

A man with glasses and a white t-shirt is looking at a screen in a server room. The room is dimly lit with blue and purple lights. The man's glasses have the word 'NEED' written on them. The background shows server racks and cables.

Taboola

CONFIDENTIAL

Taboola Investor Presentation

March 2024

Disclaimer

Forward-Looking Statements

Certain statements in this presentation are forward-looking statements. 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 presentation 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 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 fully live, in each case to the levels assumed in this presentation or at all; the ability to generate or achieve the increase in growth as outlined in this presentation for 2024 and 2025, or at all; ability to become the first must buy company in the open web; 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.

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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.

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PRESENTERS AND SENIOR LEADERSHIP



Taboola






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



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

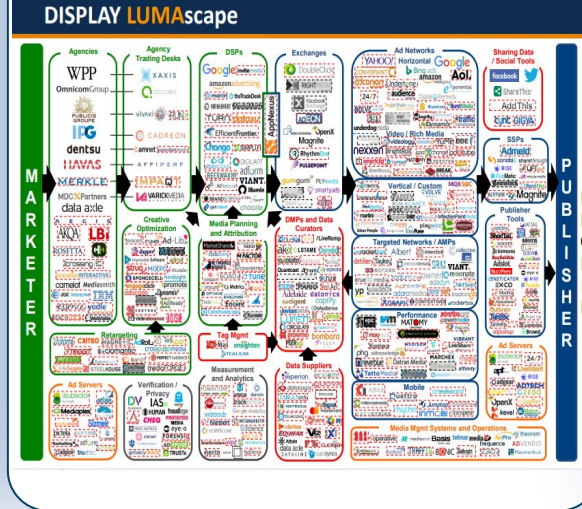
BAD USER EXPERIENCE

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



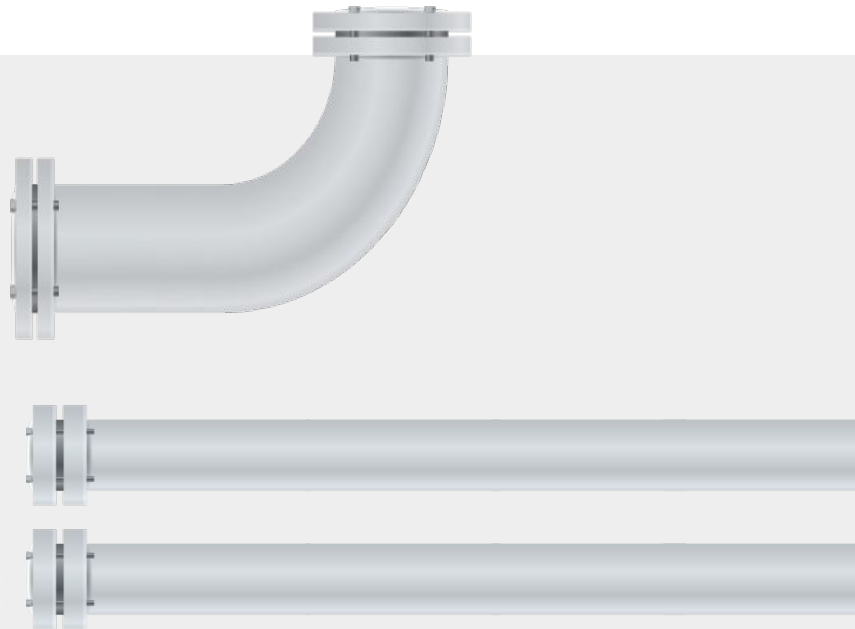
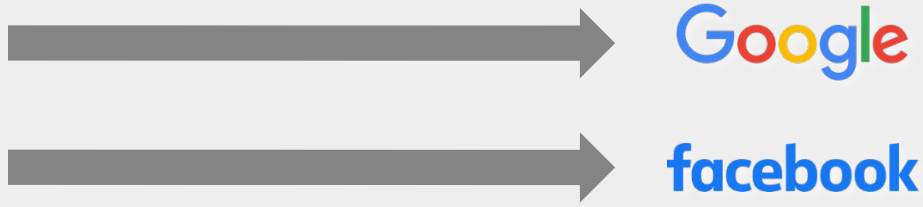
TABOOLA IS THE BEST POSITIONED TO BUILD THE FIRST “MUST BUY” COMPANY IN THE OPEN WEB



ADVERTISERS



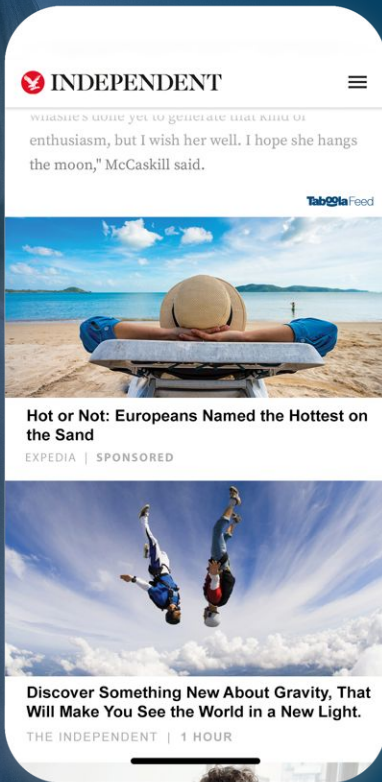
- ✓ Long term exclusive publisher agreements
- ✓ Scaled, direct advertisers
- ✓ AI technology
- ✓ ~600M DAU 1st party, contextual data



Paid



Editorial



TABOOLA REVOLUTION

Brings power of walled gardens to Open Web with tens of billions of 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

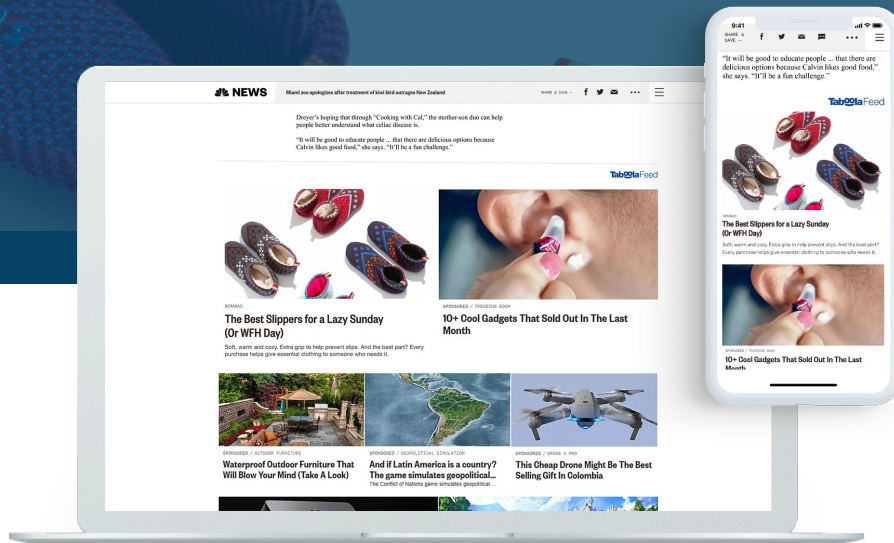
With **Taboola**, Bombas achieved a **50% increase in ROAS**, above-average CTR, and 1.26x increase in ROAS with Attentive Audiences.



"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%

of Holiday
Conversions Came
From the Slippers

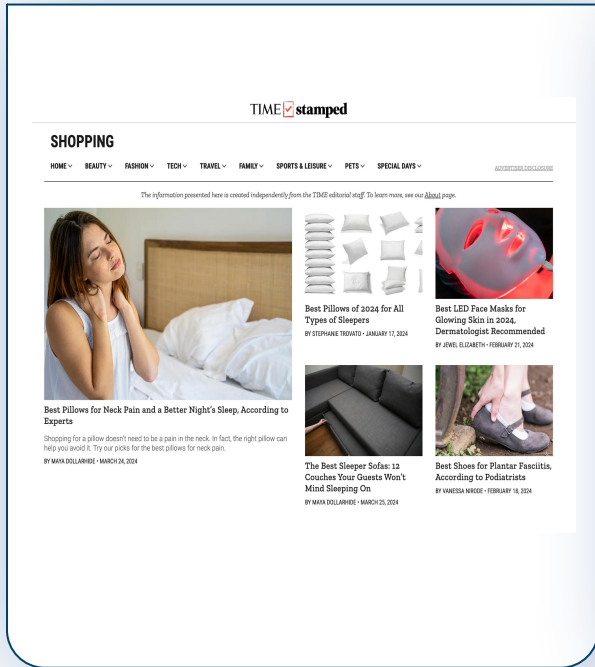
Category

1,6x

Increase in ROAS
with Attentive
Audiences

BIG MOMENTUM

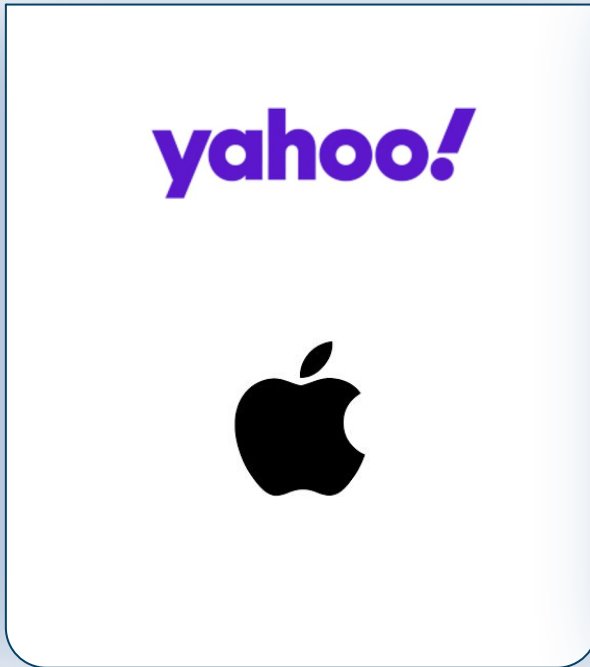
E-COMMERCE GROWTH



The screenshot shows the 'TIME stamped' shopping section. It features a navigation bar with categories like 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 displays several product recommendations with images and titles:

- 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 21, 2024
- Best Pillows for Neck Pain and a Better Night's Sleep, According to Experts** - Shopping for a pillow doesn't need to be a pain in the neck. In fact, the right pillow can help you avoid it. Try our picks for the best pillows for neck pain. - BY MARK KOLLARIDE - MARCH 24, 2024
- The Best Sleeper Sofas: 12 Couches Your Guests Won't Mind Sleeping On** - BY MARK KOLLARIDE - MARCH 21, 2024
- Best Shoes for Plantar Fasciitis, According to Podiatrists** - BY VANESSA MICELO - FEBRUARY 14, 2024

ICONIC PARTNERSHIPS



The image displays two iconic logos: the purple 'yahoo!' logo at the top and the black Apple logo at the bottom, centered on a white background.

RAPID AI ADOPTION

FOR ADVERTISERS

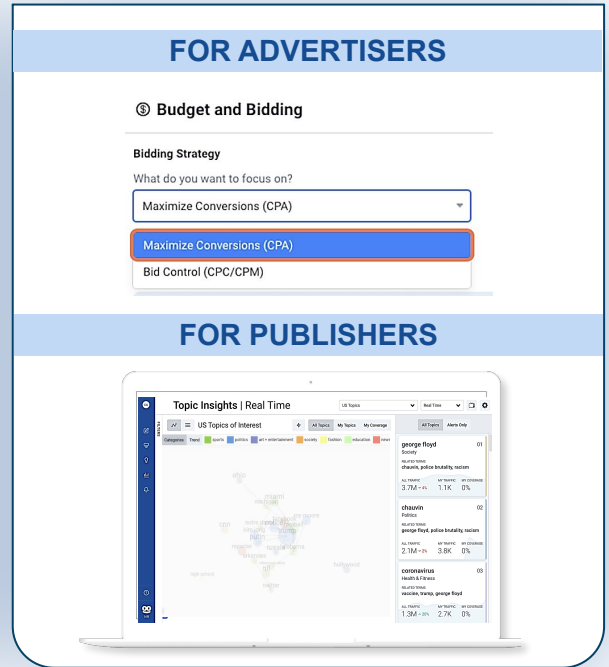
🕒 Budget and Bidding

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 map of the United States and a table of topic insights:

| Topic | US Topics of Interest | Score | Score Change |
|--------------|-----------------------|-------|--------------|
| george floyd | 3.75K -1K | 1.1K | 0% |
| chaviza | 2.18K -1K | 3.9K | 0% |
| comanavitus | 1.28K -1K | 2.7K | 0% |

WHY TABOOLA

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

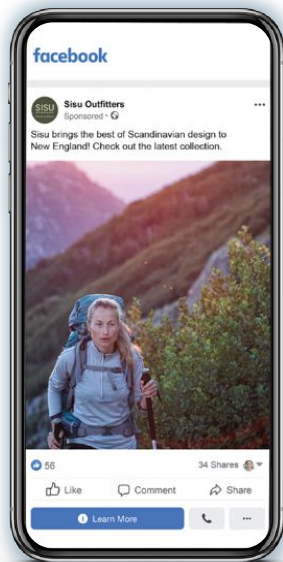
- 1 Integrated native advertising experience
- 2 Long-term, exclusive access to supply and direct relationships with advertisers
- 3 AI driven tech platform that is best-in-class
- 4 Taboola tech & code on page built for a cookie-less world

Positioned for continued leadership

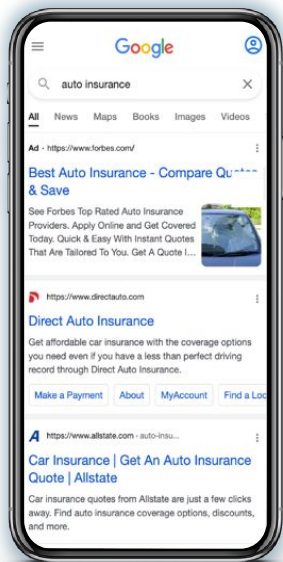
- 5 Our scale drives network effects that create competitive advantage
- 6 Significant growth opportunities
- 7 Proven, founder-led management team
- 8 Strong financial profile

1 INTEGRATED NATIVE ADVERTISING EXPERIENCE

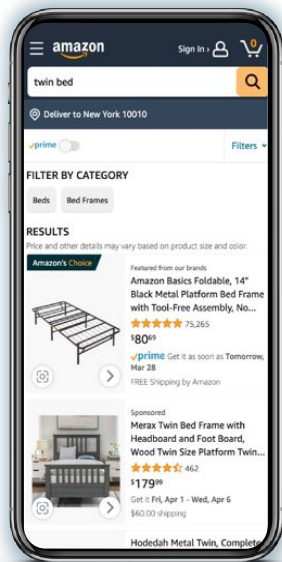
facebook



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

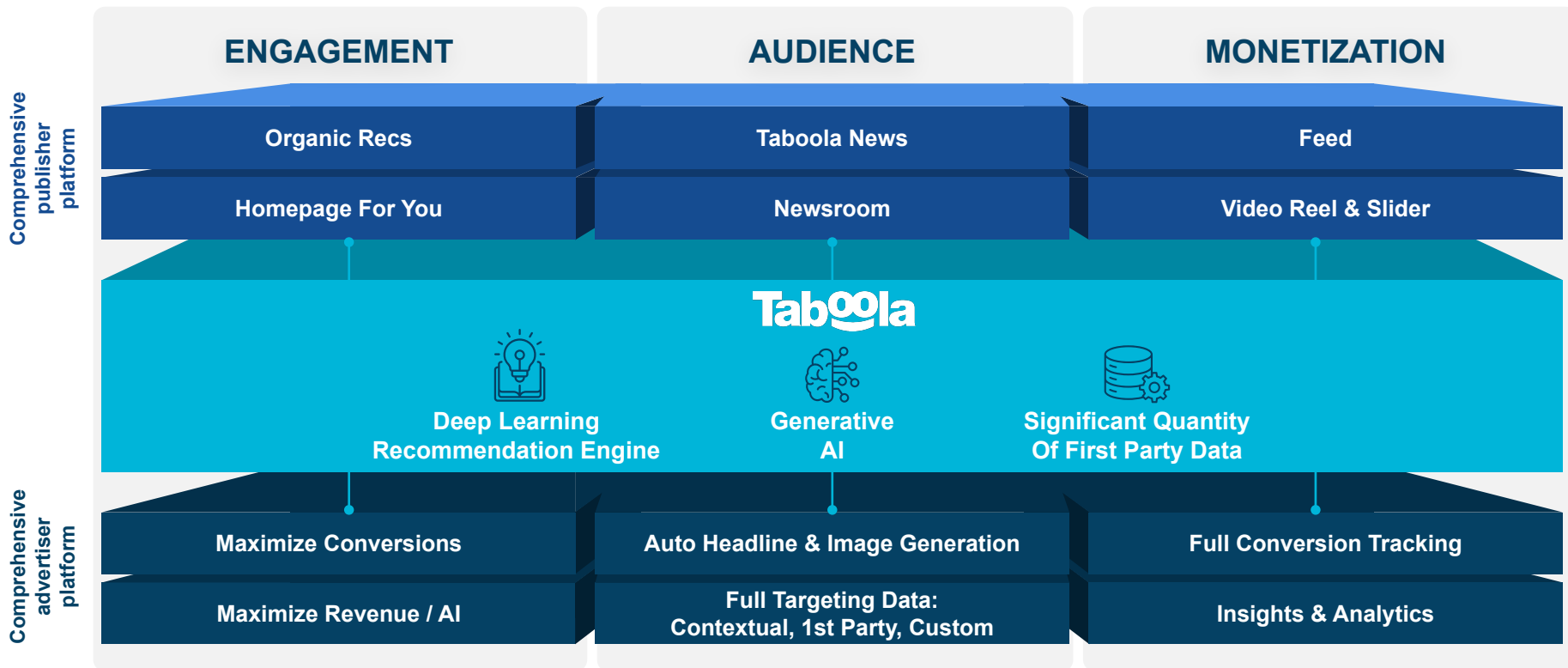


Connectors. Creators. Experience Makers.

- ✓ 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

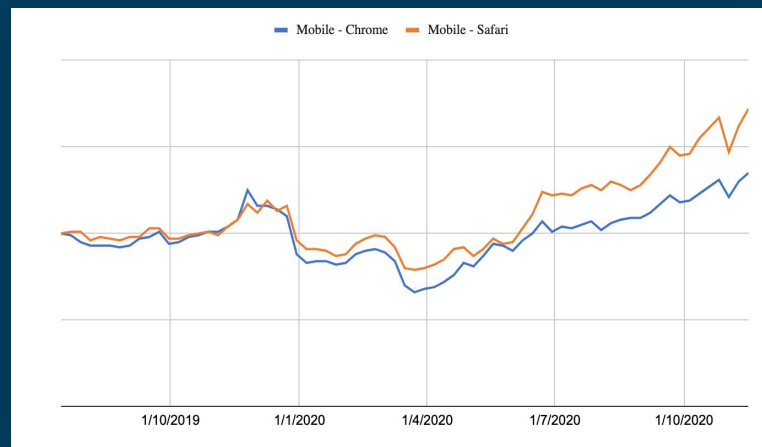


Unique readership context deep access to the context of the page, allowing advertisers to target context (vs. “3rd party cookie behavior”)



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

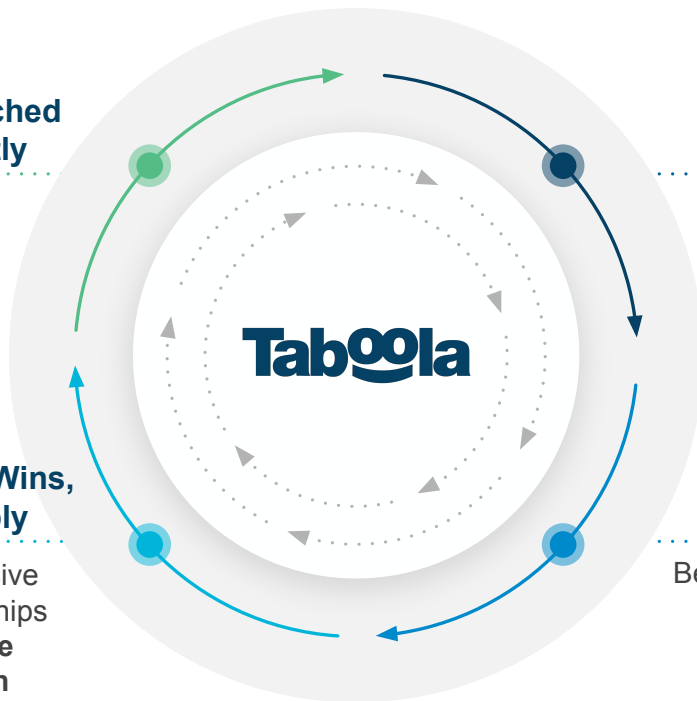
Our predictable access to scale creates strong network effects that drive higher yield

**More Users Reached
More Frequently**

~600M daily
active users

**More Publisher Wins,
More Profitably**

Long-term, exclusive
publisher partnerships
**3+ year average
contract length**



**More Data
Generated**

1 trillion monthly
recommendations

Higher Yield

Better targeting drives
better results for
advertisers

OUR SCALE DRIVES HIGHER YIELD THROUGH:



CPC
Cost Per Click

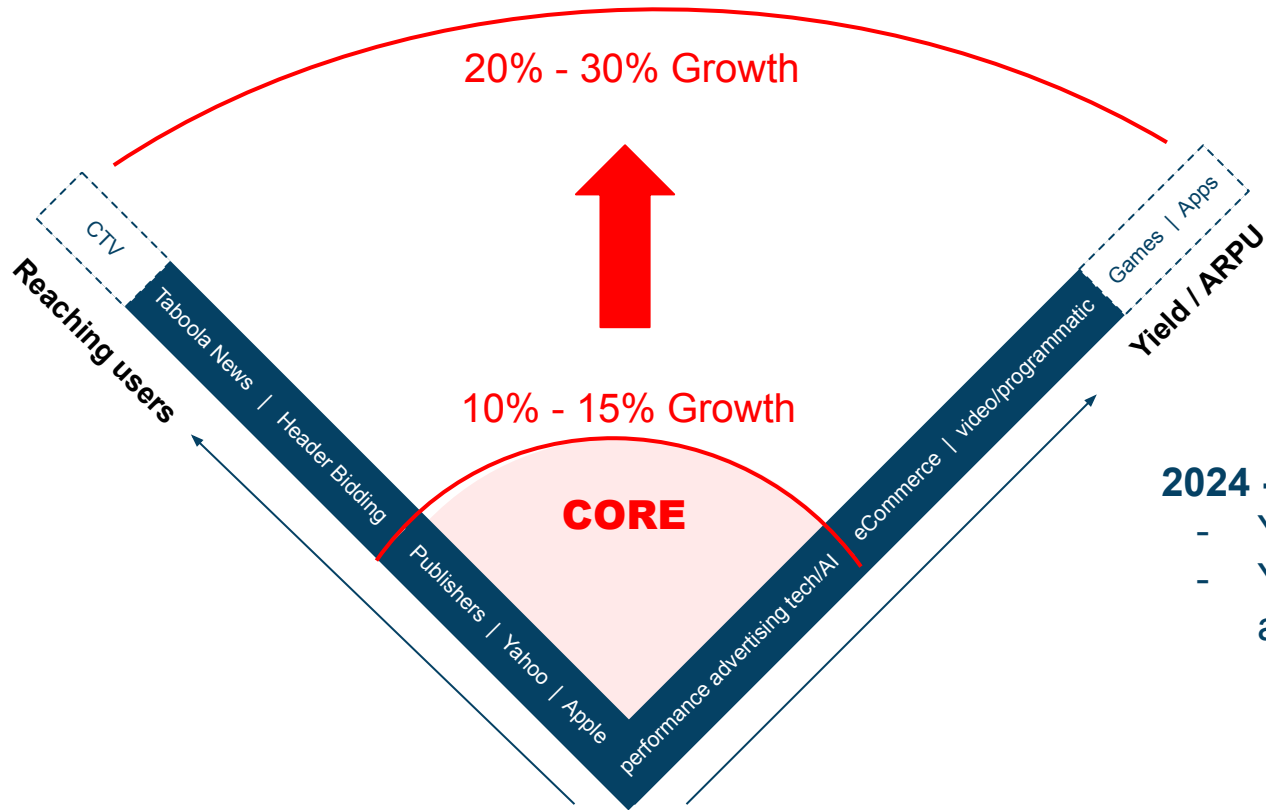
- ✓ Increase in auction density
- ✓ Better attribution
- ✓ Bids optimization



CTR and Conversions

- ✓ Algorithmic improvements
- ✓ More data for contextual signals
- ✓ Better user experience

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



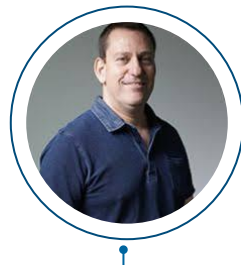
Kristy Sundjaja
4 years at Taboola
CPO



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

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

\$37M
Net Cash Position

\$182M

Cash Balance
 at End of
 2023⁽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



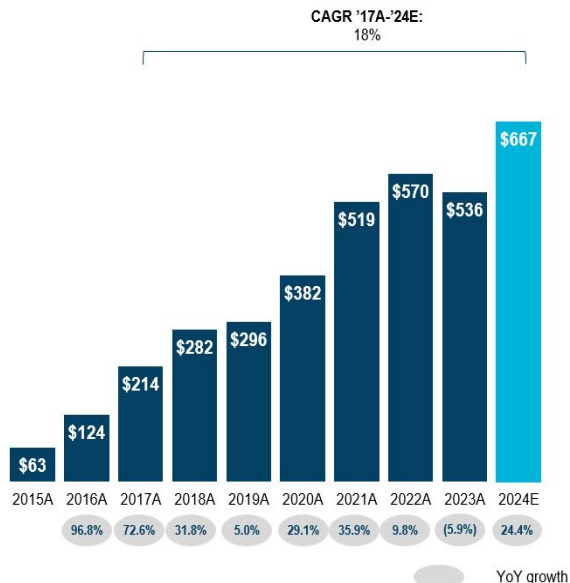
90%+ of revenue comes from direct relationships with advertisers

FINANCIAL HIGHLIGHTS

TABOOLA FOCUSES ON PROFITABLE GROWTH

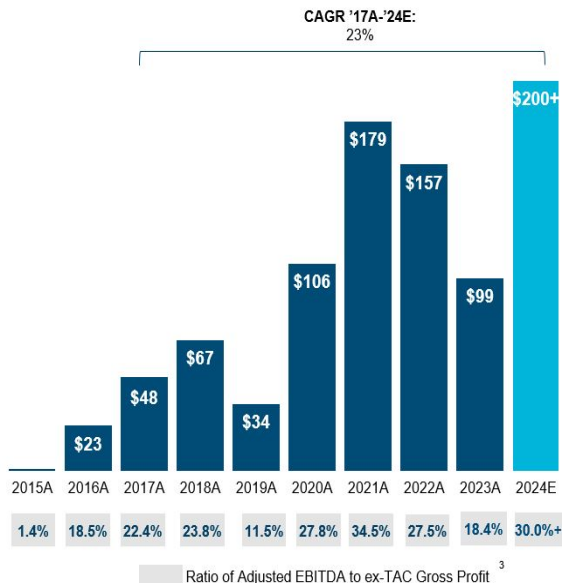
ex-TAC Gross Profit

(\$ in millions)



Adj. EBITDA²

(\$ in millions)



LONG-TERM MODEL

20%

ex-TAC Gross Profit
Growth

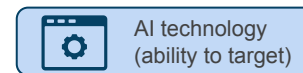
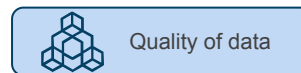
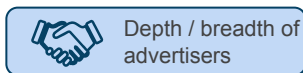
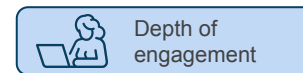
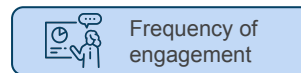
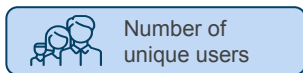
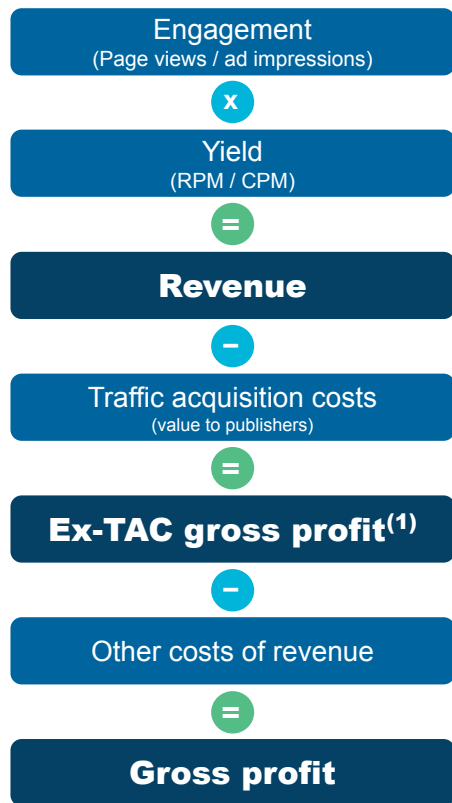
30%+

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

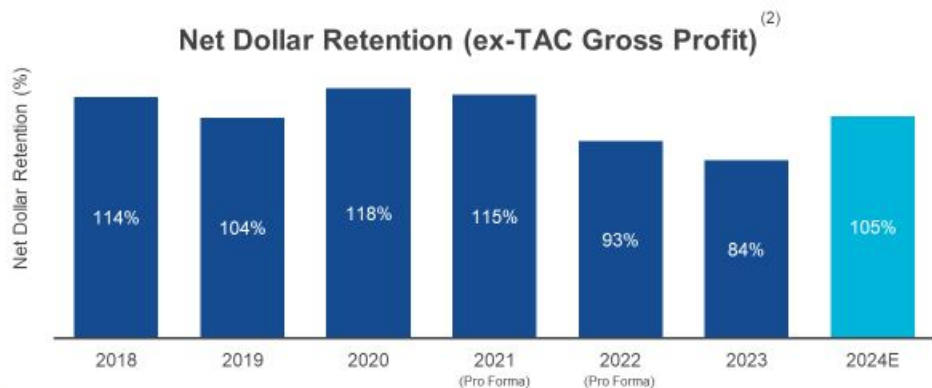
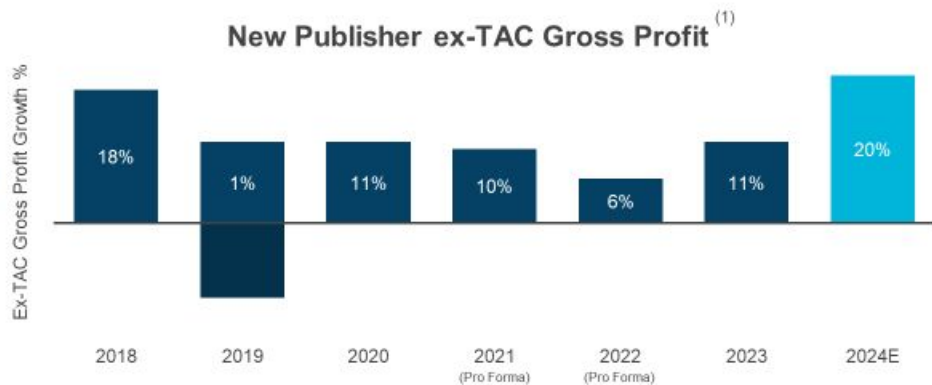
2

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



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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

Taboola

Thank You