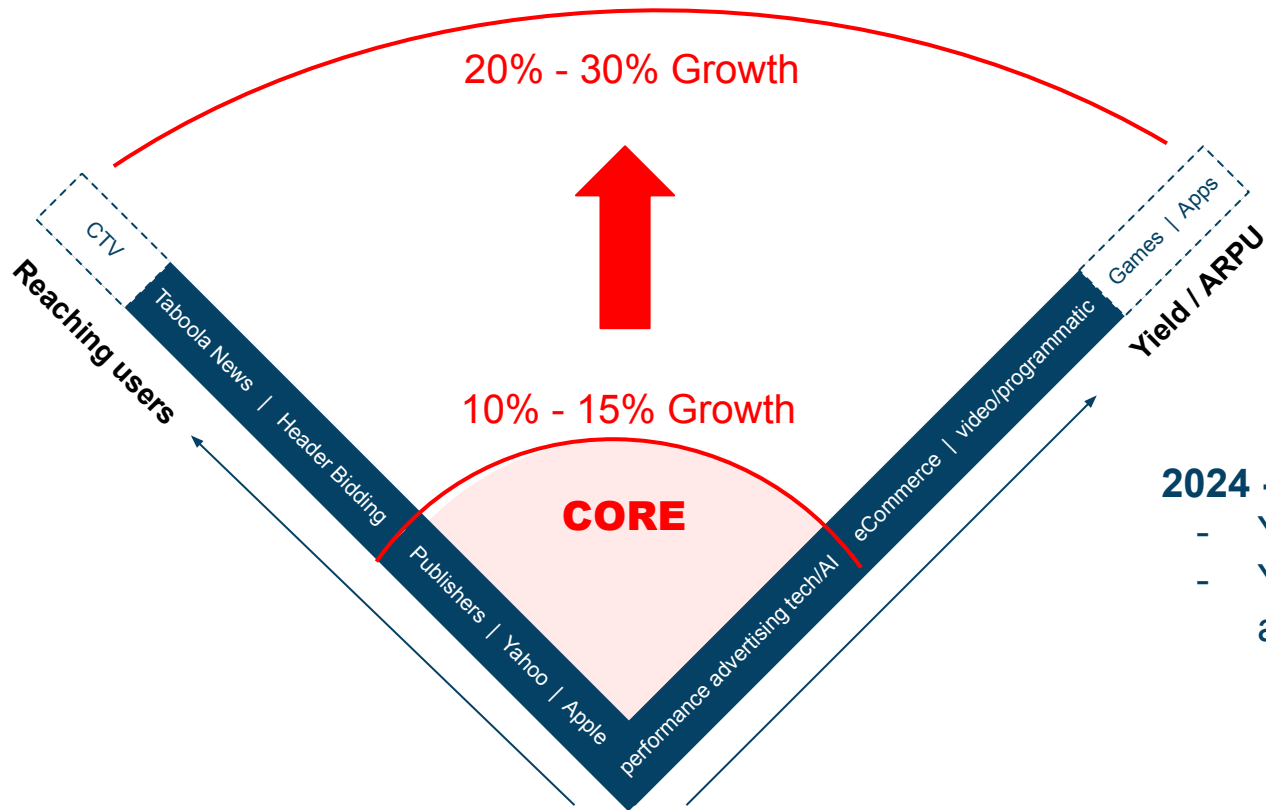
OUR SCALE DRIVES NETWORK EFFECT THAT CREATES COMPETITIVE ADVANTAGE

Our predictable access to scale creates strong network effects that drive higher yield



6

SIGNIFICANT GROWTH OPPORTUNITIES



2024 - 2025 outsized growth

- Yahoo ramping
- Yield growth through advertisers adoption of AI

7

PROVEN, FOUNDER-LED MANAGEMENT TEAM



Adam Singolda
17 years at Taboola
Founder & CEO



Stephen Walker
10 years at Taboola
CFO



Eldad Maniv
12 years at Taboola
President & COO



Lior Golan
15 years at Taboola
CTO



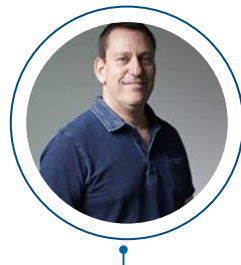
Kristy Sundjaja
4 years at Taboola
CPO



Tal Sliwowitz
11 years at Taboola
SVP, R&D



Ran Buck
11 years at Taboola
SVP, Global Revenue



Ehud Furman
9 years at Taboola
SVP, Global Sales Alliances,
Strategic Partnerships



Bill Glass
3 years at Taboola
SVP, CEO/General
Manager of Connexity



Blythe Holden
3 years at Taboola
General Counsel &
Corporate Secretary



Tom Inbal
8 years at Taboola
SVP, Strategy &
Corporate Marketing



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STRONG FINANCIAL PROFILE

FAST GROWING

\$667M
2024
ex-TAC Gross Profit⁽¹⁾

18%

Seven Year
 Compounded
 ex-TAC
 Growth Rate⁽²⁾



HIGH PROFITABILITY

\$200M+
2024
Adj. EBITDA⁽¹⁾

30%

2024 Adjusted
 EBITDA
 Margin %⁽¹⁾



STRONG BALANCE SHEET

\$28M
Net Cash Position

\$181M

Cash Balance
 at End of June
 30, 2024⁽³⁾



GENERATING CASH FLOW

\$100M+
2024
Free Cash Flow⁽¹⁾

50%+

Free Cash Flow
 Conversion



HIGHLY PREDICTABLE MODEL - LONG-TERM ACCESS TO SUPPLY & DIRECT ADVERTISER RELATIONSHIPS



3+ year average contract length with publishers



90%+ of revenue comes from direct relationships with advertisers

(1) Non-GAAP measure; see Appendix: Non-GAAP Guidance Reconciliation for more information for this Non-GAAP measure.

(2) Growth Rate reflects actual results for 2017 - 2024

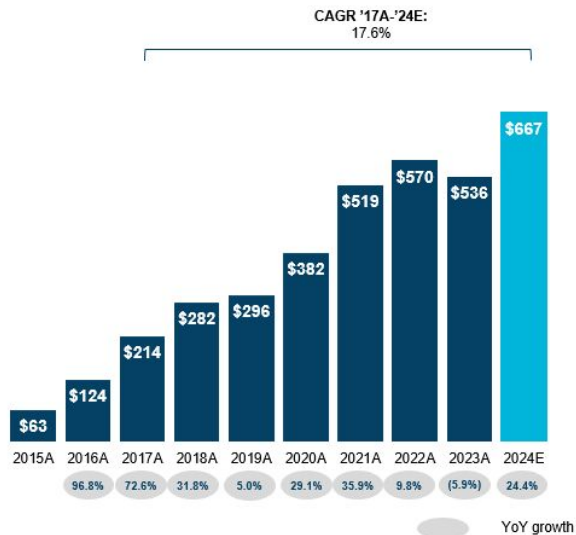
(3) Comprised of cash, cash equivalents and short-term investments.

FINANCIAL HIGHLIGHTS

TABOOLA FOCUSES ON PROFITABLE GROWTH

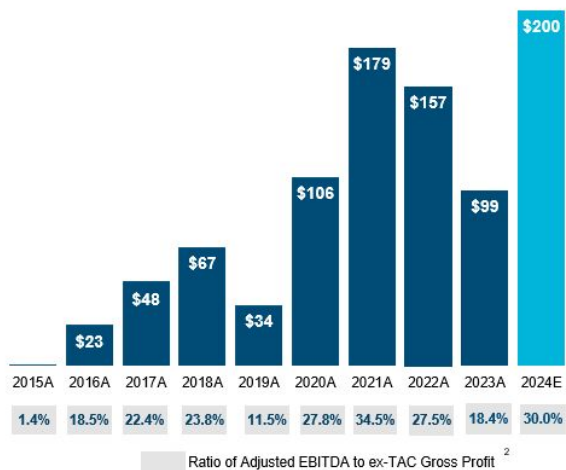
ex-TAC Gross Profit

(\$ in millions)



Adj. EBITDA¹

(\$ in millions)



LONG-TERM MODEL

20%

ex-TAC Gross Profit
Growth

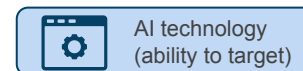
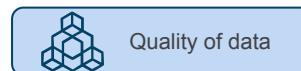
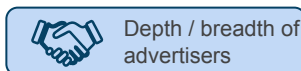
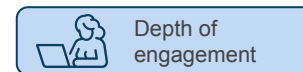
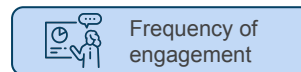
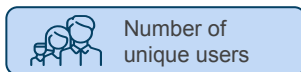
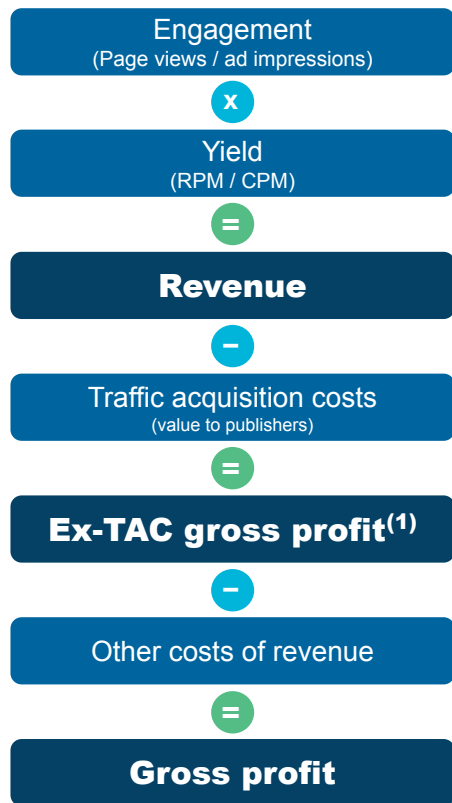
30%+

Ratio of Adjusted EBITDA to
ex-TAC Gross Profit

50%+

FCF conversion from
Adjusted EBITDA long-term

REVENUE MODEL DRIVES HIGH INCREMENTAL MARGINS



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

- **Revenue Share Deals:** x% of Revenues generated on that publisher site
- **OR**
- **Guarantee Deals:** greater of rev. share (x%) or min guarantee (\$y per 000 page views)

- Portion of Revenues we keep
- Often called Revenue ex-TAC or Net Revenue at other companies

- Direct Cost of Servicing Revenues (people, servers, hosting, etc.)
- Amortization of Capitalized Software

- Standard gross profit metrics which aligns with GAAP reporting unless adjusted

GROWTH DRIVEN BY USER ENGAGEMENT & YIELD

1

1

User Engagement Growth Driven Primarily By New Publisher Supply

- Historically ~10% new supply growth
- Projecting similar range going forward over the long term

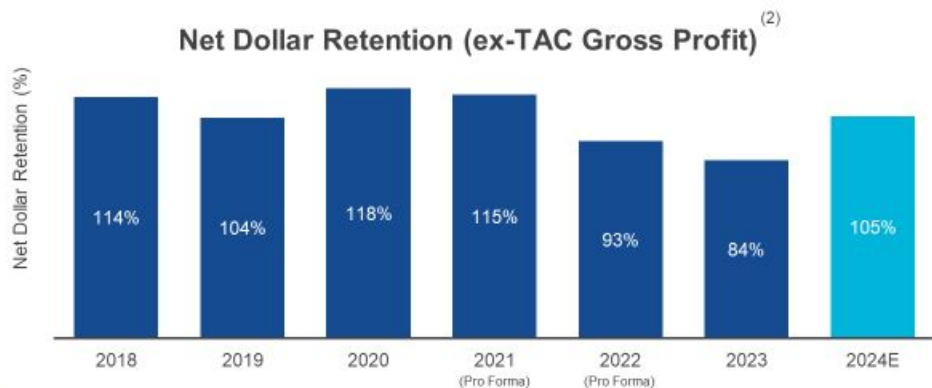
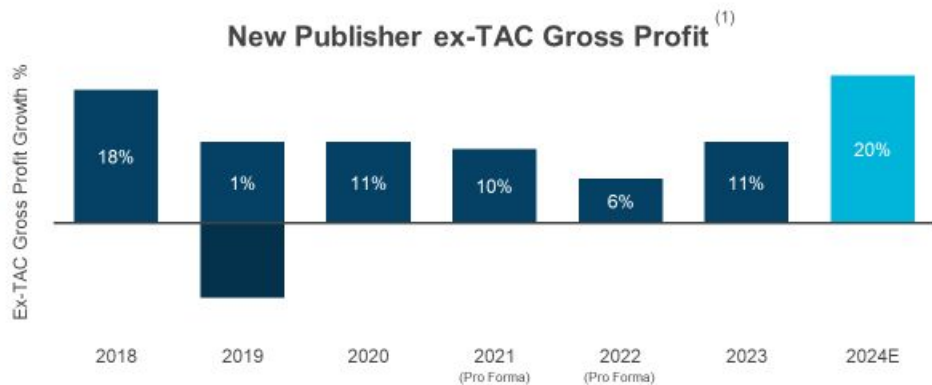
2

Yield Is Primary Driver Of Growth Of Existing Base, Which Shows Up in Net Dollar Retention

- Improvements in yield
- Additional upsells to existing pubs
- Historically 110%+

(1) New digital property partners within the first 12 months that were live on our network. Pro forma effect of the Connexity acquisition as if completed on January 1, 2021

(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. Pro forma effect of the Connexity acquisition as if completed on January 1, 2021



WHY TABOOLA

Bringing walled garden experiences to an \$80B+ Open Web market

- 1 Integrated native advertising experience
- 2 Long-term, exclusive access to supply and direct relationships with advertisers
- 3 AI driven tech platform that is best-in-class
- 4 Taboola tech & code on page built for a cookie-less world

Positioned for continued leadership

- 5 Our scale drives network effects that create competitive advantage
- 6 Significant growth opportunities
- 7 Proven, founder-led management team
- 8 Strong financial profile



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Q2 2024 BUSINESS IN REVIEW

Strong results; accelerating growth rates

Renewing and building new long term relationships

- Publisher wins that were new and from competitors included Adevinta Global MSA, a360media, Foundry, Mediahuis Ireland, and NESN.
- Renewed relationships with many well-known publishers including Sky News Australia and Globes IL.

Seeing strength in key business areas

- Business momentum accelerating: ex-TAC +21%, Adj EBITDA +138%, and Free Cash Flow +237% year over year.
- Maximize Conversions AI-powered bidding technology adoption now approaching 70% of our revenue, up approximately 10 points from Q1 2024
- Tier 1 brand & agency spend accounts for 25% of revenue, growing fast.



Q2 2024 RESULTS BEAT REVENUES, EX-TAC & ADJ. EBITDA

| | Q2 2024 Actuals | Guidance |
|----------------------------------|-----------------|------------------------|
| Revenues | \$428M | \$410 to \$440M |
| Gross profit | \$115M | \$110 to \$120M |
| ex-TAC Gross Profit ¹ | \$150M | \$140 to \$150M |
| Adj. EBITDA ¹ | \$37M | \$20 to \$30M |

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

2024 GUIDANCE - EXPECTING RECORD YEAR WITH SUBSTANTIAL GROWTH ACROSS ALL KEY METRICS

| | Q3 2024 GUIDANCE ⁽³⁾ | FY 2024 GUIDANCE ⁽³⁾ |
|----------------------------------|--------------------------------------|--|
| Revenues | \$416 to \$446M (+20% YoY) | \$1,735 to \$1,765M (+22% YoY) |
| Gross profit | \$129 to \$139M (+33% YoY) | \$535 to \$555M (+28% YoY) |
| ex-TAC Gross Profit ¹ | \$159 to \$169M (+28% YoY) | \$656 to \$679M (+24% YoY) |
| Adj. EBITDA ² | \$42 to \$52M (+106% YoY) | \$200M+ (~2x YoY) |

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

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

(3) Y/Y growth rates represent the midpoint of guidance ranges

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.

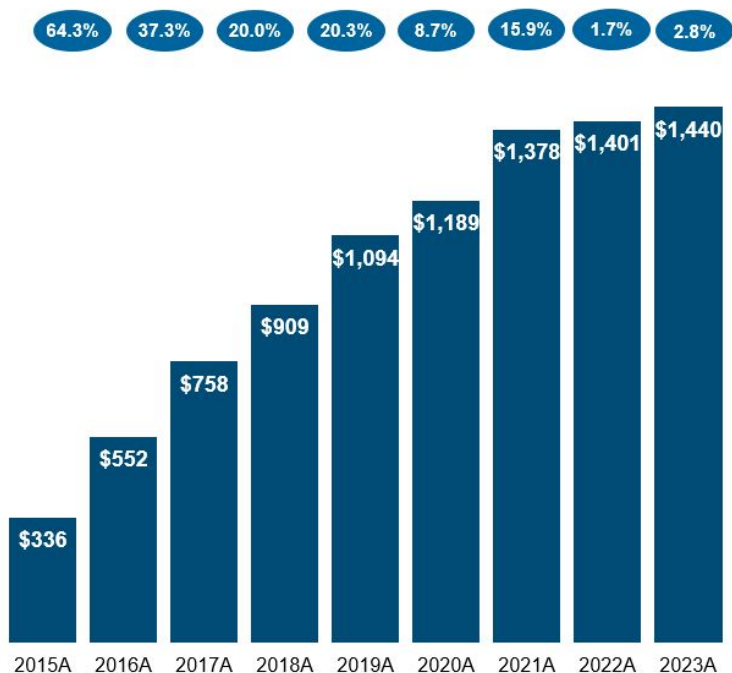
(2) Revenue to Taboola after TAC paid to Publishers. Non-GAAP measure, see appendix for reconciliation to GAAP

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

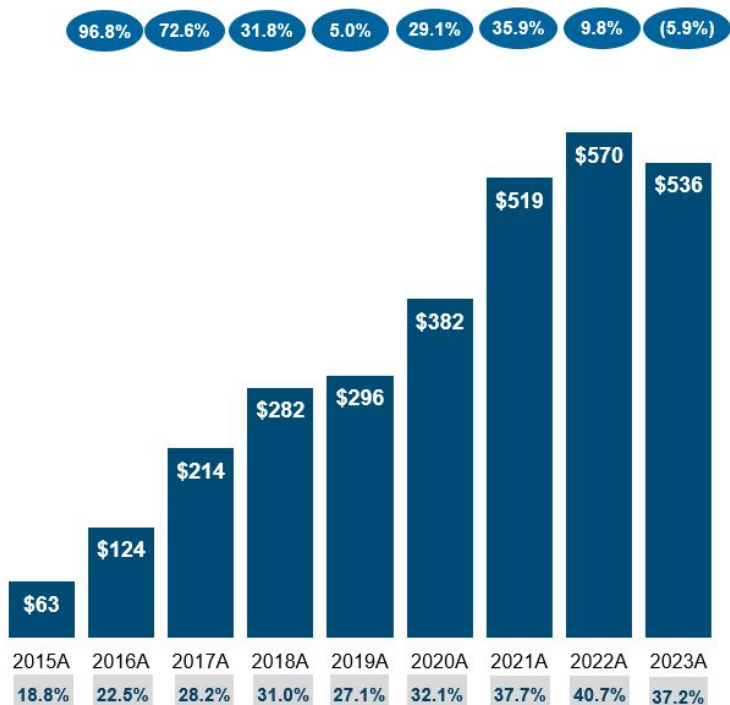
(4) Non cash charges, Cash charges excluded from Adjusted EBITDA

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

Revenues



ex-TAC Gross Profit¹



SELECTED GAAP AND NON-GAAP METRICS

| (\$ in millions, FYE) | 2018A | 2019A | 2020A | 2021A | 2022A | 2023A | 2024E | Long-Term Model |
|---|--------|----------|----------|----------|----------|----------|----------|-----------------|
| Revenues | \$ 909 | \$ 1,094 | \$ 1,189 | \$ 1,378 | \$ 1,401 | \$ 1,440 | \$ 1,750 | |
| % YoY Growth | 20.0% | 20.3% | 8.7% | 15.9% | 1.7% | 2.8% | 21.6% | |
| Gross Profit | \$ 234 | \$ 232 | \$ 319 | \$ 441 | \$ 464 | \$ 426 | \$ 545 | |
| % YoY Growth | 31.1% | -0.9% | 37.5% | 38.2% | 5.3% | -8.3% | 28.1% | |
| ex-TAC Gross Profit ¹ | \$ 282 | \$ 296 | \$ 382 | \$ 519 | \$ 570 | \$ 536 | \$ 668 | |
| % YoY Growth | 31.8% | 5.0% | 29.1% | 35.9% | 9.8% | -5.9% | 24.6% | 20%+ |
| Adjusted EBITDA ¹ | \$ 67 | \$ 34 | \$ 106 | \$ 179 | \$ 157 | \$ 99 | \$ 200+ | |
| Ratio of Adjusted EBITDA to ex-TAC Gross Profit | 23.8% | 11.5% | 27.7% | 34.5% | 27.5% | 18.4% | 30% + | 30%+ |

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

Note: 2024 projections reflect the midpoint of current company guidance.

Note: Adj. Gross Profit Margin is calculated by dividing Gross profit by ex-TAC Gross Profit.

FY 2024 GUIDANCE

| (\$ in millions) | Actual | Actual | Actual | Guidance | | | |
|---|----------------|----------------|----------------|---------------------------|---------------|-----------|-------------|
| | FY 2021 | FY 2022 | FY 2023 | FY 2024 | YoY% | | |
| Revenues | \$1,378 | \$1,401 | \$1,440 | \$1,735 to \$1,765 | 21% | to | 23% |
| Gross Profit | \$441 | \$464 | \$426 | \$535 to \$555 | 26% | to | 30% |
| ex-TAC Gross Profit ¹ | \$519 | \$570 | \$536 | \$656 to \$679 | 22% | to | 27% |
| Adjusted EBITDA ¹ | \$179 | \$157 | \$99 | \$200+ | 103% + | | |
| Non GAAP Net Income ¹ | \$114 | \$91 | \$33 | \$84 to \$104 | 158% | to | 219% |

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

ADDITIONAL MODELING ASSUMPTIONS

- Interest payments: \$18.6M in 2023 and \$14.7M in 2024; approximately \$3.7M per quarter associated with \$152.7M term loan related to the Connexity acquisition and reflecting our \$50M voluntary prepayment in October 2023.
- Share based compensation: \$64M in 2023 and \$68M estimated for 2024.
- Depreciation & Amortization: \$97M in 2023 and \$98M estimates for 2024.
- CAPEX (includes investments in property and equipment, leasehold improvements and capitalized software): \$32M in 2023 and \$38M estimated for 2024.
- Free Cash Flow before publisher prepayments (net) expected to be 50 - 60% of Adjusted EBITDA in long-term models.
- Over the long term, the estimated effective tax rate is expected to fall within the range of 16% to 18%

ADJUSTED EBITDA RECONCILIATION

(\$ in millions)

| | 2016A | 2017A | 2018A | 2019A | 2020A | 2021A | 2022A | 2023A |
|--|-----------------|----------------|----------------|------------------|-----------------|------------------|------------------|------------------|
| Net income (loss) | \$ (2.7) | \$ 2.8 | \$ 10.7 | \$ (28.0) | \$ 8.5 | \$ (24.9) | \$ (12.0) | \$ (82.0) |
| Adjustments: | | | | | | | | |
| Financial expenses (income), net | 0.8 | (0.3) | 1.3 | 3.4 | 2.7 | (11.3) | (9.2) | 12.8 |
| Tax expenses | 4.3 | 5.1 | 5.3 | 5.0 | 14.9 | 23.0 | 7.5 | 5.5 |
| Depreciation and amortization | 13.3 | 28.2 | 35.3 | 39.4 | 34.0 | 53.1 | 91.2 | 96.5 |
| Share-based compensation expenses ¹ | 6.3 | 10.8 | 10.5 | 8.2 | 28.3 | 124.2 | 63.8 | 53.7 |
| Revaluation of Contingent Liability | 1.4 | 1.6 | 3.8 | - | - | - | - | - |
| M&A costs ² | - | - | - | 6.1 | 17.8 | 11.7 | 0.8 | 1.6 |
| Restructuring expenses | - | - | - | - | - | - | 3.4 | - |
| Holdback compensation expenses | - | - | - | - | - | 3.7 | 11.1 | 10.6 |
| Adjusted EBITDA | \$ 23.4 | \$ 48.2 | \$ 66.9 | \$ 34.1 | \$ 106.2 | \$ 179.5 | \$156.7 | \$ 98.7 |

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.

QUARTERLY RESULTS: ADJUSTED EBITDA RECONCILIATION

(\$ in millions)

| | Q1-23A | Q2-23A | Q3-23A | Q4-23A | FY 2023 | Q1-24A | Q2-24A |
|--|------------------|------------------|------------------|----------------|------------------|------------------|-----------------|
| Net income (loss) | \$ (31.3) | \$ (31.3) | \$ (23.1) | \$ 3.7 | \$ (82.0) | \$ (26.1) | \$ (4.3) |
| Adjustments: | | | | | | | |
| Financials expenses (income), net | 3.2 | 3.8 | 4.4 | 1.4 | 12.8 | 3.6 | (1.0) |
| Tax expenses (income) | (0.6) | 2.5 | - | 3.7 | 5.6 | 4.3 | (2.4) |
| Depreciation and amortization | 22.6 | 22.8 | 25.3 | 25.8 | 96.5 | 25.3 | 25.9 |
| Share-based compensation expenses ¹ | 13.5 | 13.9 | 13.6 | 12.8 | 53.8 | 13.8 | 15.7 |
| M&A costs and Other Costs ² | 0.2 | 1.3 | - | - | 1.5 | - | 0.7 |
| Restructuring expenses | - | - | - | - | - | - | - |
| Connexity holdback | 2.6 | 2.6 | 2.6 | 2.7 | 10.5 | 2.6 | 2.6 |
| Adjusted EBITDA | \$ 10.2 | \$ 15.6 | \$ 22.8 | \$ 50.1 | \$ 98.7 | \$ 23.5 | \$ 37.2 |

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

²Includes Commercial agreement asset acquisition costs.

EX-TAC GROSS PROFIT RECONCILIATION

(\$ in millions)

| | 2016A | 2017A | 2018A | 2019A | 2020A | 2021A | 2022A | 2023A |
|---------------------------------------|----------|----------|----------|------------|------------|------------|------------|------------|
| Revenues | \$ 552.1 | \$ 757.9 | \$ 909.2 | \$ 1,093.8 | \$ 1,188.9 | \$ 1,378.5 | \$ 1,401.2 | \$ 1,439.7 |
| Traffic Acquisition Cost (TAC) | 427.7 | 544.2 | 627.7 | 798.0 | 806.5 | 859.6 | 831.5 | 903.9 |
| Other Cost of Revenues | 23.2 | 35.1 | 47.3 | 63.9 | 62.9 | 77.8 | 105.4 | 110.3 |
| Gross Profit | \$ 101.2 | \$ 178.6 | \$ 234.2 | \$ 231.9 | \$ 319.5 | \$ 441.1 | \$ 464.3 | \$ 425.5 |
| Other Cost of Revenues | 23.2 | 35.1 | 47.3 | 63.9 | 62.9 | 77.8 | 105.4 | 110.3 |
| ex-TAC Gross Profit | \$ 124.4 | \$ 213.7 | \$ 281.5 | \$ 295.8 | \$ 382.4 | \$ 518.9 | \$ 569.6 | \$ 535.8 |

RATIO OF ADJUSTED EBITDA TO EX-TAC GROSS PROFIT RECONCILIATION

(\$ in millions)

| | 2016A | 2017A | 2018A | 2019A | 2020A | 2021A | 2022A | 2023A |
|---|--------|--------|--------|--------|--------|--------|--------|--------|
| Gross Profit | \$ 101 | \$ 179 | \$ 234 | \$ 232 | \$ 319 | \$ 441 | \$ 464 | \$ 426 |
| Net Income (loss) | (3) | 3 | 11 | (28) | 8 | (25) | (12) | (82) |
| Ratio of Net income (loss) to Gross profit | -3% | 2% | 5% | -12% | 3% | -6% | -3% | -19% |
| ex-TAC Gross Profit | \$ 124 | \$ 214 | \$ 282 | \$ 296 | \$ 382 | \$ 519 | \$ 570 | \$ 536 |
| Adjusted EBITDA | 23 | 48 | 67 | 34 | 106 | 179 | 157 | 99 |
| Ratio of Adjusted EBITDA to ex-TAC Gross Profit | 19% | 23% | 24% | 11% | 28% | 34% | 28% | 18% |

EX-TAC GROSS PROFIT MARGIN RECONCILIATION

(\$ in millions)

| | 2016A | 2017A | 2018A | 2019A | 2020A | 2021A | 2022A | 2023A |
|----------------------------|---------------|---------------|---------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Revenues | \$ 552 | \$ 758 | \$ 909 | \$ 1,094 | \$ 1,189 | \$ 1,378 | \$ 1,401 | \$ 1,440 |
| Gross Profit | 101 | 179 | 234 | 232 | 319 | 441 | 464 | 426 |
| Gross Profit Margin | 18% | 24% | 26% | 21% | 27% | 32% | 33% | 30% |
| Revenues | \$ 552 | \$ 758 | \$ 909 | \$ 1,094 | \$ 1,189 | \$ 1,378 | \$ 1,401 | \$ 1,440 |
| ex-TAC Gross Profit | 124 | 214 | 282 | 296 | 382 | 519 | 570 | 536 |
| ex-TAC Gross Profit Margin | 23% | 28% | 31% | 27% | 32% | 38% | 41% | 37% |

HISTORICAL ADJ. GROSS PROFIT MARGIN RECONCILIATION

(\$ in millions)

| | 2020A | 2021A | 2022A | 2023A |
|---------------------------------------|----------|----------|----------|----------|
| Revenues | \$ 1,189 | \$ 1,378 | \$ 1,401 | \$ 1,440 |
| Traffic Acquisition Cost (TAC) | 807 | 859 | 832 | 904 |
| ex-TAC Gross Profit | \$ 382 | \$ 519 | \$ 570 | \$ 536 |
| Other Cost of Revenues | 63 | 78 | 105 | 110 |
| Gross Profit | \$ 319 | \$ 441 | \$ 464 | \$ 426 |
| <i>Gross Profit Margin</i> | 27% | 32% | 33% | 30% |
| <i>Adj. Gross Profit Margin</i> | 84% | 85% | 81% | 79% |

HISTORICAL FREE CASH FLOW RECONCILIATION

(\$ in millions)

| | 2020A | 2021A | 2022A | 2023A | Q1-24A | Q2-24A |
|--|---------|---------|---------|---------|--------|---------|
| Net cash from operating activities ¹ | \$ 139 | \$ 64 | \$ 53 | \$ 84 | \$ 32 | \$ 38 |
| Net cash used in the following investing activities | \$ (18) | \$ (39) | \$ (35) | \$ (32) | \$ (5) | \$ (12) |
| Intangible assets | (9) | (14) | (13) | (12) | (3) | (3) |
| Purchase of IT equipment & Leasehold Improvement | (9) | (25) | (22) | (20) | (2) | (9) |
| Free Cash Flow | \$ 121 | \$ 25 | \$ 19 | \$ 52 | \$ 27 | \$ 26 |

SUPPLEMENTAL CASH FLOW INFORMATION

| | 2020A | 2021A | 2022A | 2023A | Q1-24A | Q2-24A |
|--|----------------|----------------|----------------|----------------|----------------|----------------|
| Free Cash Flow | \$121.3 | \$ 24.5 | \$ 18.6 | \$ 52.2 | \$ 26.8 | \$ 26.2 |
| Add back: | | | | | | |
| Cash investment in publisher prepayments (net) ¹ | (4.5) | 7.3 | 15.3 | (19.6) | (7.3) | (7.3) |
| Cash interest expense for money borrowed | 0.0 | 1.1 | 20.7 | 18.5 | 3.6 | 3.7 |
| Total - Cash generated before cash interest and publisher prepayments (net) | \$116.8 | \$ 32.9 | \$ 54.6 | \$ 51.1 | \$ 23.1 | \$ 22.6 |

(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.

NON-GAAP NET INCOME RECONCILIATION

| <i>(\$ in millions)</i> | 2021A | 2022A | 2023A |
|--|------------------|------------------|------------------|
| Net income (loss) | \$ (24.9) | \$ (12.0) | \$ (82.0) |
| Adjustments: | | | |
| Amortization of acquired intangibles | 23.0 | 63.6 | 63.9 |
| Share-based compensation expenses ¹ | 124.2 | 63.8 | 53.7 |
| Restructuring expenses | - | 3.4 | - |
| Holdback compensation expenses | 3.7 | 11.1 | 10.6 |
| M&A and other costs ² | 11.7 | 0.8 | 1.6 |
| Revaluation of Warrants | (22.6) | (24.4) | (0.7) |
| Foreign currency exchange rate | 4.6 | (1.4) | (0.9) |
| Income tax effects | (6.1) | (13.5) | (13.6) |
| Non GAAP Net Income | \$ 113.6 | \$ 91.4 | \$ 32.6 |

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.

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

CONSOLIDATED BALANCE SHEET

| (\$ in millions) | As of | | | | |
|--|--------------------|--------------|--------------------|--------------------|--------------------|
| | As of Dec 31, 2020 | Dec 31, 2021 | As of Dec 31, 2022 | As of Dec 31, 2023 | As of Jun 30, 2024 |
| Cash, cash equivalents, short-term deposits and investments | \$ 243 | \$ 319 | \$263 | \$183 | \$182 |
| Total Assets | \$ 580 | \$ 1,598 | \$1,530 | \$1,708 | \$1,632 |
| Total Liabilities & Convertible Shares | \$ 534 | \$ 830 | \$695 | \$651 | \$622 |
| Accumulated deficit and accumulated other comprehensive income (loss) | \$ (31) | \$ (56) | \$(68) | \$(150) | \$(181) |
| Additional Paid-in-capital and treasury Ordinary shares | \$ 78 | \$ 824 | \$903 | \$1,207 | \$1,191 |
| Total Shareholders' Equity | \$ 47 | \$ 768 | \$835 | \$1,057 | \$1,010 |

Q3 2024 and 2024 FULL YEAR GUIDANCE: EX-TAC GROSS PROFIT RECONCILIATION

| | Guidance | Guidance |
|---------------------------------------|------------------------|----------------------------|
| | Q3-24 | FY 2024 |
| <i>(\$ in millions)</i> | | |
| Revenues | \$416 to \$446 | \$1735 to \$1765 |
| Traffic Acquisition Cost (TAC) | (\$257 - \$277) | (\$1,079 - \$1,086) |
| Other Cost of Revenues | (\$30 - \$30) | (\$121 - \$124) |
| Gross Profit | \$129 to \$139 | \$535 to \$555 |
| Other Cost of Revenues | \$30 - \$30 | \$121 - \$124 |
| ex-TAC Gross Profit | \$159 to \$169 | \$656 to \$679 |

Note Regarding Adjusted EBITDA Guidance

Although we provide guidance for Adjusted EBITDA, we are not able to provide guidance for projected Net income (loss), the most directly comparable GAAP measure. 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.

Taboola



**THANK
YOU!**