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<<Justin Patterson, Analyst, KeyBanc Capital Markets>>

Good morning. Thank you for attending the KeyBanc Technology Leadership Forum. I'm Justin Patterson. I lead the Internet and Digital Media Research team over at KeyBanc. Really excited to have Adam Singolda, the CEO and Founder of Taboola with us this morning. Taboola recently went public via SPAC, just reported earnings yesterday, which has another beat and rise quarter. So congratulations on that achieve – on both achievements, Adam.

<<Adam Singolda, Founder and Chief Executive Officer>>

Thank you. It's been quite 40 days. I mean, we went public. My mom flew in for that event, which was amazing then my mom in the room as I was ringing the bell. And then few weeks afterwards, we announced buying Connexity for \$800 million. And then yesterday we shared their earnings, which we had amazing performance and so does not have – I don't know, Justin, you could have told me a few months SPAC is going public is so much work. It's just like so much going on.

<<Justin Patterson, Analyst, KeyBanc Capital Markets>>

It is a lot of work kind of like building the Legos, but it's a good journey along the way.

<<Adam Singolda, Founder and Chief Executive Officer>>

I know, for me, Lego is really – it's really it's a matter of being Zen and finding that moment of creativity, but and that's why we both like it.

<<Justin Patterson, Analyst, KeyBanc Capital Markets>>

Definitely. Adam, to begin, that'd be helpful if you just provided an overview of Taboola. You've been around for roughly 14 years now. So talk about just your vision for the company, the opportunities you saw and what you've really built these past decade real quick.

<<Adam Singolda, Founder and Chief Executive Officer>>

Yeah. So we power recommendations for the Open Web. When I started, I thought that I should not be looking for information, information should be looking for all of us. And search engines became a huge category. As soon as people know what they want to do next, we only have 24 hours a day and I'm convinced that, the future of many of us and our kids and their kids will be driven by suggestions made all around us on websites, on apps, on your TV, on your car, on audio devices. And it will say you may like, and the more it gets closer to what you want to do next, you'll be, you'll have a better version of your life because you discover things you like,

product you need to buy, people you need to meet, articles you have to read, videos you might want to watch, music and so forth.

So we're going after that category recommendation specifically for the Open Web, which means we work outside of the Walled Gardens, our Google, Facebook, Amazon, operates and then our clients on the one side, their advertisers, most of them directly working with us. We have 13,000 advertisers. And then on the other side, we have publishers we work with exclusively long-term globally amazing incredible publishers as well.

So we found this very win-win way of working with our both communities, driving that growth. And I believe it's a huge opportunity. It's amazing the Open Web is a \$60-plus billion market. It's a big market it's growing 10%, 50% a year. But if you think about how most of it has been monetized, it's still been monetized using banners. Banners were invented 27 years ago. And I just cannot imagine the future of the Internet's been more banners. So I think there's a revolution that's happening online, where by Instagram looks beautiful. We checked in Asia looks beautiful, but the Internet is still kind of clunky and fragmented. So it should transform and be more like Instagram but around editorial content. So that's a revolution we're driving and we're having a good time doing so.

<<Justin Patterson, Analyst, KeyBanc Capital Markets>>

Great to hear. I definitely want to talk about more of that revolution, but maybe one more from a historic perspective, ad tech has gone through a lot of changes with the evolution of the open Internet in the past several years. And oftentimes, you see companies come and go during that cycle. What has really made Taboola a durable and profitable business during these past 14 years?

<<Adam Singolda, Founder and Chief Executive Officer>>

I mean so one, I think that one of our biggest innovation is culture. We weren't first in anything actually, but we became the best and biggest in many areas, because we're able to drive more value to our clients and partners and build the culture at Taboola that that is resilient and strong and passionate and have empathy around it. So when you look at my leadership team, we've been together for 10 years. We've been through good times, bad times. You're starting to pandemic when we were home, but we had a weekly call with 1,400 people about actually we had no agenda.

We weren't on a call. And we said, let's talk about whatever is on people's mind. And our performance went up through that. We launched pandemic packages for publishers and advertisers and execution was always kind of like our Northstar alongside being in a culture that was centered around intelligence, passion and empathy. So that was really unique, never bash other – anyone just focus on doing the work.

And then second thing was being and by the way, in that phase, it's interesting because people always get emotional about, but I was first I deserved to win and actually mostly company we're never first in anything. Google wasn't first. Amazon wasn't first. So many of them were not,

Facebook wasn't first. So but it became the biggest. So we had this culture of execution and around our values, and then we became a client focused. But the way we wanted to work with the Open Web was not about buying inventory and making it work for advertisers, but rather build a strategic relationship with Open Web with publishers and make money with that.

So just fundamentally, we kind of reversed the way we work. We serve first, the CNBCs and ESPNs of the world, and making sure that they can drive revenue, engagement and audience. We want to do that for them forever. Two, three, four, five years exclusive long-term relationship, which never really happened online center it started at that scale. You've never seen a company that has 9,000 publisher partners and all of them are exclusive long-term.

But when we're able to build so much strategic value for publishers and in exchange, I love the stack and said, let's work forever together. Then we could go to advertisers and focus on AI and drive yield growth and build this profitable, predictable business, because if we see it today on the – on USA today, we'll see it tomorrow again, because we're there for a long time. And I think that was fundamentally a shift from companies who buy inventory and make it better to companies who we are to publishers. We are the open way. And we make money from ads versus the other way around then I think that was it gave us a lot of opportunity to drive a company that that is growing revenue and ad tech as well as profits.

<<Justin Patterson, Analyst, KeyBanc Capital Markets>>

Definitely. I like the way you characterize it there, you're helping your partners grow within the overall ecosystem, you're aligned with their interests. And that brings back a point you'd brought up during the SPAC process that Taboola to advertising is like Shopify to e-commerce. So would love to hear you talk a little bit more about that, that parallel, that how you're delivering more value to the publishers and helping them monetize and what is often a very difficult environment, but with competing against the Walled Gardens.

<<Adam Singolda, Founder and Chief Executive Officer>>

Yeah. I love the Shopify story, because it's kind of like an infrastructure story. It's more than anything, they are building the pipes. You're just making sure if you want to – if you have a dream to build a store, of course, you're going to have your Amazon partnerships, but it should have an Open Web strategy too. And I liked that a lot, because it's kind of like a full stack offering, which in many ways, I feel like we're doing for the Open Web, but in with publishers.

And with Connexity now we're spending that. But the analogy is that we first work with publishers to drive the infrastructure they need or they want to drive growth across all the KPIs they like. As an example, if you want to publish or you spend so much time and efforts creating premium content, what tools and data and services you provide your tutorial team. So they can know what content they should write, how should they AB test creatives or know what's the right way to serve the content.

How do they drive subscription growth? How do they get emails to work? How did they drive people on the site? All those things help them engage consumers that are already under site

before they click back and go to Facebook. We liked that. We want people to never go back to Facebook. So that piece of technology, which Taboola spends \$100 million a year on R&D goes to a variety of technologies that help publishers grow engagement on their own site for free. And then on top of that, we have audience services. We tell them, I will take all of your content. And Apple has Apple news. We have Taboola news, which is our integration on OEM devices. We reported a great partnership with Samsung in Brazil. You buy Samsung and Swipe Right, there's news powered by Taboola sending people to the publishers.

So now they get new audience. So they work with us. They get new people through the site. Up until now, we haven't even served a single ad. And now we became the first, one of the top three revenue source for them by integrating natively beautiful ads on those site, alongside our recommendations. So it's like, it's much, it's so much more of a Shopify full stack thinking with revenue on top of it versus revenue first, which helped us greatest win-win approach. And again, I'm so proud of that. We have publishers with 20 more because that's for such a long time, which allows us to have this predictability that I think investors really appreciate in the advertising space, because if they've been here before, they've seen this up and down relationship with Open Web now, I think they see something different.

<<Justin Patterson, Analyst, KeyBanc Capital Markets>>

Yeah. And the natural extension of that is by virtue of having all of these publisher relationships across devices, having Taboola everywhere, so to speak that your reach really starts to extend out there. So we'd love to hear you talk about just where are your reaches today? And then some of the unique data-driven insights that a business with Taboola's reach can generate.

<<Adam Singolda, Founder and Chief Executive Officer>>

Yeah. So through those exclusive long-term relationships, we're able to now look at all of them and say, what is our daily active users? Because again, we're not bidding on things, right. We were hard to put it on the page. That's why we have first party cookie as well. Because when you go to a publisher working with Taboola, we're starting your recommendations. We're creating our feed ourselves.

So our reach now of daily active users is roughly 0.5 billion people a day, which is more than Snap and Twitter combined, which is fantastic, mainly because it gives advertisers comforts. They can rely on us and reach consumers at scale, whether that's a performance offering or more of a premium video demand in the middle of the page or homepage and things of that nature. So from a reach perspective, we have this large rich at this point in terms of the data and curiosity graph, I call it, its right interesting.

When you go to Facebook, it tells Facebook who you are, or at least you tell Facebook who you wish people thought you are. You tell – you post things about great movies you watched or great movies you like, it doesn't mean really even watched a movie, but it's a cool thing for people to know about you. When you go to the Open Web and you read about things you really care about, because you would never share a healthcare issue you might have with Facebook. It's the personal. You never said something about your kids on Facebook, it's personal. But you will read

about it like crazy person in bed, on a mobile device, on the weekend and that's where Taboola sees you in this moment of truth. It's like the Open Web is this an authentic version yourself, because you read about things you really care about.

So this data being created is that it's a great for advertisers, because they can reach you in that moment. You're reading about something you will never tell anyone else about besides yourself. So that is – it's a great curiosity graph that Taboola is powering. And it's allows us to get this readership data, like before this session with you, I was asking my team, what's interesting in the U.S. over the last 90 days versus the nine days beforehand, so some interesting things that some of them are obvious. Some of them are less, but it's exactly SPAC is up 82%. People are reading about SPAC 82%. IPO is up 105%, economy growth is 256%. People are optimistic. They're looking for growth. They are reading about growth. Channel is pretty steady. So that's interesting.

We saw beforehand, we used to see a lot of local traveling. People were looking for how to get to the local beach. Things that are still feel like vacation, but locally there's a lot of readership about kids. 700% increase, not sure what that means exactly, but people were reading about the kids a lot. Over the last 90 days, maybe it's relates to some celebrity. I'm not sure. I'm not cool enough to know why that happens. But there's a lot of that. And of course, COVID and mask and vaccines are all over the place. It's back up.

People are reading about COVID 45% more than they used to 90 days ago and masks 112% more. So it's coming back to all these readership data, it's exposed to our publishers and advertisers, and they can try to tap into that in a contextual way, which is why we're less reliant on third-party cookies, because we know what you're reading about, and people can tap into that.

<<Justin Patterson, Analyst, KeyBanc Capital Markets>>

That brings to – brings us right back to a point you alluded to earlier, Adam, that what more data and the Connexity acquisition and play there's some really exciting opportunities for you ahead. So talk about just how you envision e-commerce playing a role in Taboola's future.

<<Adam Singolda, Founder and Chief Executive Officer>>

I am – so first of all, Taboola standalone, we built the business that is – that's growing fast profitably, it's over \$1 billion in revenue. So there's a lot of scale already and scale and matters in our business, because you have this network effect, the bigger you get more publishers you get, more users you reach, more data has been created and more advertisers can come in and your yield gets up. So we got to that point independently standalone, which is very – I'm very proud of that.

And we've done that not relying on third-party cookies, and that's why you've seen our yield going up over the past few years when the industry became more, when they came care more about privacy and privacy is a good thing. We want to Open Web to be private and keep us all safe. So that's great for us because we feel comfortable about the future. The past growth we'd

had in a third-party cookie less world and so far as an example, it gives us comfort about the future as a proxy.

Now when you had the Connexity or you look at e-commerce, first of all, they've done the same only in a parallel world. They have merchants and advertisers and have publishers that they build shopping sections for them, and they include products and editorial content, not using cookies again.

So that also gives me confident, because now we will be able to bring that into Taboola and be ready for what's to come in the future. Specifically, I think, e-commerce is really important. One, I can tell you any publisher you've talked to has an e-commerce strategy or they really want one. They believe it's a big part of the future. Two, e-marketer published at 65% of publishers plan to get into e-commerce as a big priority for them in the future. Three, if you look outside of your door, I bet you're seeing more boxes recently than you used to see. My guess, you're buying more. I guess, anyone listening to this session, if that's themselves, why is it that, what's going on?

And I think we're in the back of the pandemic, people's behavioral change completely. We're buying more, we're trying new services we've never tried before, and e-commerce is all over the place. We're seeing prices and yield going up on Amazon, Facebook, we're seeing this macroeconomic changes. We see ourselves and I believe none of it is going back. I think the direct-to-consumer and e-commerce opportunity is massive. It's a \$35 billion TAM. And I believe if you don't have an e-commerce strategy for successful business in two or three years, I think you're at risk. So I'm optimistic about the opportunity and I believe once we close the deal, I can't wait to call 9,000 publishers and say, let's launch a shopping section, everybody wants to see in our strategy and it's going to happen.

<<Justin Patterson, Analyst, KeyBanc Capital Markets>>

I'll look forward to seeing that. And I guess with Connexity itself, talk about what attracted you to this particular asset and how that fits what Taboola's culture.

<<Adam Singolda, Founder and Chief Executive Officer>>

Yeah. First of all, the team over there, the leadership has been doing this for decade plus, which I really liked. I like founders and leadership and people in general, they're able to go in good times and bad times together and push through, because those people that carry values into our culture that are forever theirs. And that's a very strong moment, because it ties to execution. And as investors, as whoever we are in this industry, you should care a lot about a group of people that is able to focus passionately and executes, no matter what's around them. So that was great to see and we chose each other in that way. And then the second thing is that the way they run their business, it's very similar to ours in the sense that it's a two-sided marketplace.

It's a B2B company, merchants from the one side, and then 90% of the merchants have direct relationship with Connexity, very similar to Taboola. For us last year, \$1.2 billion in revenue, 90% of it came for advertisers direct. It's not open exchange. It's not programmatic. We know

exactly who they are, right, to optimize directly with us. So Connexity is very similar, about 90% of the merchants have direct relationship with them. Their tenure was huge, years, on the publisher side, the tenure was 4.5 years. So they have these publisher and merchant relationships that are very long-term, very direct on an e-commerce.

So it kind of felt like we looked at each other in the mirror, but in parallel world and the culture was strong. So for those reasons we liked each other, then you looked at synergies. And then it gets really fun. Because you're saying, well, what happens when e-commerce starts bidding and participating on 0.5 billion people a day on Taboola network, yield gets better. When yield gets better, publishers generate more revenue, we become more competitive. We win more.

You saw, we wanted to BBC, which is a royal win for Taboola this quarter first, all these publishers who choose Taboola that's before the e-commerce comes in. The second thing is all of our publishers were love to have a shopping section on their site and blend e-commerce on their products. So that's a great opportunity. And the third one is global. Connexity is very, it's more centered around U.S., UK and others. Taboola have offices in 18 countries.

So we're a very global, but half the revenues U.S. down to half is not. So for us, we're going to also bring Connexity in e-commerce to the rest of the world. So it's a great business similar to us, culture is very strong. I believe if you don't have an e-commerce strategy, it's not on an upside you're missing, it's a downside opportunity – risk for you. And the synergies between us are fantastic. So I just kept trying to close the deal.

<<Justin Patterson, Analyst, KeyBanc Capital Markets>>

Great to hear. So that fits nicely with your Taboola Recommend Anything strategy. You've also spoken to Taboola Anywhere and you mentioned Taboola News in there. I just think through just where those advancement opportunities are within Taboola Anywhere and what your initial learnings around Taboola News have been so far.

<<Adam Singolda, Founder and Chief Executive Officer>>

So one I'm convinced that us – all of us, I look at my kids' behavior and how they interact with a variety of devices around them, okay. We're going to be interacting with recommendation engines all over us and throughout the day. The fact all of us have 24 hours a day. That's never changing. So you can sleep a little bit less, but you need to be more efficient with your time and do things that are more creative with your time. The rest of it, you should make a decision based on personalized recommendations.

And I think of that future, we talked about it, Justin, you and I about a decade ago or so Netflix had the Netflix price. And Netflix is a great company. And even Netflix said, if anyone can improve our recommendation engine will pay them, we'll celebrate them. We would love them. Because it means so much for Netflix to be able to recommend you something a little bit better.

So I think we're going to see that across the board. And when we think about Taboola extending to Recommend Anywhere we're thinking, where else do people make decisions to discover

things? So we started with OEM and carriers, because we said, Apple has Apple News, it's a great product. What about the rest of the world? The billion Android devices out there that are being sold a year, but they don't have that Apple News. And we have all this content with all, 18 countries, global, all languages, AI data, we should bring that fee or those fees to those devices. That was our first step. That's the step we're now walking. We're seeing great success. We just crossed the 20 million engagements a month.

So people are clicking, interacting and reading things. That's big. Because the bigger, this gets, we become more important to publishers as a source of traffic like SEO or actually even Facebook. I only less nicer. So we're seeing great success on Taboola News. And over time, I imagined Taboola being on every – on our connected TV. Every app on my TV should have Taboola inside of it. Every app I open should start with, you may like, powered by Taboola shows I may want to watch next.

It's just has to happen. It's amazing how many times, I'm just see when my wife at the end of the day with a glass of wine, we're trying to watch something, we can't find anything, we close the TV and we're going to sleep, Taboola can help. I had in my car, Spotify, why don't I have Taboola in my car? Why is it in Taboola Recommend me local news, podcasts. This session with you, which is relevant for me. I should have been listened to that that my car. We have all this content. We can bring it to any car in the world. So as we're thinking about next steps, audio, TV, automobile, we want to be integrated on a billion devices, billions of cars over the next decade, but we've started with OEMs and the engagement and performance is amazing.

<<Justin Patterson, Analyst, KeyBanc Capital Markets>>

Got it. And we've talked a lot about reach and monetization yield improvement vectors, but I wanted to go back to something that you had mentioned earlier, Adam, privacy. You have first party data, it's a privacy strict environment right now, whether it's GDPR or the actions of the walled gardens. Would love to hear about how you think of this current environment, creating more opportunities for you ahead.

<<Adam Singolda, Founder and Chief Executive Officer>>

Yeah. So first of all, I think it's a good thing that you're seeing good companies like Microsoft and others saying we care about privacy, users on the Open Web should have someone working for them. So that that actors don't exist at all. Like we do not want bad actors to exist. We do not want any of them do have room and Open Web as we know it. So overall, I think it's a good trend. And I'd like it to be a strong and we should all be as strong as possible around that. For us – and when I started Taboola, I didn't even know it's going to become an opportunity for us in the future, but now it is. Because of our relationship with publishers, because we power the editorial recommendations, we get served 100% of the time.

Like I said, we don't buy inventory. We are part of the page. So that means that those 0.5 billion people we see, we get to serve our own first party cookie to them again and again and again, which helps us to know you're the same person when you come back. It helps us to create a better experience for you as you come back, people click on the Taboola 30 billion times a year,

last year, 30 billion times. Half of it was editorial. Half of it was paid. So all this data helps us to create this correlation that I spoke about earlier about people that read about this, also like to do this and this and that kind of like this Amazon people who buy this also bought that, which just helps us to drive success for advertisers as well as driving yield for publishers.

And like I mentioned earlier, yield is really important. At the end of the day, nobody cares about click-through rates and nobody cares about CPCs. It's not important. What's important is the multiplication of the two. What do you want? You want to see yield gets better. And that's why companies like Facebook and Amazon speak about yield. Nobody speaks about specifically pricing click rates, because any one of them doesn't change anything. It's – when they get together, then the yield is going to best remote.

So we speak about it. We're trying to be very transparent about it, because the better the yield gets. It means the economy is stronger. It means we're getting stronger. It means we become more competitive. And our first party data helps us. And this specifically in apps, we're seeing similar trends with 14.5 of IS. And we kind of look forward to what's to come within the model in the future and upside from that, because we're trying to be conservative. But I do think I feel very comfortable with where things are going

<<Justin Patterson, Analyst, KeyBanc Capital Markets>>

Point on improving yield. You did mention, I believe \$100 million of product innovation, R&D development earlier, Adam. When we think about just kind of where that gets bucketed as a company, how much is really towards say the base business, improving just recommendations the overall core Taboola platform versus some of these new initiatives like Taboola Anywhere or Taboola Recommend Anything.

<<Adam Singolda, Founder and Chief Executive Officer>>

Yeah. I don't know, if our CFO is flashed out, how much of it goes where, but I can tell you, we do invest a lot in our core business, because we believe there's a lot of work for us to do as a company beyond money. Like just, money's not sustainable. Being a revenue source for people is not a sustainable business. Because then someone can always pay a penny more or lose a penny more to win your business. You have to be strategic to people, which is very much believing that. So we invest a lot in all the other things publishers might need such as editorial tools, circulation on their side, AI, subscriptions, analytics, all those things, because I believe people want less vendors, more great partners. And if you believe in that, it means to be on the right side of history invest in what we're investing.

And then it's our core growth and profitability that you've seen our performance yesterday, coming out as a public company that allows us to really invest outside of core, right? We're able to repurpose our proceeds in other things such as recommending Anything and Anywhere. And you can imagine our appetite is still there to do more across these areas I spoke about how do we get into gaming recommendation, app recommendation, more video we're seeing great momentum with demand video, premium demand or premium supply.

So we invest a lot in those things. I'm not sure if we broken up how much of the \$100 million goes to one, but I can tell you we're one of the top companies in Israel for engineers to work for, which I'm very proud of. It's my holy land. And then so we invest a lot in making sure that talented people consider joining Taboola, so we can continue to innovate in the best of what we do.

<<Justin Patterson, Analyst, KeyBanc Capital Markets>>

Yeah. That's a great feed. Congratulations on achieving that. And as I say, what you said there about just multiple growth opportunities that had already being a profitable business. How should we think about that balance between just growth and margin expansion over the next few years?

<<Adam Singolda, Founder and Chief Executive Officer>>

Yeah. We're always trying to – you always think about that trade. I mean, I think you want to have profitable growth, because you want to be able to use that, to repurpose that, to invest and making mistakes. At the end of the day for a company like us, that's growing, I want to grow for \$1 billion in revenue to \$10 billion in revenue. You want to build a culture and a framework that allows you to try things, break things and move in the right direction constantly, right.

So to do that, you have to have a mindset of, to some respect, you want to have some profitable growth in your DNA, in my belief. And that's profit that allows you to dream big, try things and win on some and lose on others, but constantly be innovative and better than other companies in our space.

So I do think that's important. And in terms of how important is growth. We think it's very important. So we're very happy when we're seeing us bidding our growth expectations. We also want to be conservative as we look forward, we just went public. But we feel – and I feel very strongly about where we are or team or market or partners or clients, I like to being a public company. I like these conversations with investors and analysts to ask us good questions, because that transparency that make us better those conversations.

So overall, I do think that growth is very important. And it's a huge market. There's no reason why we shouldn't grow and continue to grow like we are. And two, profit is also important. And we've all seen this before. So it's those profit margins that allow you to dream big, try things, sense, feed boats from different areas. Some of them will come back with great success and some of them will never come back. So that's why I think it's important to balance and build a culture that allows mistakes.

<<Justin Patterson, Analyst, KeyBanc Capital Markets>>

And that concludes and sort of just about out of time. Would love to hear about what your vision is for Taboola for the next decade, Adam.

<<Adam Singolda, Founder and Chief Executive Officer>>

I want to be recommending Anything and Anywhere.

<<Justin Patterson, Analyst, KeyBanc Capital Markets>>

Well said. Adam, this was a pleasure talking to you today. Really appreciate you participating in the conference and hope you have a great day.

<<Adam Singolda, Founder and Chief Executive Officer>>

Thank you, Justin. Thanks everyone.

<<Justin Patterson, Analyst, KeyBanc Capital Markets>>

Thanks.