Taboola Investor Presentation

March 2024
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 maintain 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 Al-powered technology platform; the need to attract, train and retain highly-skilled technical workforce; changes in the regulation of, or market practice with respect to, “third party cookies” and its impact on digital advertising; continued engagement by users who interact with the Company’s platform on various digital properties; reliance on a limited number of partners for a significant portion of the Company’s revenue; changes in laws and regulations related to privacy, data protection, advertising regulation, competition and other areas related to digital advertising; ability to enforce, protect and maintain intellectual property rights; risks related to the fact that we are incorporated in Israel and governed by Israeli law; the potential impacts of the war in Israel to the Company’s operations; and other risks and uncertainties set forth in the Company’s Annual Report on Form 10-K for the year ended December 31, 2023 under Part 1, Item 1A “Risk Factors” and in the Company’s subsequent filings with the Securities and Exchange Commission.

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

Non-GAAP Financial Measures

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

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

Industry and Market Data

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

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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)

(1) Company estimates based on eMarketer data
(2) The Harris Poll. Base = 2,000 adults surveyed Jan 6-14, 2023.
OPEN WEB CHALLENGES

BAD USER EXPERIENCE
Open Web uses the same ad format as 30 years ago

BAD ADVERTISER EXPERIENCE
Open Web highly fragmented and complex

INFERIOR AD PERFORMANCE
No “walled garden” level of AI and data in the Open Web

(1) Sourced from LUMA Partners
TABOOLA IS THE BEST POSITIONED TO BUILD THE FIRST “MUST BUY” COMPANY IN THE OPEN WEB

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

E-COMMERCE GROWTH

ICONIC PARTNERSHIPS

RAPID AI ADOPTION

FOR ADVERTISERS

Budget and Bidding

Bidding Strategy

What do you want to focus on?

- Maximize Conversions (CPC)
- Maximize Conversion (CPC)
- Bid Control (CPC/CPP)

FOR PUBLISHERS
# 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
Bringing walled garden integrated experience to an $80B+ Open Web market

- More integrated ad experience
- Easy access to scale
- Better user data and AI for more accurate ad targeting
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

- 90%+ of revenue comes from direct relationships with advertisers
- Performance focus with measurable ROI
Our unified tech stack offers comprehensive platforms for publishers and advertisers underpinned by AI.
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

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.

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

1 trillion monthly recommendations

More Publisher Wins, More Profitably

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

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
SIGNIFICANT GROWTH OPPORTUNITIES

- 20% - 30% Growth
- 10% - 15% Growth

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 Sliwowicz
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

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**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

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

\(^{(2)}\) Growth Rate reflects actual results for 2017 - 2024

\(^{(3)}\) Comprised of cash, cash equivalents and short-term investments.
FINANCIAL HIGHLIGHTS
TABOOLA FOCUSES ON PROFITABLE GROWTH

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

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

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(1) Revenue to Taboola after TAC paid to Publishers
WHY TABOOLA
Bringing walled garden experience to an $80B+ Open Web market

Positioned for continued leadership

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AI driven tech platform that is best-in-class
Taboola tech & code on page built for a cookie-less world

Our scale drives network effects that create competitive advantage

Significant growth opportunities
Proven, founder-led management team

Strong financial profile

GROWTH DRIVEN BY USER ENGAGEMENT & YIELD

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.
Thank You