

A young man with dark hair, wearing a light blue t-shirt and dark pants, stands in the center of the frame, looking down at a smartphone held in both hands. He is in a crowded, brightly lit indoor space with a strong blue color cast. In the background, other people are visible, some wearing blue shirts. To the right, a man with glasses and a purple backpack is seen from the back. To the left, a man in a cap and a woman with long hair are partially visible. The ceiling has exposed pipes and fluorescent lights.

Taboola

**INVESTOR  
PRESENTATION**

## Forward-Looking Statements - Disclaimer

Certain statements in this presentation are forward-looking statements, including our Q3 and full-year 2023 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; the ability to generate or achieve the financial results, including the increase in Adjusted EBITDA and Free Cash Flow in 2024 to the levels assumed in this presentation or at all; 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, 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 10-K for the year ended December 31, 2022 under Part 1, Item 1A "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 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.

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

# TODAY'S PRESENTERS



**ADAM SINGOLDA**  
FOUNDER & CEO

- Founded Taboola in 2007
- Has led the company as its CEO ever since



**STEPHEN WALKER**  
CFO

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



# AGENDA

1

Capturing Share of \$70B  
Open Web Ad Market &  
Taboola Overview

2

Taboola's Differentiation  
and Why We Win

3

Q2 Updates &  
Momentum

4

Financial Update



A person stands in silhouette on a dark horizon, looking up at 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 a focus on exploration and discovery.

Taboola

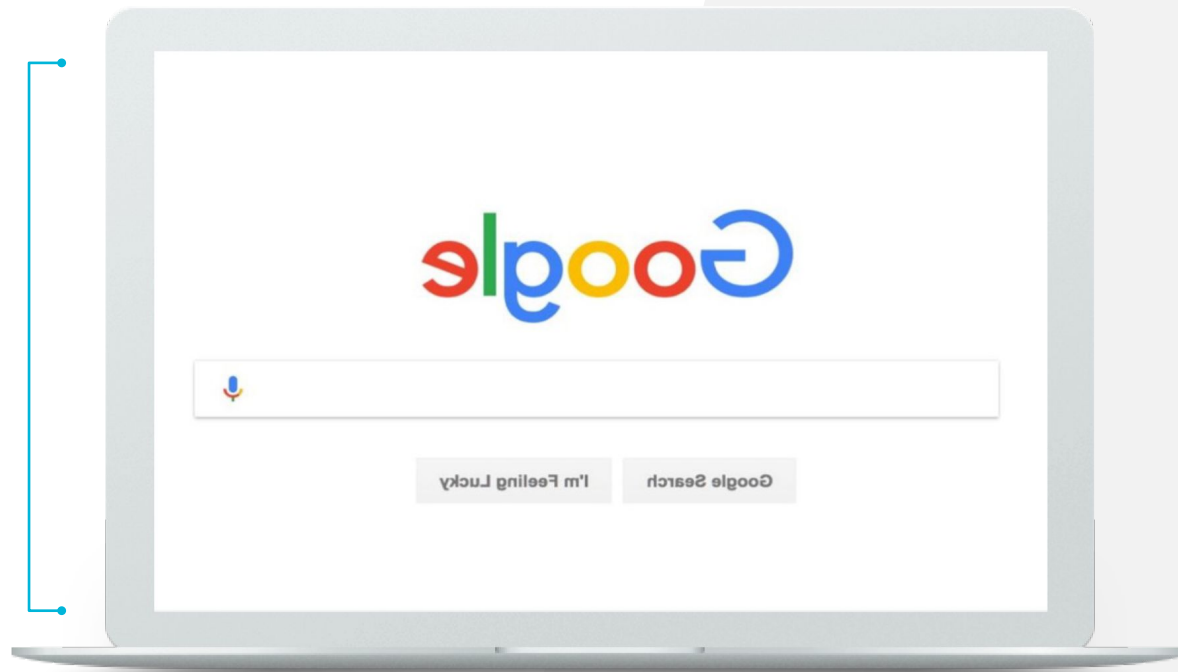
# POWERING RECOMMENDATIONS FOR THE OPEN WEB

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,...

## WHA

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

\* Company estimate



# DONE WRONG...

The collage features numerous overlapping advertisements, including:

- McDonald's:** "ONE PRICE FITS ALL" and "There's Still Time to send the perfect present" with a gift card promotion.
- Amazon:** "Amazon Gift Cards" and "SHOP GIFTS UNDER \$50" featuring a gingerbread man dessert.
- Edible Arrangements:** "SHOP GIFTS UNDER \$50" and "Save up to 75% off at restaurants in your city".
- Apple:** "platform INNOVATE FASTER" and "Great HD content, AirPlay, and more on your widescreen TV. Just \$99.".
- Holiday Blowout Auctions:** Promoting Nikon DS100 (\$59.81), Canon T4i (\$42.16), The New 32GB iPad (\$34.17), and MacBook Pro (\$87.13).
- Wreck-It Ralph:** "GOLDEN GLOBE NOMINEE BEST ANIMATED FEATURE" and "FOR YOUR CONSIDERATION BEST ANIMATED FEATURE".
- Nokia:** "Nokia Lumia 920. Only from AT&T. \$99.99".
- Amazon Local:** "Free amazonlocal" and "50% off" on a Foretrunner 410 watch.
- Forrester:** "Get the Report" and "FORRESTER".
- Mattress Firm:** "Save Money. Sleep Happy."
- Box:** "box" logo and "50% off".
- Shades of Berries:** "Berry" logo.
- Amazon.com:** "Average Amazon.com Customer Review" and "\$50 Off Instantly" with a Visa gift card.
- Exede Internet:** "HOLIDAY INTERNET SALE NOV 22 - DEC 31" and "SAVE 25% ON HIGH-SPEED INTERNET".
- Wildblue:** "wildblue" logo.
- Taboola:** "HIGHEST rate of HOMELESSNESS?" and "BUY HERE" with "the ONION" logo.
- Premium Roast Coffee:** "premium roast coffee".
- Rice:** "RICE \$1 SIZE".
- Walmart:** "Walmart" logo.
- Other:** "iPod nano Completely remanufactured. Just \$149.", "Merry Christmas", "Edible Arrangement", "Ninja Free Mug", "Ninja Buy Here", "Mix 100.7", "iHeartRadio", "Free at 7:30am", "Golden Globe Nominee Best Animated Feature", "For Your Consideration Best Animated Feature", "Watch the Webinar to learn about cloud app platforms", "Support Hurricane Relief Effort", "Donate At: www.adcouncil.org", "INNOVATE FASTER Build mobile and social apps", "CHECK EVERYONE", "NOT YOUR AVERAGE CHOCOLATE™", "Are you comfortable in your retirement?", "The 15-Minute Retirement Plan."



# ...DONE RIGHT

Walled garden integrated ad experience

facebook.

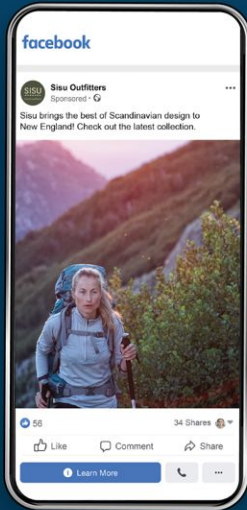
Google

twitter

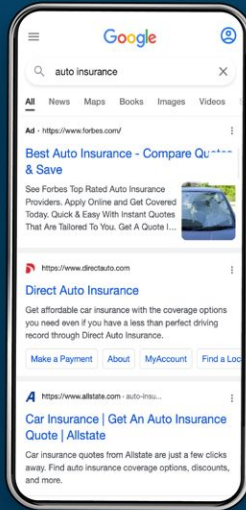
amazon

SnapChat

Paid

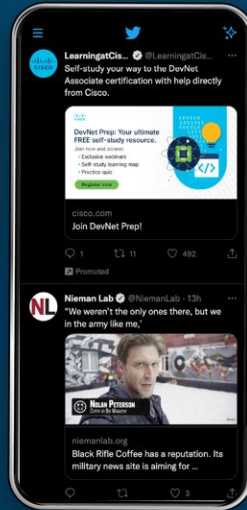


Paid



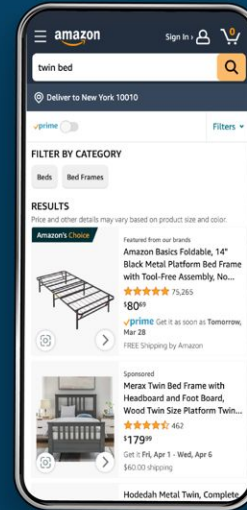
Organic

Paid



Organic

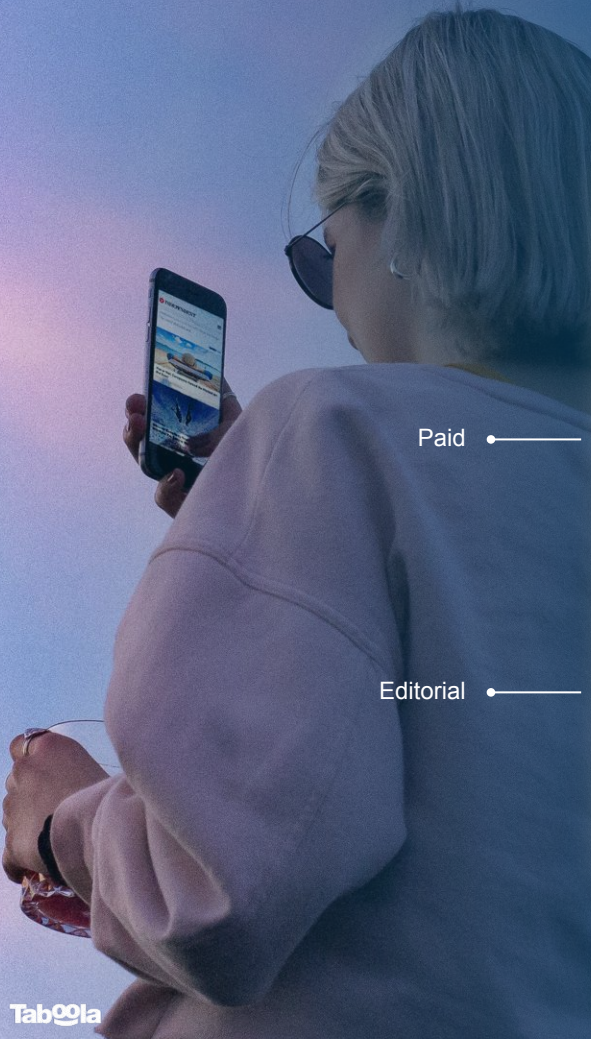
Organic



Paid

Paid





Paid

Editorial

**THE INDEPENDENT** ☰

...wasn't able 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**

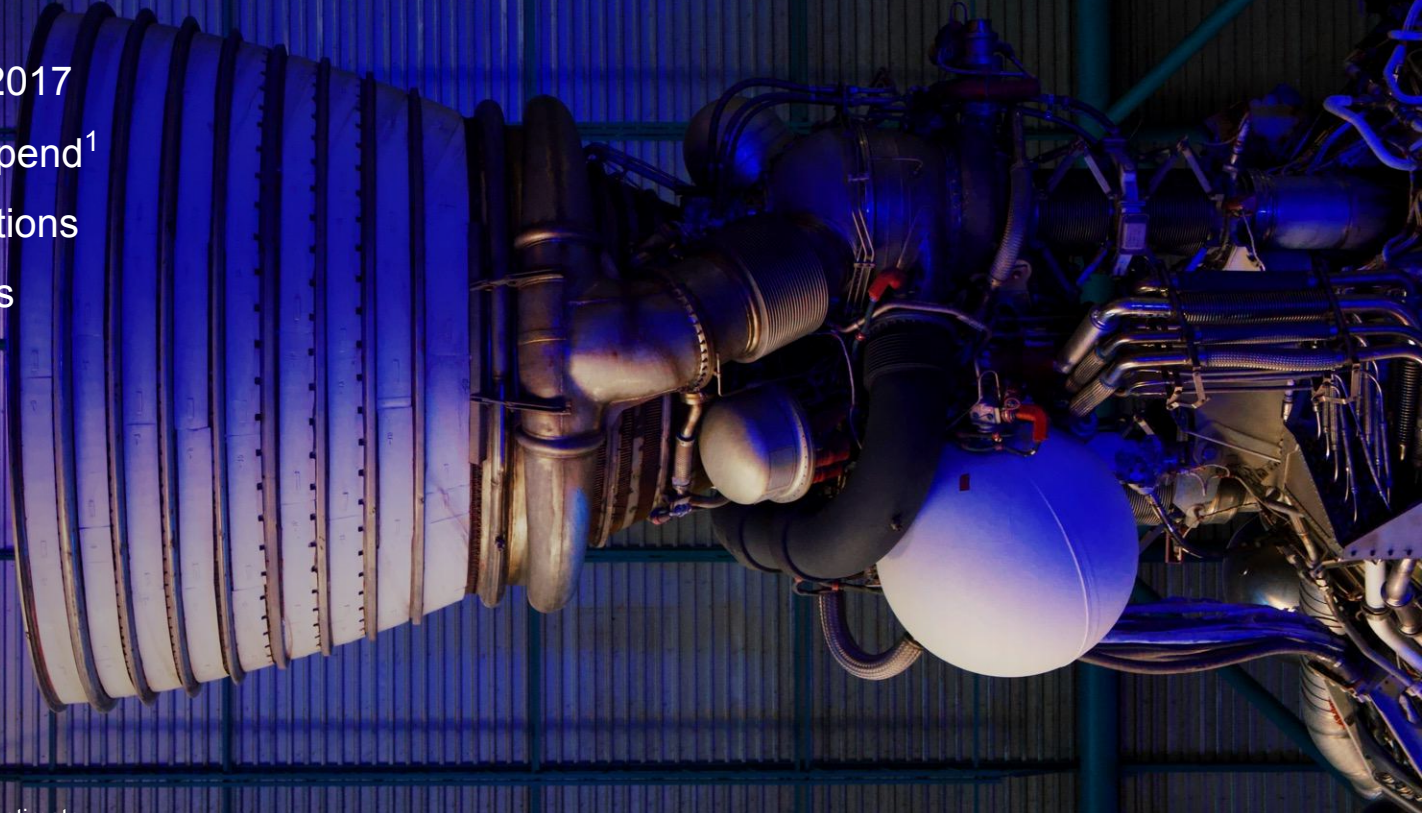


[personalization.com](https://personalization.com)



# ROCKET ENGINE (AI)

- Deep Learning since 2017
- \$100M Annual R&D Spend<sup>1</sup>
- Editorial recommendations
- Paid recommendations
- SmartBid





# ROCKET FUEL

- ~600M 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



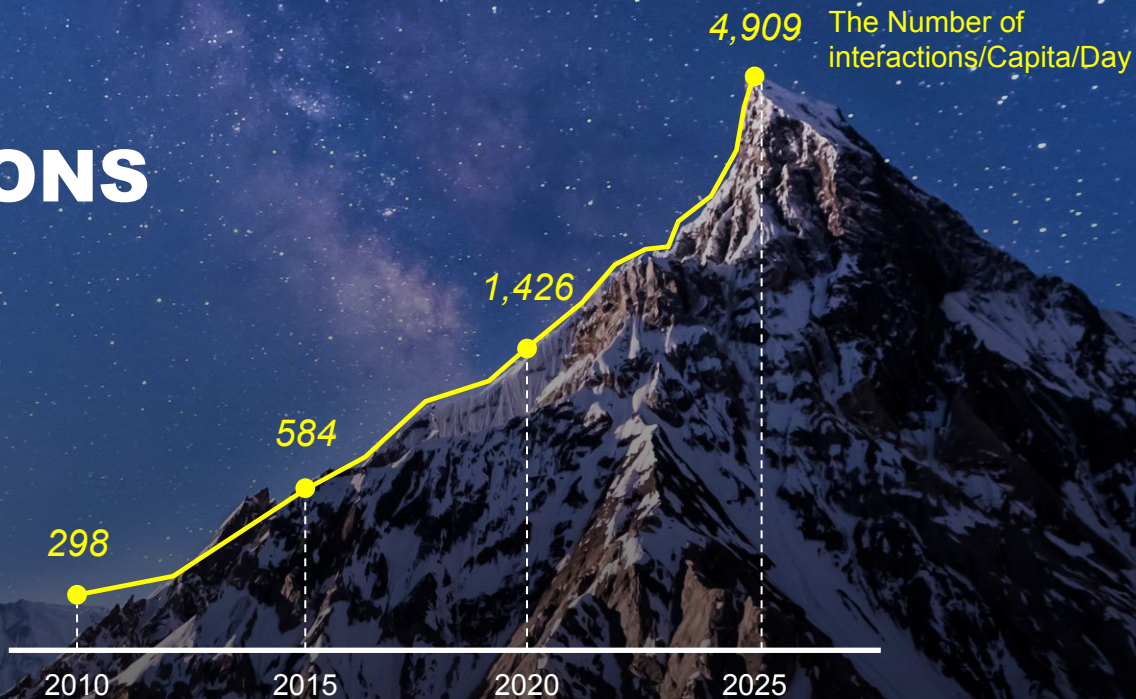


# TECH DIFFERENTIATION

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**

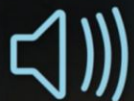
ANYTHING.  
ANYWHERE.





**ANYTHING.  
ANYWHERE.**





What are Blue Zones and  
why they are the secret to



**ANYTHING.  
ANYWHERE.**







# AGENDA

1

Capturing Share of \$70B Open Web Ad Market & Taboola Overview

2

**Taboola's Differentiation and Why We Win**

3

Q2 Updates & Momentum

4

Financial Update

# TABOOLA'S DIFFERENTIATION

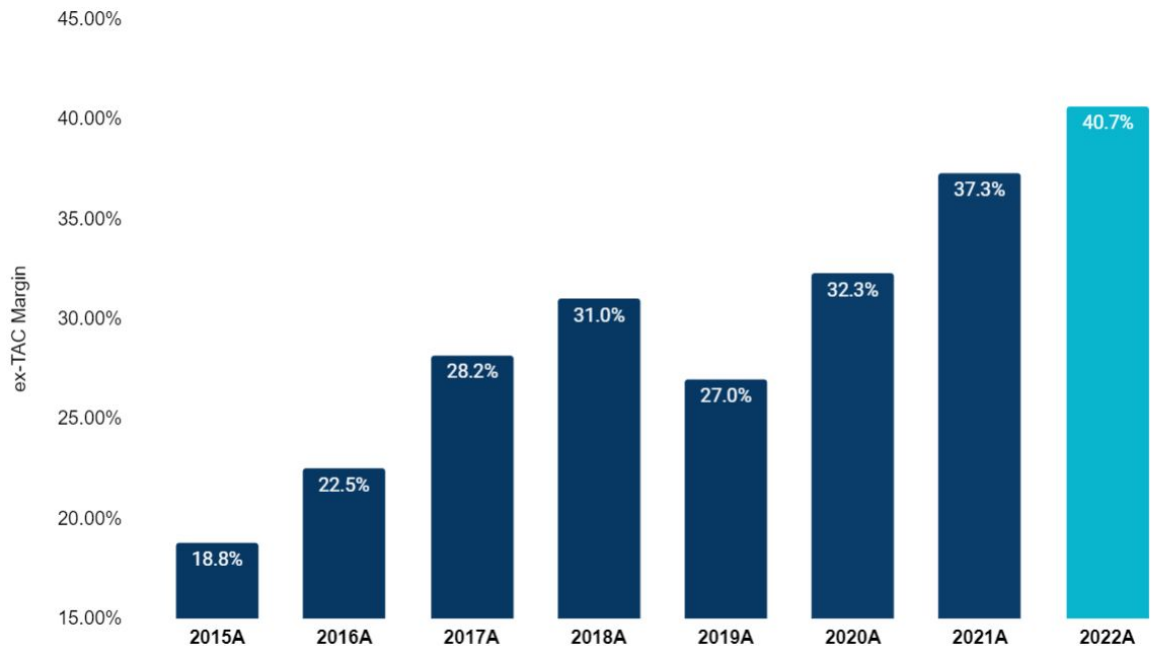
HOW IT DRIVES SUPERIOR  
FINANCIAL PERFORMANCE &  
EXPANDING MARGINS

- 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 Year

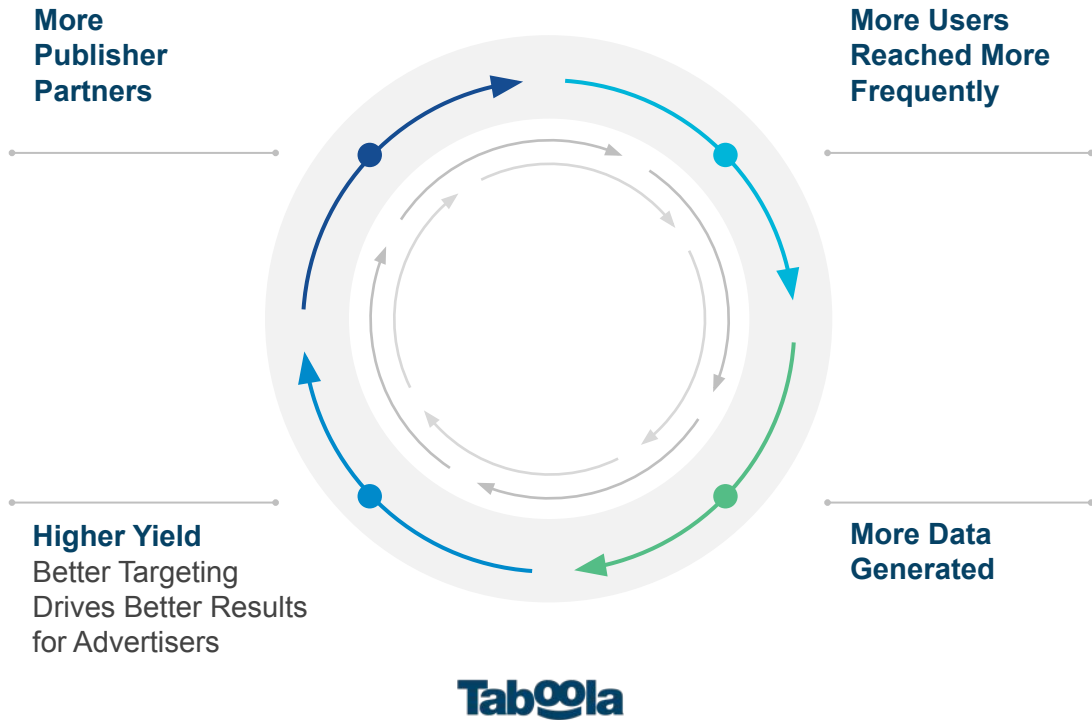


- ex-TAC Margin has increased significantly since 2015
- Competitive landscape has not changed significantly in that time period
- Margins increase as competitive advantages increase

1

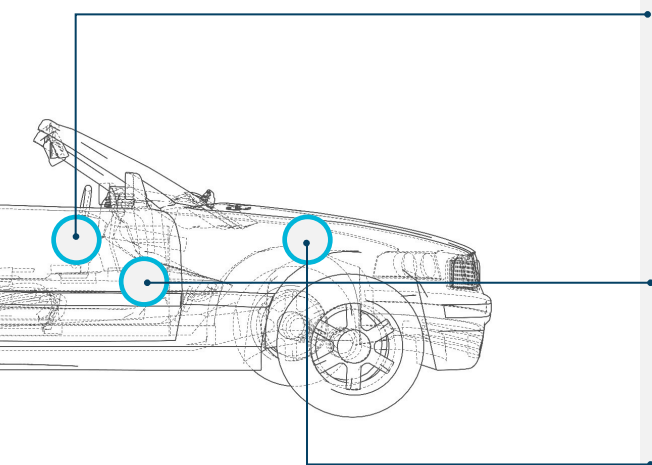
# SCALE MATTERS IN OUR INDUSTRY

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

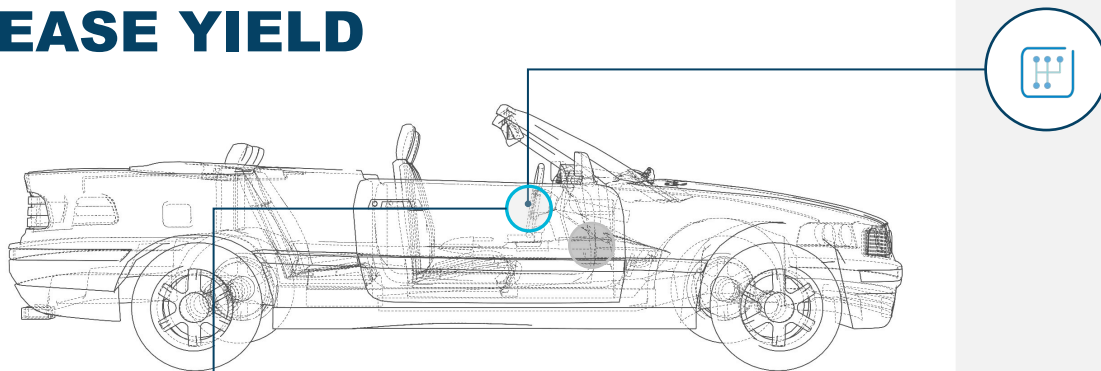


**Conversion  
Rate**



**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

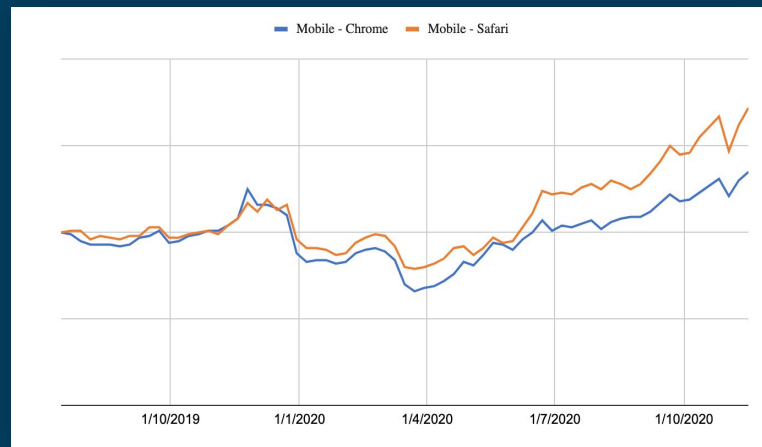


**Unique readership context** – deep access to the context of the page, allowing advertisers to target context (vs. “3rd party cookie behavior”)



**People click on Taboola recommendations tens of billions of times a year<sup>1</sup>**

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



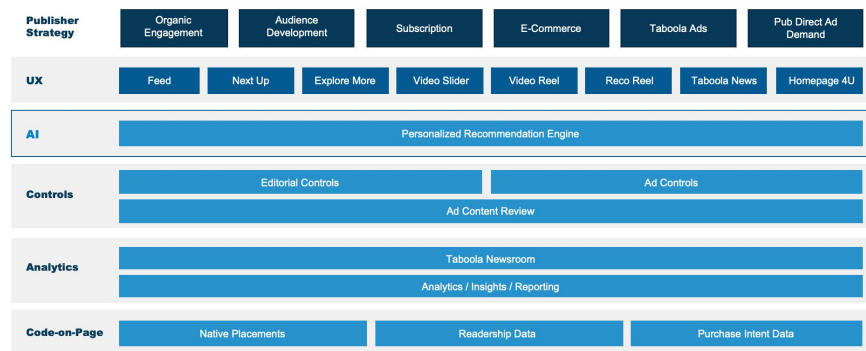
**Taboola’s strong yield performance despite 3rd party cookies being blocked in the industry for years:**

- 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

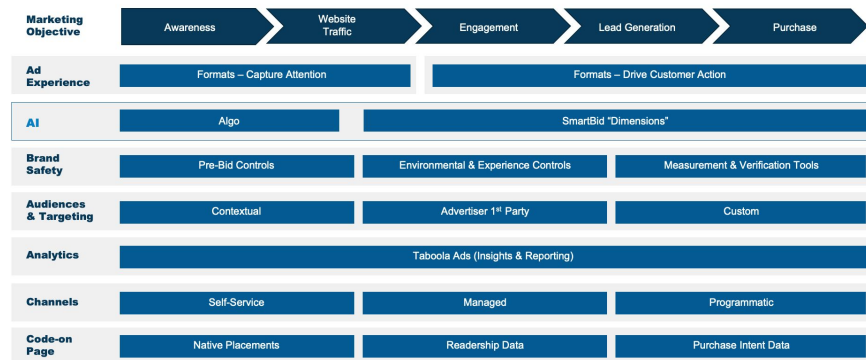
# PLATFORM ADVANTAGE DRIVEN BY INVESTMENT IN TECHNOLOGY

CAPABILITIES NOT AVAILABLE  
FROM OUR COMPETITORS

COMPREHENSIVE  
PUBLISHER PLATFORM



COMPREHENSIVE  
ADVERTISER PLATFORM





4

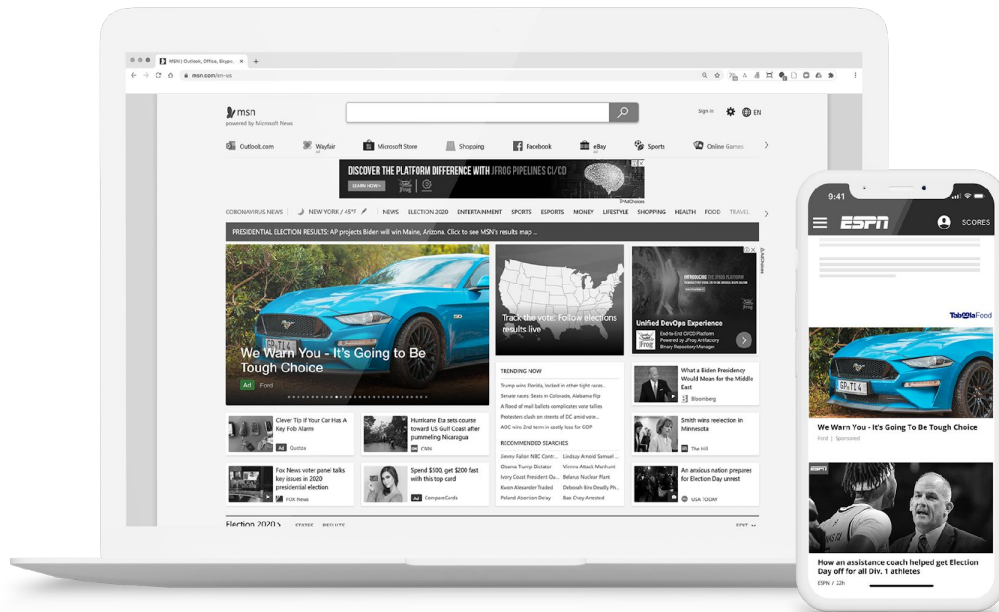
# TABOOLA FOR BRANDS & AGENCIES

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

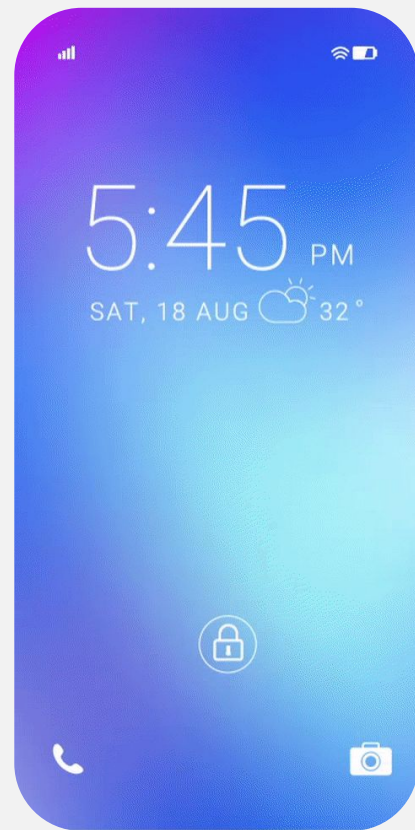
### WORKING WITH THE TOP OEMS:

SAMSUNG



vivo

oppo



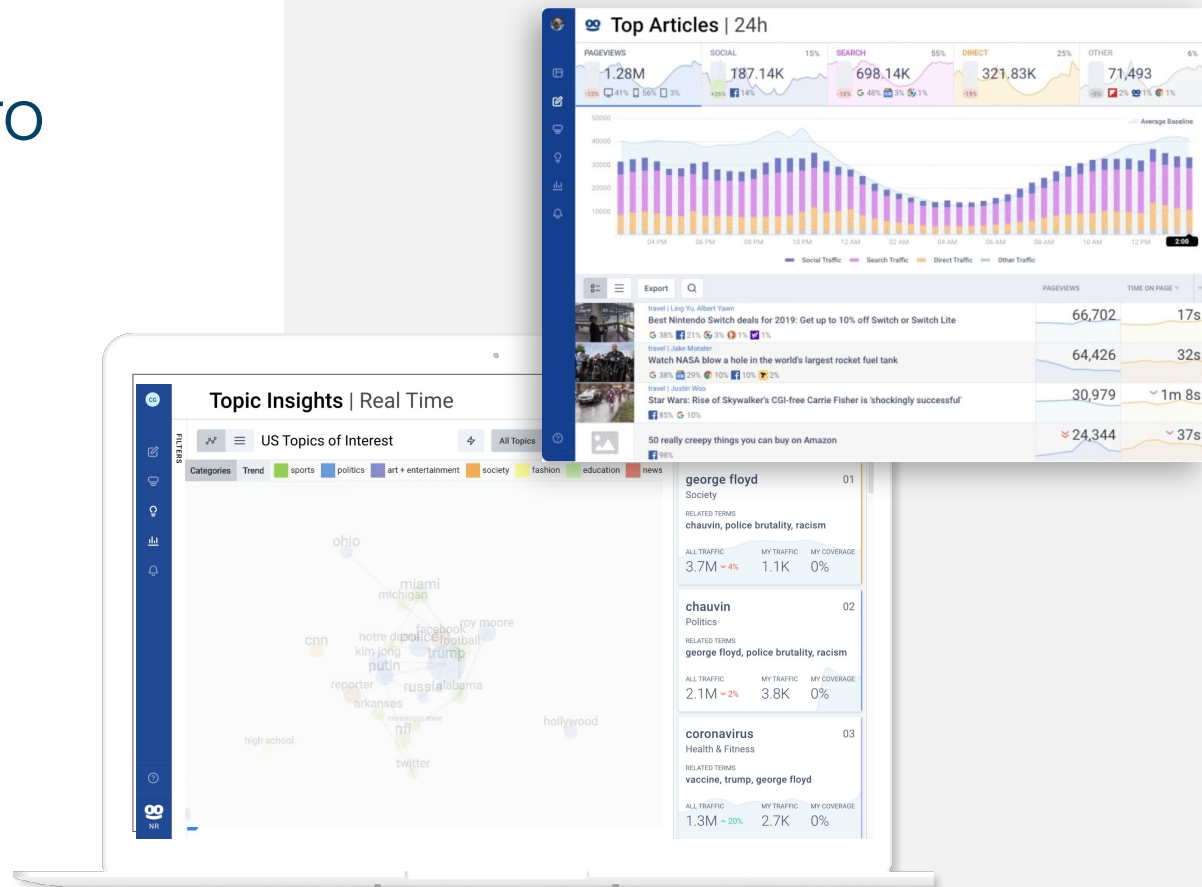
## ACTIONABLE INSIGHTS TO GROW READERSHIP & ENGAGEMENT

### 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







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



# 5 CONNEXITY FURTHERS OUR COMPETITIVE ADVANTAGE

## INTRINSIC VALUE OF BUSINESS

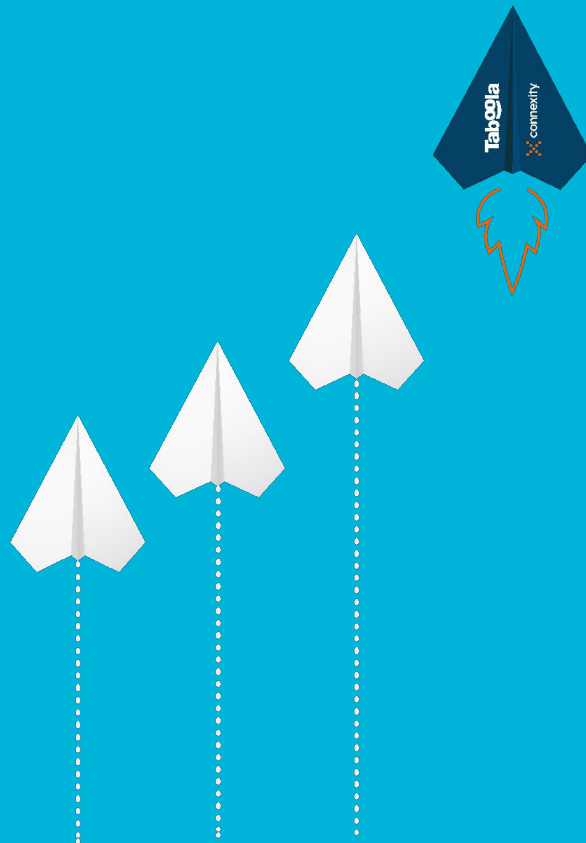
Significant expansion of our addressable TAM with long runway of growth

## 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-commerce<sup>1</sup> and Taboola with Connexity is uniquely differentiated





# CONNEXITY SYNERGIES

## 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



# AGENDA

1

Capturing Share of \$70B Open Web Ad Market & Taboola Overview

2

Taboola's Differentiation and Why We Win

3

**Q2 Updates & Momentum**

4

Financial Update

# Q2 2023 IN REVIEW - moving towards becoming a must buy for the Open Web

## Renewing and building new long term relationships

- Signed new digital property partners, including Nexstar Media, Barstool Sports, G/O Media, Cambium Media, Futura, and A Cidade On
- Signed key long-term renewals with Time, Disney, Unidad Editorial, BBC, One India, The Print and Bangkok Post

## Seeing strength in key business areas

- eCommerce outperforming - now almost 20% of total ex-TAC
- Taboola News approaching \$100M of revenue in 2023 (\$50M+ in 2022)
- Significant growth in Bidding, both Microsoft and other publishers
- Generative AI technology for advertisers moved to General Availability (GA)



**GO MEDIA**

**TIME**



Unidad Editorial

**Bangkok Post**

**Taboola**





# Q2 2023 EXCEEDED THE HIGH END OF GUIDANCE

	Q2 23 Actuals	Guidance
Revenues	<b>\$332M</b>	<b>\$299 to \$325M</b>
Gross Profit	<b>\$97M</b>	<b>\$76 to \$88M</b>
ex-TAC Gross Profit <sup>1</sup>	<b>\$123M</b>	<b>\$103 to \$115M</b>
Adj. EBITDA <sup>1</sup>	<b>\$16M</b>	<b>(\$6) to \$6M</b>

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



**GUIDANCE IN 2023:** establishing Q3 2023 and raising the mid-point of FY 2023

	Q3 2023 GUIDANCE	FY 2023 GUIDANCE
Revenues	<b>\$331 to \$357M</b>	<b>\$1,438 to \$1,469M</b>
Gross Profit	<b>\$83 to \$95M</b>	<b>\$420 to \$436M</b>
ex-TAC Gross Profit <sup>1</sup>	<b>\$112 to \$124M</b>	<b>\$531 to \$546M</b>
Adj. EBITDA <sup>2</sup>	<b>(\$2) to \$10M</b>	<b>\$73 to \$80M</b>

**GUIDANCE IN 2024:** At least \$200M in Adj. EBITDA and \$100M Free Cash Flow



# AGENDA

1

Capturing Share of \$70B Open Web Ad Market & Taboola Overview

2

Taboola's Differentiation and Why We Win

3

Q2 Updates & Momentum

4

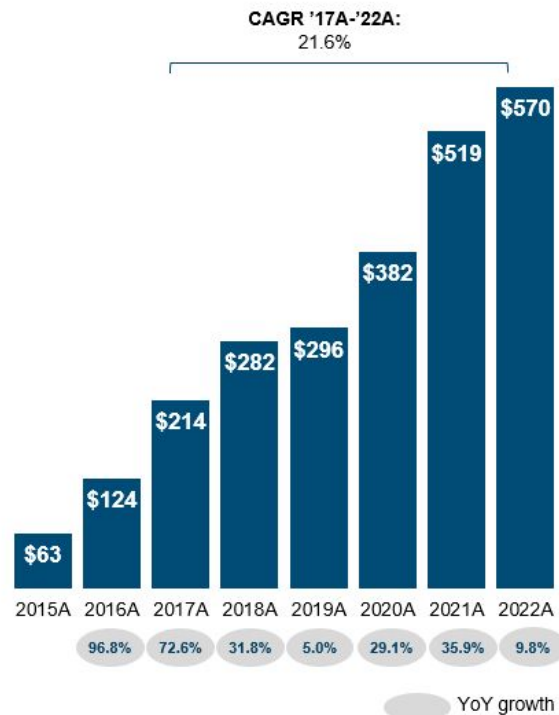
**Financial Update**



# TABOOLA FOCUSES ON PROFITABLE GROWTH

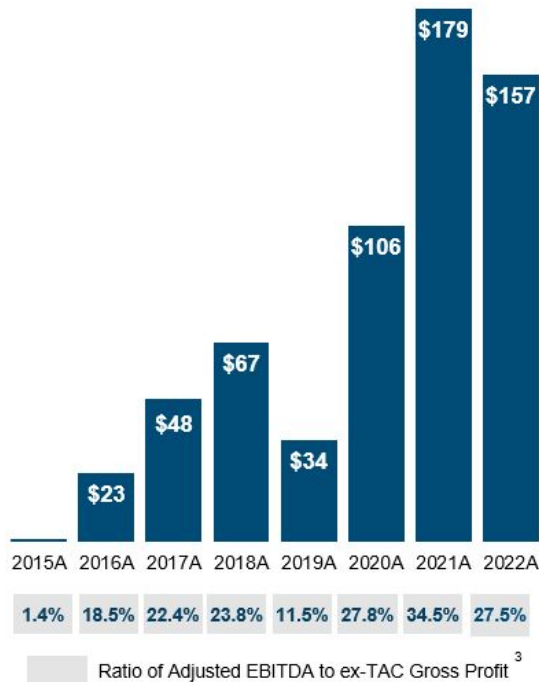
## ex-TAC Gross Profit<sup>1</sup>

(\$ in millions)



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

(\$ in millions)



## PROFITABLE GROWTH

### Rule of 40 Business

#### Upside in our model

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

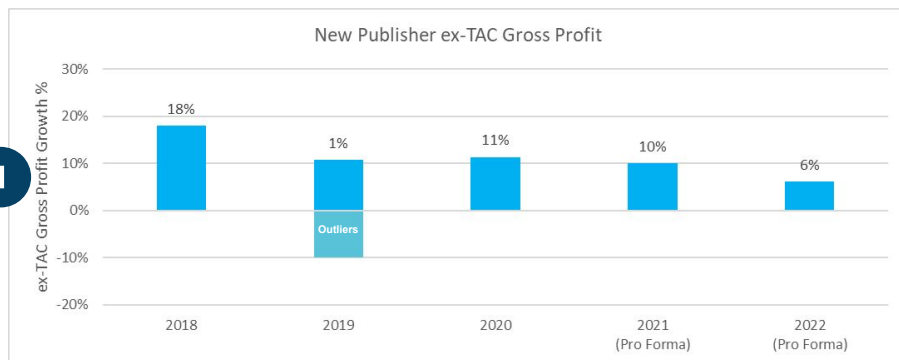
#### Long-term model

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

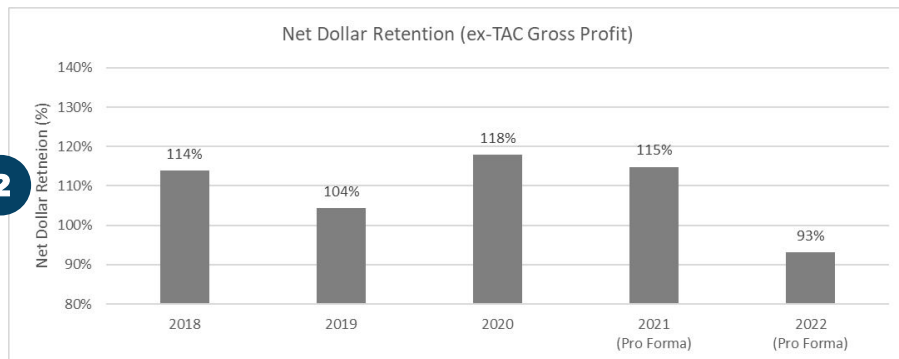
(1),(2),(3) Non-GAAP measure, see appendix for reconciliation to GAAP

# 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 Publisher<sup>1</sup> ex-TAC Gross Profit

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

2

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

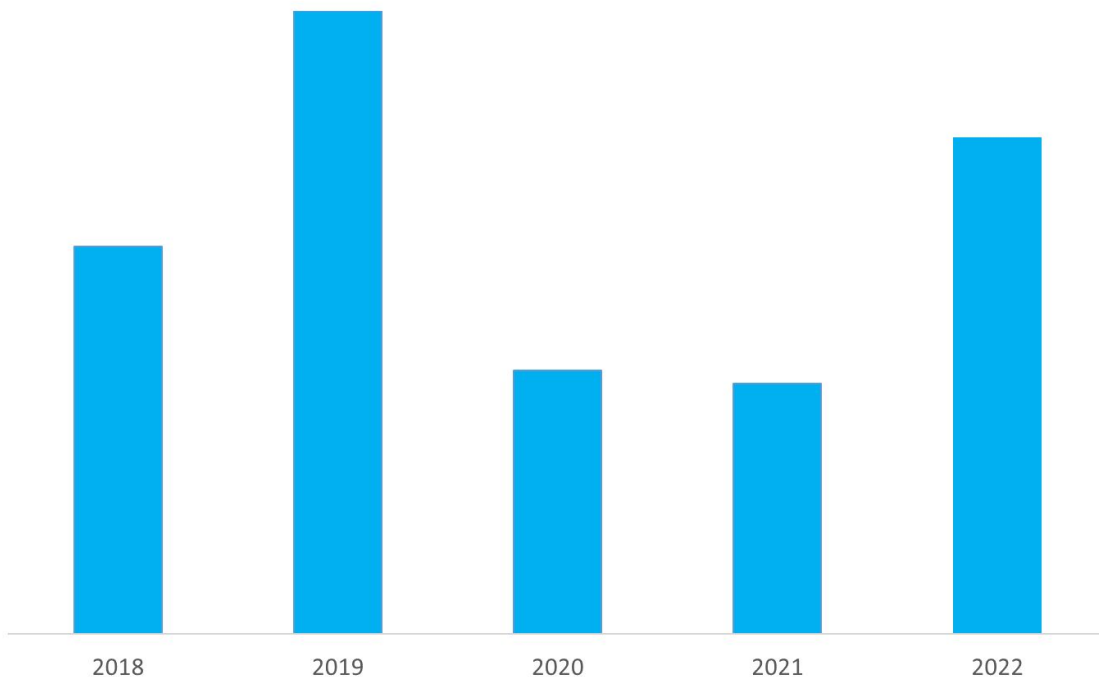
- Approximately 60% of total growth
- Improvements in yield
- More supply from existing pubs
- Historically 110-120% on average

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

# EXCEPTIONAL NEW PUBLISHER MOMENTUM IN 2022

Avg. Monthly Publisher New Revenue



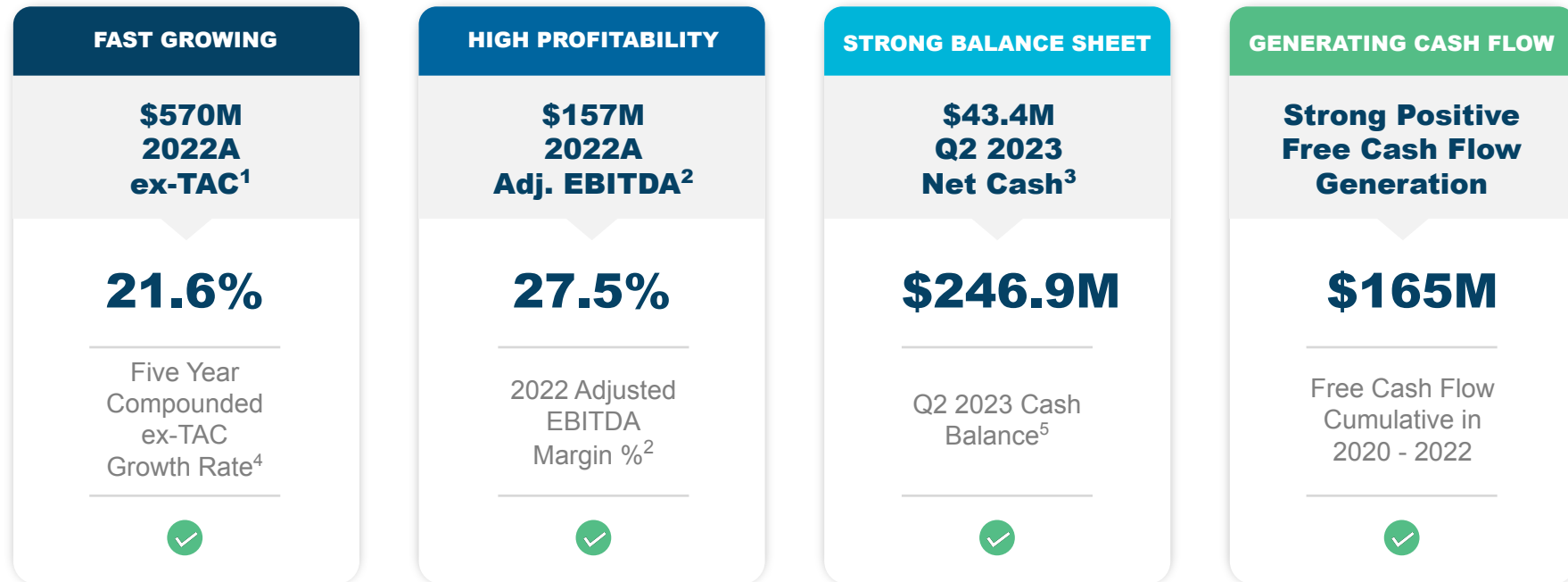
## 2022 Was A Banner Year For New Publisher Partnerships

- Measured by average gross Revenues added per month from new publishers
- Over 90% higher than 2020 and 2021 average
- Second best year on record

## Sample of New Publisher Partnerships in 2022

- Gray TV
- Huffington Post
- Penske Media
- Dumont
- Time.com
- United Internet Media
- BuzzFeed
- Prisa
- Grupo Godó
- Network 18
- Kicker
- Media News Group

# STRONG FINANCIAL PROFILE



(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 of June 30, 2023. Cash, cash equivalents and short-term investments of \$246.9 million minus long-term loan (including current portion) of \$203.5 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 2017-2022

(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 <sup>(1)</sup>	\$909	\$1.00 (100%)
−		
Traffic Acq Cost (Value to publishers)	(\$627)	(\$0.69)
=		
ex-TAC Gross Profit <sup>(2)</sup>	\$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 <sup>(3)</sup>	\$67	
+		
Change in WC, Other items <sup>(4)</sup> + PP&E and Capitalized Platform Costs	(\$22)	
=		
Free Cash Flow <sup>(3)</sup>	\$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.

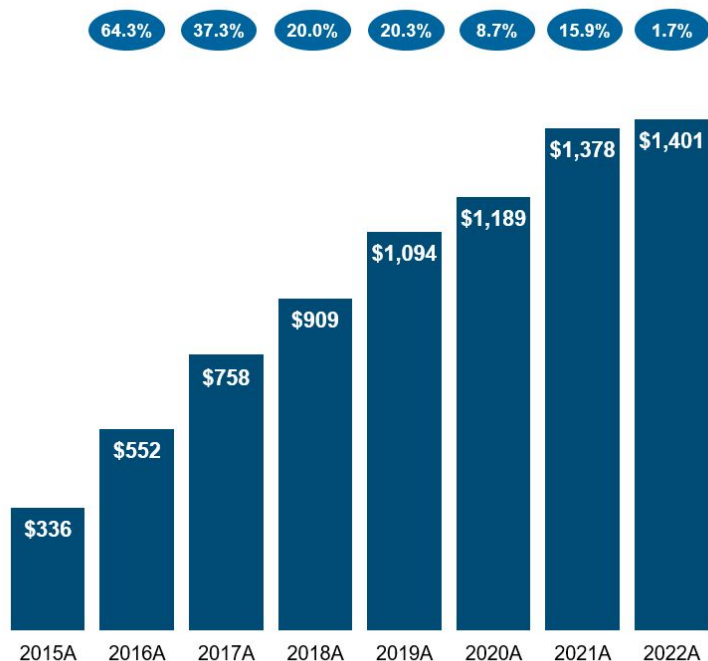
(2) Revenue to Taboola after TAC paid to Publishers. Non-GAAP measure, see appendix for reconciliation to GAAP

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

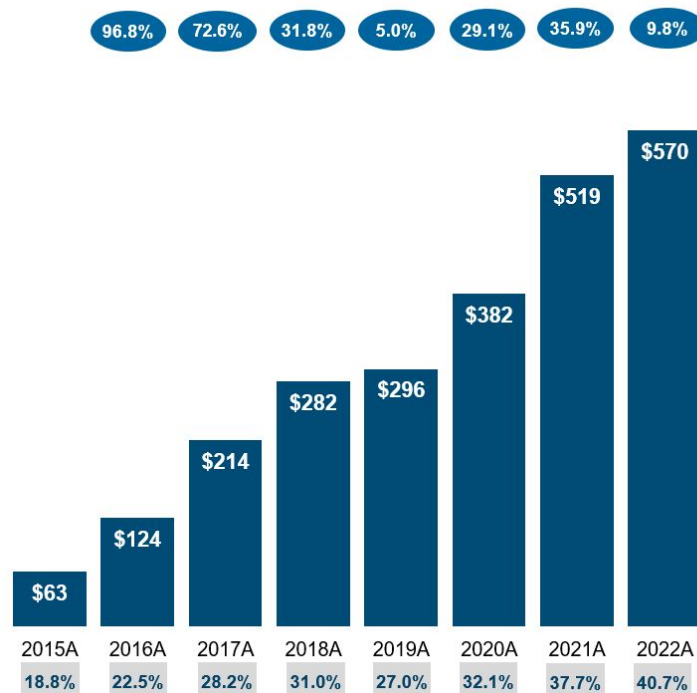
(4) Non cash charges, Cash charges excluded from Adjusted EBITDA

# HISTORICAL REVENUES & EX-TAC GROSS PROFIT<sup>1</sup> (REPORTED BASIS)

Gross Revenue



ex-TAC Gross Profit<sup>1</sup>





# SELECTED GAAP AND NON-GAAP METRICS

(\$ in millions, FYE)	2018A	2019A	2020A	2021A	2022A	2023E	Long-Term Model
<b>Revenues</b>	<b>\$ 909</b>	<b>\$ 1,094</b>	<b>\$ 1,189</b>	<b>\$ 1,378</b>	<b>\$ 1,401</b>	<b>\$ 1,454</b>	
% YoY Growth	20.0%	20.3%	8.7%	15.9%	1.7%	3.8%	
<b>Gross Profit</b>	<b>\$ 234</b>	<b>\$ 232</b>	<b>\$ 319</b>	<b>\$ 441</b>	<b>\$ 464</b>	<b>\$ 428</b>	
% Adj margin	83.1%	78.4%	83.4%	85.0%	81.5%	79.5%	
<b>ex-TAC Gross Profit<sup>1</sup></b>	<b>\$ 282</b>	<b>\$ 296</b>	<b>\$ 382</b>	<b>\$ 519</b>	<b>\$ 570</b>	<b>\$ 539</b>	
% YoY Growth	31.8%	5.0%	29.1%	35.9%	9.8%	-5.5%	20%+
% ex-TAC Gross Profit margin	31.0%	27.1%	32.2%	37.7%	40.7%	37.0%	
<b>Adjusted EBITDA<sup>1</sup></b>	<b>\$ 67</b>	<b>\$ 34</b>	<b>\$ 106</b>	<b>\$ 179</b>	<b>\$ 156.7</b>	<b>\$ 76</b>	
% margin	23.8%	11.5%	27.7%	34.5%	27.5%	14.2%	30%+

# FY 2023 GUIDANCE

(\$ in millions)	Actual	Actual	Guidance	YoY%		
	FY 2021	FY 2022	FY 2023		to	
<b>Revenues</b>	<b>\$1,378</b>	<b>\$1,401</b>	<b>\$1,438 to \$1,469</b>	<b>3%</b>	<b>to</b>	<b>5%</b>
<b>Gross Profit</b>	<b>\$441</b>	<b>\$464</b>	<b>\$420 to \$436</b>	<b>-10%</b>	<b>to</b>	<b>-6%</b>
<b>ex-TAC Gross Profit<sup>1</sup></b>	<b>\$519</b>	<b>\$570</b>	<b>\$531 to \$546</b>	<b>-7%</b>	<b>to</b>	<b>-4%</b>
<b>Adjusted EBITDA<sup>1</sup></b>	<b>\$179</b>	<b>\$157</b>	<b>\$73 to \$80</b>	<b>-53%</b>	<b>to</b>	<b>-49%</b>
<b>Non GAAP Net Income<sup>1</sup></b>	<b>\$114</b>	<b>\$91</b>	<b>\$5 to \$10</b>	<b>-95%</b>	<b>to</b>	<b>-89%</b>

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

# ADDITIONAL MODELING ASSUMPTIONS

- Interest payment of approximately \$4.8M per quarter associated with \$203M term loan (reflecting our \$30M voluntary prepayment in April 2023) related to the Connexity acquisition.
- Share based compensation of \$128M in 2021 unusually high as a result of going public triggering event, 2022 at \$75M and 2023 estimated at \$74M.
- Depreciation & Amortization of \$53M in 2021; increase related to Connexity Purchase Price Accounting allocation, 2022 at \$91M and 2023 estimated at \$91M.
- CAPEX of \$35M in 2022 includes investments in property and equipment, leasehold improvements and capitalized software, 2023 estimated at \$39M.
- 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	2022A
<b>Net income (loss)</b>	<b>\$ (2.7)</b>	<b>\$ 2.8</b>	<b>\$ 10.7</b>	<b>\$ (28.0)</b>	<b>\$ 8.5</b>	<b>\$ (24.9)</b>	<b>\$ (12.0)</b>
<b>Adjustments:</b>							
Financial expenses (income), net	0.8	(0.3)	1.3	3.4	2.7	(11.3)	(9.2)
Tax expenses	4.3	5.1	5.3	5.0	14.9	23.0	7.5
Depreciation and amortization	13.3	28.2	35.3	39.4	34.0	53.1	91.2
Share-based compensation expenses <sup>1</sup>	6.3	10.8	10.5	8.2	28.3	124.1	63.8
Revaluation of Contingent Liability	1.4	1.6	3.8	-	-	-	-
M&A costs <sup>2</sup>	-	-	-	6.1	17.8	11.7	0.8
Restructuring expenses	-	-	-	-	-	-	3.4
Holdback compensation expenses	-	-	-	-	-	3.7	11.1
<b>Adjusted EBITDA</b>	<b>\$ 23.4</b>	<b>\$ 48.2</b>	<b>\$ 66.9</b>	<b>\$ 34.1</b>	<b>\$ 106.2</b>	<b>\$ 179.4</b>	<b>\$ 156.7</b>

<sup>1</sup>A substantial majority is share-based compensation expenses related to going public.

<sup>2</sup>Relates to the acquisition of ION Acquisition Corp. 1 Ltd. and going public.



# 2023 QUARTERLY RESULTS: ADJUSTED EBITDA RECONCILIATION

<i>(\$ in millions)</i>	Q1-23A	Q2-23A
<b>Net income (loss)</b>	<b>\$ (31.3)</b>	<b>\$ (31.3)</b>
<b>Adjustments:</b>		
Financials expenses (income),net	3.2	3.8
Tax expenses	(0.6)	2.5
Depreciation and amortization	22.6	22.8
Share-based compensation expenses <sup>1</sup>	13.5	13.9
M&A costs and Other Costs <sup>2</sup>	0.2	1.3
Restructuring expenses	-	-
Connexity holdback	2.6	2.6
<b>Adjusted EBITDA</b>	<b>\$ 10.1</b>	<b>\$ 15.7</b>

<sup>1</sup>A substantial majority is share-based compensation expenses related to going public.

<sup>2</sup>Includes Commercial agreement asset acquisition costs.

# EX-TAC GROSS PROFIT RECONCILIATION

(\$ in millions)

	2016A	2017A	2018A	2019A	2020A	2021A	2022A
<b>Revenues</b>	\$ 552.1	\$ 757.9	\$ 909.2	\$ 1,093.8	\$ 1,188.9	\$ 1,378.5	\$ 1,401.2
<b>Traffic Acquisition Cost (TAC)</b>	427.7	544.2	627.7	798.0	806.5	859.6	831.6
<b>Other Cost of Revenues</b>	23.2	35.1	47.3	63.9	62.9	77.8	105.3
<b>Gross Profit</b>	\$ 101.2	\$ 178.6	\$ 234.2	\$ 231.9	\$ 319.5	\$ 441.1	\$ 464.3
<b>Other Cost of Revenues</b>	23.2	35.1	47.3	63.9	62.9	77.8	105.3
<b>ex-TAC Gross Profit</b>	\$ 124.4	\$ 213.7	\$ 281.5	\$ 295.8	\$ 382.4	\$ 518.9	\$ 569.6

# RATIO OF ADJUSTED EBITDA TO EX-TAC GROSS PROFIT RECONCILIATION

(\$ in millions)

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

# EX-TAC GROSS PROFIT MARGIN RECONCILIATION

(\$ in millions)

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



# HISTORICAL ADJ. GROSS PROFIT MARGIN RECONCILIATION

(\$ in millions)

	2020A	2021A	2022A
<b>Revenues</b>	\$ 1,189	\$ 1,378	\$ 1,401
<b>Traffic Acquisition Cost (TAC)</b>	807	859	832
<b>ex-TAC Gross Profit</b>	\$ 382	\$ 519	\$ 570
<b>Other Cost of Revenues</b>	63	78	105
<b>Gross Profit</b>	\$ 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)

	2020A	2021A	2022A	Q1-23A	Q2-23A
<b>Net cash from oper<sup>1</sup></b>	\$ 139	\$ 64	\$ 53	\$ 17	\$ 11
<b>Net cash used in the following investing activities</b>	\$ (18)	\$ (39)	\$ (35)	\$ (6)	\$ (4)
Intangible assets	(9)	(14)	(13)	(3)	(3)
Purchase of IT equipment & Leasehold Improvement	(9)	(25)	(22)	(3)	-
<b>Free Cash Flow</b>	\$ 121	\$ 25	\$ 19	\$ 11	\$ 7

# SUPPLEMENTAL CASH FLOW INFORMATION

	2020A	2021A	2022A	Q1-23A	Q2-23A
<b>Free Cash Flow</b>	<b>\$ 121.3</b>	<b>\$ 24.5</b>	<b>\$ 18.6</b>	<b>\$ 11.2</b>	<b>\$ 7.8</b>
<u>Add back:</u>					
Cash investment in publisher prepayments (net) <sup>1</sup>	(4.5)	7.3	15.3	(3.9)	(6.9)
Cash interest expense for money borrowed	0.0	1.1	207.7	5.1	4.7
<b>Total - Cash generated before cash interest and publisher</b>	<b>\$ 116.8</b>	<b>\$ 32.8</b>	<b>\$ 54.6</b>	<b>\$ 12.3</b>	<b>\$ 5.6</b>

(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

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



# CONSOLIDATED BALANCE SHEET

(\$ in millions)	As of Dec 31, 2020	As of Dec 31, 2021	As of Dec 31, 2022	As of Jun 30, 2023
<b>Cash, cash equivalents, short-term deposits and investments</b>	<b>\$ 243</b>	<b>\$ 319</b>	<b>\$263</b>	<b>\$249</b>
<b>Total Assets</b>	<b>\$ 580</b>	<b>\$ 1,598</b>	<b>\$1,530</b>	<b>\$1,722</b>
<b>Total Liabilities &amp; Convertible Shares</b>	<b>\$ 534</b>	<b>\$ 830</b>	<b>\$695</b>	<b>\$632</b>
<b>Accumulated deficit and accumulated other comprehensive loss</b>	<b>\$ (31)</b>	<b>\$ (56)</b>	<b>\$(68)</b>	<b>\$(132)</b>
<b>Additional Paid-in-capital and treasury Ordinary shares</b>	<b>\$ 78</b>	<b>\$ 824</b>	<b>\$903</b>	<b>\$1,222</b>
<b>Total Shareholders' Equity</b>	<b>\$ 47</b>	<b>\$ 768</b>	<b>\$835</b>	<b>\$1,090</b>

# Q3 23 and 2023 FULL YEAR GUIDANCE: EX-TAC GROSS PROFIT RECONCILIATION

(\$ in millions)	Guidance	Guidance
	Q3-23	FY 2023
<b>Revenues</b>	<b>\$331 to \$357</b>	<b>\$1,438 to \$1,469</b>
<b>Traffic Acquisition Cost (TAC)</b>	<b>(\$220 - \$234)</b>	<b>(\$907.4 - \$923)</b>
<b>Other Cost of Revenues</b>	<b>(\$29 - \$29)</b>	<b>(\$110 - \$111)</b>
<b>Gross Profit</b>	<b>\$83 to \$95</b>	<b>\$420 to \$436</b>
<b>Other Cost of Revenues</b>	<b>\$29 - \$29</b>	<b>\$110 - \$111</b>
<b>ex-TAC Gross Profit</b>	<b>\$112 to \$124</b>	<b>\$531 to \$546</b>

# 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!**