



Taboola

MANAGEMENT PRESENTATION

Forward-Looking Statements - Disclaimer

Certain statements in this presentation are forward-looking statements, including our 2022 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," "intend," "will," "estimate," "anticipate," "believe," "predict," "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; 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; the impact of the ongoing COVID-19 pandemic; 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 section entitled "Risk Factors" and "Cautionary Note Regarding Forward-Looking Statements" in the Company's registration statement on Form F-1 as amended and filed on September 30, 2021 and in 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 certain financial measures not presented in accordance with GAAP including, but not limited to, Adjusted EBITDA and certain ratios and other metrics derived therefrom, including free cash flow and ex-TAC Gross Profit, and related margin measures, as well as New Publisher ex-TAC Gross Profit. 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 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 these non-GAAP measures of financial results provide useful information to management and investors regarding certain financial and business trends relating to the Company's financial condition and results of operations. The Company believes that the use of these non-GAAP financial measures provides an additional tool for investors to use in evaluating ongoing operating results and trends in and in comparing the Company's financial measures with other similar companies, many of which present similar non-GAAP financial measures to investors. These non-GAAP financial measures are subject to inherent limitations as they reflect the exercise of judgments by management about which expense and income are excluded or included in determining these non-GAAP financial measures. Please refer to footnotes where presented on each page of this Presentation or to the appendix found at the end of this Presentation for a reconciliation of these measures to what the Company believes are the most directly comparable measure evaluated in accordance with GAAP.

This Presentation also includes certain projections of non-GAAP financial measures. Due to the high variability and difficulty in making accurate forecasts and projections of some of the information excluded from these projected measures, together with some of the excluded information not being ascertainable or accessible, the Company is unable to quantify certain amounts that would be required to be included in the most directly comparable GAAP financial measures without unreasonable effort. Consequently, no disclosure of estimated comparable GAAP measures is included and no reconciliation of the forward-looking non-GAAP financial measures is included.

Industry and Market Data

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

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TODAY'S PRESENTERS



ADAM SINGOLDA
FOUNDER & CEO

- Founded Taboola over 13 years ago
- Has led the company as its CEO ever since



STEPHEN WALKER
CFO

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



AGENDA

1

Taboola Overview/
2021 in review

2

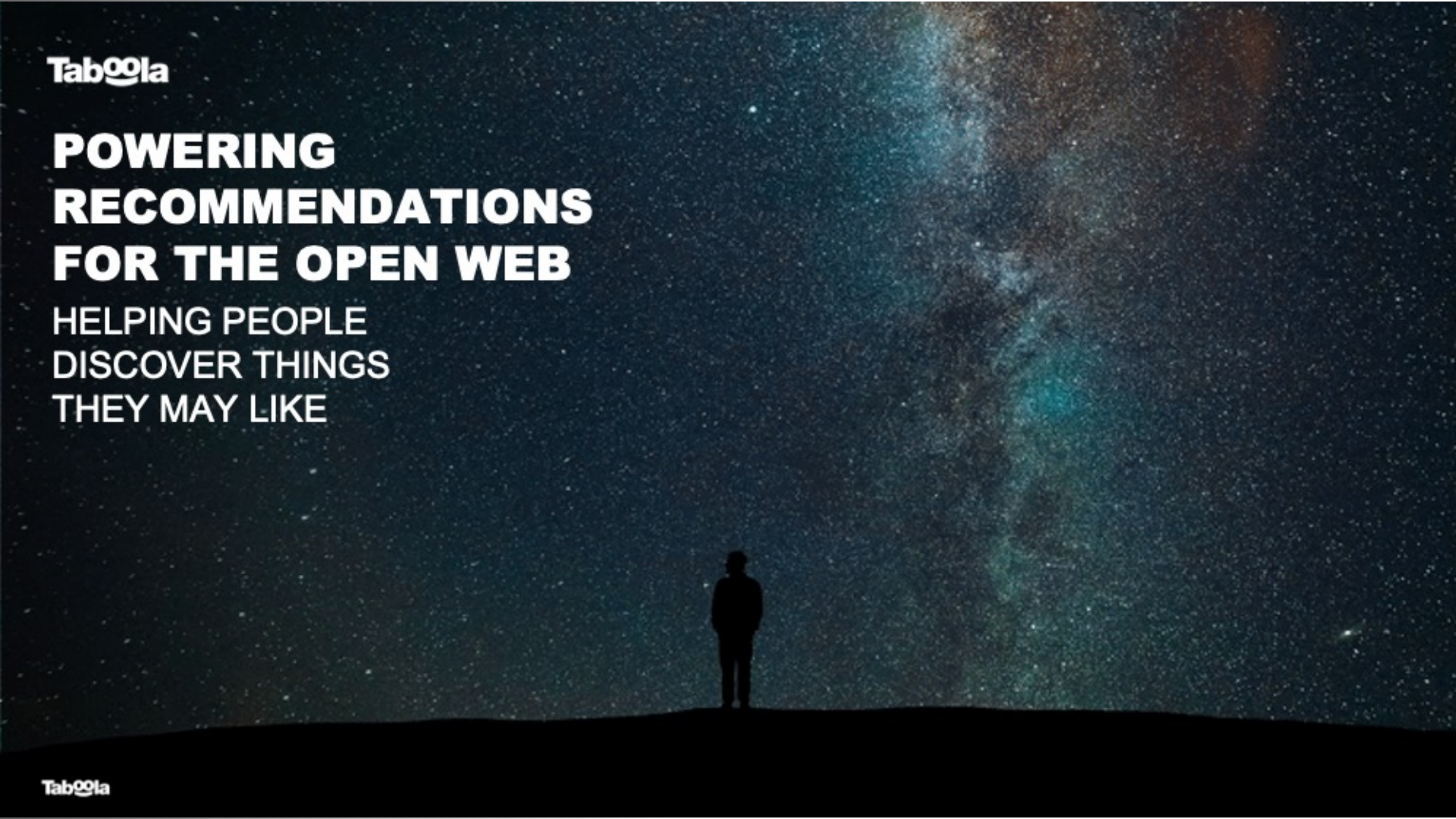
Taboola's
differentiation and
why we win

3

Capturing a
\$64b market

4

Strong financial
model



Taboola

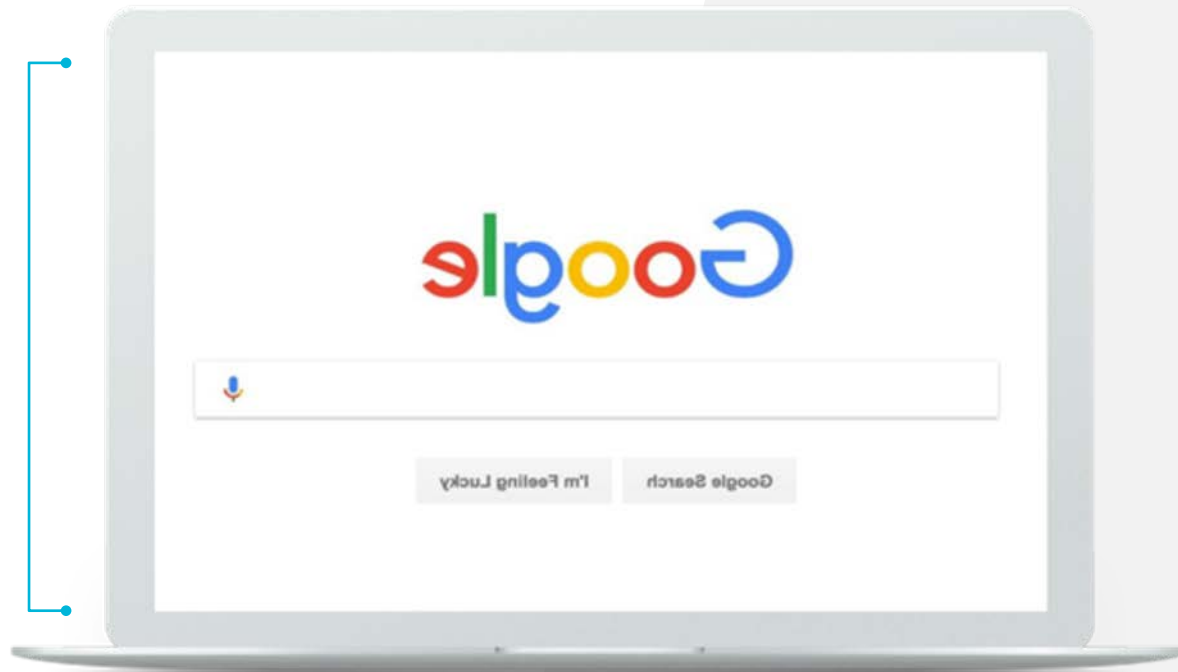
POWERING RECOMMENDATIONS FOR THE OPEN WEB

HELPING PEOPLE
DISCOVER THINGS
THEY MAY LIKE

Taboola

TABOOLA = SEARCH “IN REVERSE”

FROM PEOPLE LOOKING
FOR INFORMATION
TO INFORMATION
LOOKING FOR PEOPLE



Taboola

**YOU HAVE SEEN
TABOOLA BEFORE**



Taboola



SOLVING TREMENDOUSLY DIFFICULT TECHNOLOGICAL CHALLENGES

Predicting what people might be interested in without the intent data that Google has or the personal data that Facebook has and doing it at massive scale.

516M DAILY
ACTIVE
USERS¹

  More than Twitter and Snap combined²

1 Petabyte

Data Processed by
Taboola AI Daily³

330K+

CPU & GPU
Cores⁴

1 Trillion

Monthly
Recommendations⁵

(1) Daily Active Users measures the 7-day average number of users exposed to Taboola recommendations
(2) Twitter and Snap reported 187M and 249M (respectively) in Q3-2020 Earnings reports
(3)(4)(5)Source: Company estimates



FULL TECH STACK FOR PUBLISHERS:

LONG-TERM, EXCLUSIVE PARTNERSHIPS WITH PREMIUM PUBLISHERS

116%

NDR in 2021¹
(Standalone)

15,000

publishers

GLOBAL

\$2B+ PAID TO PUBLISHERS OVER 3 YEARS¹



MONETIZATION

Monetizing with non-interruptive, native ads



ENGAGEMENT

Engaging users by recommending organic content



AUDIENCE

Driving quality audiences from across the network

Publishers on a 5+ Year Contract with Taboola



Bloomberg



sport1



NBC NEWS



SYNACOR



Lagardère

Daily Mail



(1) Source: Company Data. 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. Excludes Connexity.

ADVERTISERS CHOOSE TABOOLA TO REACH THE OPEN WEB

Massive reach 516M Daily Active Users¹

Performance focus with measurable ROI

Brand safe ad placements

Target ads based on what people truly care about



- Largest advertiser is 2% of total ad spend¹
- 10th largest advertiser is 1% of total ad spend¹

(1) Source: Company Data

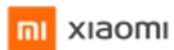
2021 IN REVIEW - SIGNED INCREDIBLE PARTNERSHIPS

Winning and building partnerships with exciting new publishers

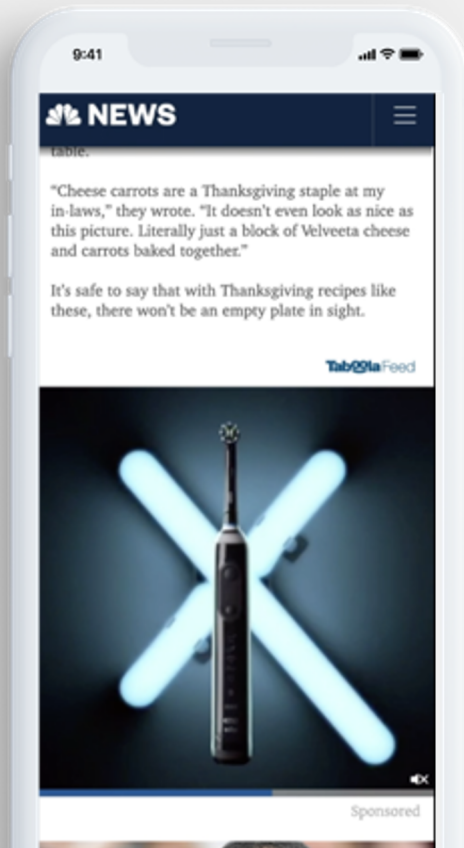
→ BBC, Hearst, Penske Media, Line Today

Renewing and extending long term relationships

- New contract with Microsoft through July 2024
- Global deals including 5 year renewals with both Le Figaro and La Dépêche du Midi group
- NBC Sports and Future PLC as exclusive mid-article content recommendation and video provider
- NDTV for 10 Years!



2021 IN REVIEW – GAME CHANGING PRODUCT INNOVATIONS



Launched High Impact Placements bringing Taboola into mid-article, driving Brands & Agencies to 15% of Revenues

Introduced SmartbidDimensions using A.I. to couple contextual and demographic data with more user dimensions to maximize advertiser campaign performance autonomously

Announced new bidding technology, launching first with Microsoft, ultimately can extend the reach of our advertisers beyond our network of publishers

2021 IN REVIEW – EXTENDING LEADERSHIP IN BRAND SAFETY

Attained in Q3 Trustworthy Accountability Group (TAG) brand safety certification

Announced a new partnership with DoubleVerify (DV) to embed DV's pre-bid brand safety and suitability targeting technology

Partnered with Oracle Moat to introduce video measurement offering directly integrated within Taboola Ads



9:41

enthusiasm, but I wish her well. I hope she hangs the moon," CNN reports McCaskill said.

f t

Space is definitely opening up as an option for travelers looking for something more ambitious.

While many people inquiring about booking space travel are aviation and space enthusiasts, others see this as "the next great adventure to a place fewer than 1,000 people have been to before," Bush said. "Others see this as the dawn of a new industry and how they, too, can be pioneers."

TaboolaFeed

Our smile speaks for all.

Dominican Republic
Part of
www.dominicanrepublic.com

Spring Away to Dominican Republic's Famous Sun, Sea and Sand

Visit Dominican Republic



2021 IN REVIEW - Connexity Acquisition

Acquired Connexity, creating a powerful e-Commerce partner for publishers

High trust with merchants: 90%+ of revenue from direct relationships, 65% is CPC

Anticipated Synergies: \$100M+ Annual ex-TAC in 4 years

Unique, scaled platform:

1,600+

Direct Merchant Relationships

\$4B+

Gross Merchandise Sales

750M

Product Offerings (SKUs)

1M+

Monthly Transactions

6k+

Publisher Relationships



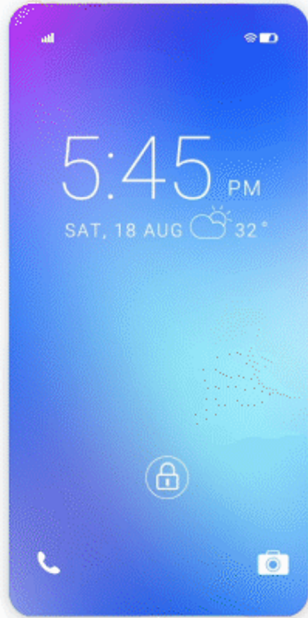
2021 IN REVIEW – Taboola News

Breakout year for Taboola News

Samsung Brazil partnership, integrating content from Taboola’s premium publishers on Samsung devices

Global partnership with Xiaomi, 100 million mobile devices in 60 markets

Averaging more than 400 million monthly engagements on editorial content through mobile device and OEM partnerships



CONSISTENTLY EXCEEDED 2021 FINANCIAL EXPECTATIONS

	2021	GROWTH RATE	ORIGINAL PIPE EXPECTATIONS
Revenues	\$1,378M	16%	\$1,277M
Gross Profit	\$441M	38%	\$365M
ex-TAC Gross Profit ¹	\$519M	36%²	\$445M
Adj. EBITDA ¹	\$179M	69%	\$127M

**INCREASED GUIDANCE
AFTER EACH QUARTER**

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

(2) Pro Forma ex-TAC growth of 25%, above original PIPE Expectation of 16% growth

MOMENTUM CONTINUES INTO 2022

Fast Growth | 30%+ Adj. EBITDA Margin | Strong Free Cash Flow¹

	FY 2022 GUIDANCE	GROWTH RATE VS 2021
Revenues	\$1,666 - 1,678M	21 - 22%
Gross Profit	\$552 - 560M	25 - 27%
ex-TAC Gross Profit ¹	\$661 - 669M	27 - 29%
Adj. EBITDA ^{1, 2}	\$195 - 213M	9 - 19%
Ratio of Adj. EBITDA to ex-TAC Gross Profit	30 - 32%	



AGENDA

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**Taboola's
differentiation and
why we win**

3

Capturing a
\$64b market

4

Strong financial
model

TABOOLA'S DIFFERENTIATION AND WHY WE WIN

1

Growth fuelled by a network effect

2

Long-term yield increase opportunity

3

Taboola's technology is resilient to the future disappearance of third-party cookies

4

Platform advantage driven by Taboola's technology

5

Proven, founder-led management team

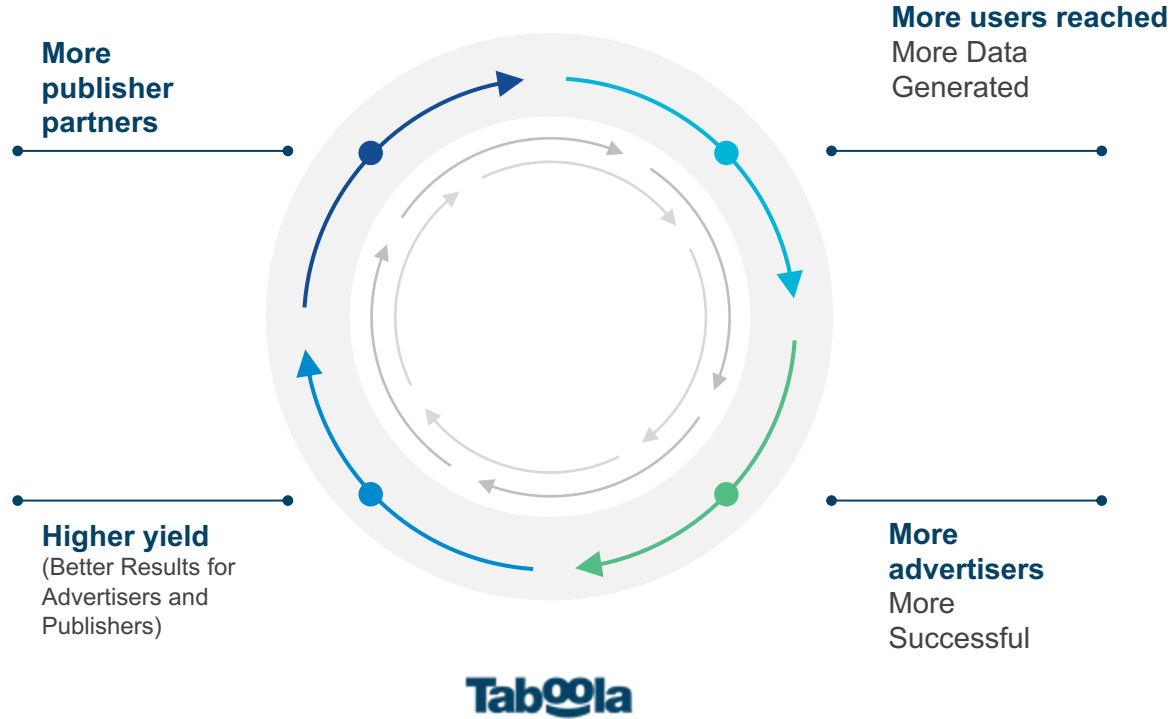
6

Superior financial profile with recurring revenues, scale, and profitable growth

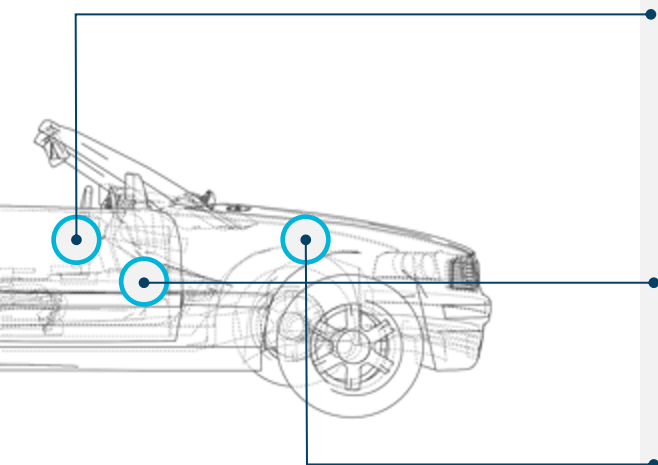
1

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

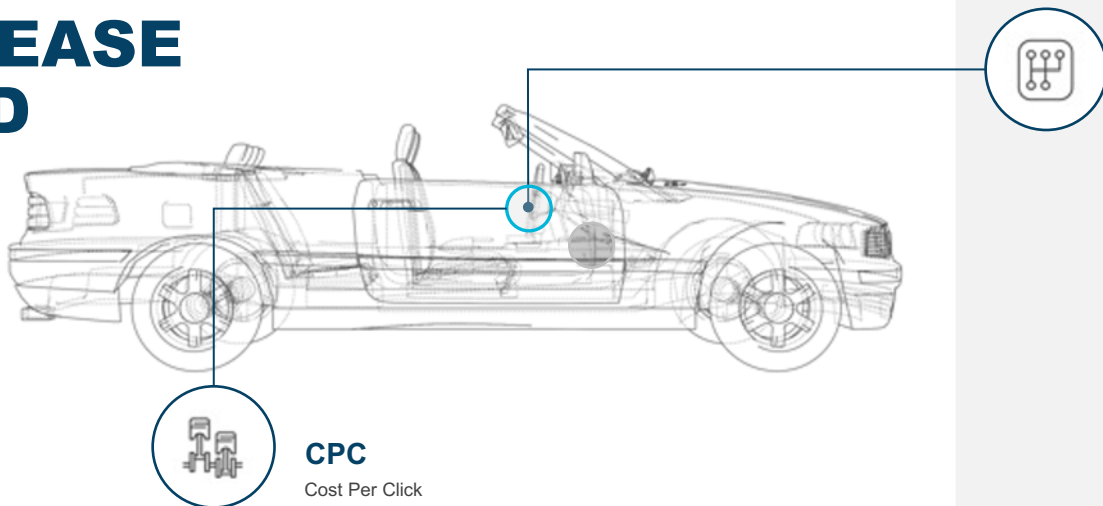


Conversion Rate



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

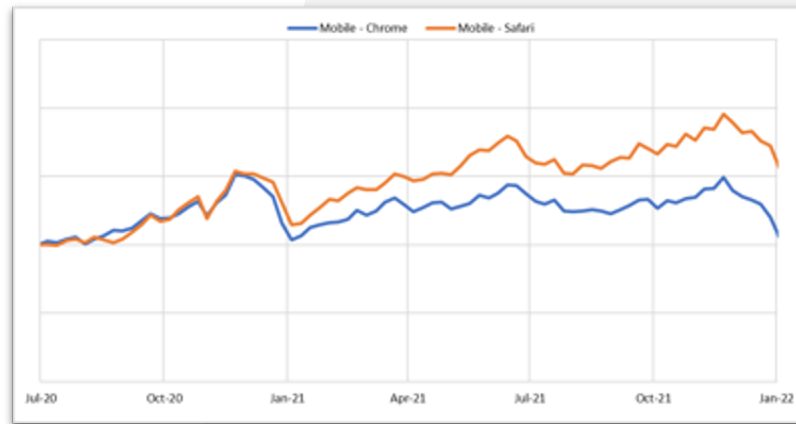
TABOOLA TECH IS BUILT FOR A COOKIE-LESS, IDFA/ ATT WORLD

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 year¹ - re-hashing Taboola identifier across websites

(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

4

PLATFORM ADVANTAGE DRIVEN BY INVESTMENT IN TECH

500
R&D staff

100
in Algo &
Data

\$100M+
Annual R&D
Investment

Taboola

98.05



PROVEN, FOUNDER-LED MANAGEMENT TEAM



ADAM SINGOLDA

Founder & CEO
13 years at Taboola



STEPHEN WALKER

CFO
6 years at Taboola



ELDAD MANIV

President & COO
8 years at Taboola



LIOR GOLAN

CTO
11 years at
Taboola



KRISTY SUNDJAJA

SVP, People Operations
1 year at Taboola



AVIV SINAI

SVP, R&D
13 years at Taboola



RAN BUCK

SVP, Global Revenue
7 years at Taboola

6

SUPERIOR FINANCIAL MODEL

Fast Growth with 30%+ Adj. EBITDA Margin and Strong Cash Generation

	FY 2022 GUIDANCE	GROWTH RATE VS 2021
Revenues	\$1,666 - 1,678M	21 - 22%
Gross Profit	\$552 - 560M	25 - 27%
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Ratio of Adj. EBITDA to ex-TAC Gross Profit	30 - 32%	

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

(2) We calculate Adjusted EBITDA as Net income (loss) before net financial expenses, income tax expenses/ benefit and depreciation and amortization, further adjusted to exclude share-based compensation and other noteworthy income and expense items such as certain merger or acquisition related costs, which may vary from period-to-period.



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\$64b market**

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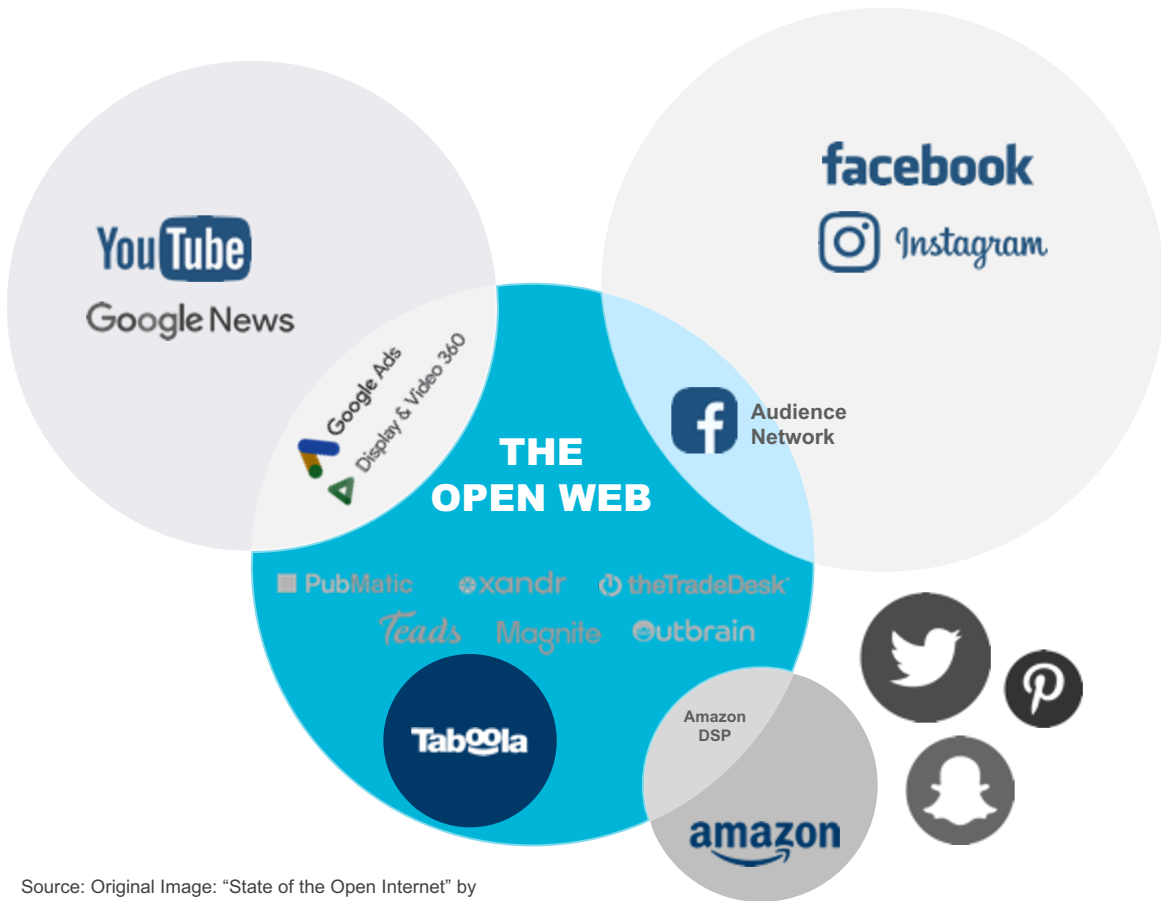
Strong financial
model

TABOOLA IS POISED TO CAPTURE SHARE OF THE \$64B OPEN WEB MARKET

More than ads, product led - driving engagement, and audience to the entire publisher org

Exclusive & direct relationships with publishers/advertisers - enables end-to-end innovation and predictable growth

1st party & contextual data, built for a cookieless world - We're "always on" - all users, all GEOs, all platforms. 500M+ DAU.(1)



Source: Original Image: "State of the Open Internet" by Jounce Media, January 2020, Modified to reflect Taboola as part of The Open Web

(1) Daily Active Users measures the 7-day average number of users exposed to Taboola recommendations

RECOMMENDING *ANYTHING, ANYWHERE* A MULTI BILLION DOLLAR OPPORTUNITY



Winning \$64B Core Market Replacing Traditional Ads With Taboola Recommendations



Amazon recommending products - some are organic, some are paid.
Similar to Taboola recommendations

The screenshot shows Amazon search results for 'art of seo'. Three red arrows point from the text 'Sponsored Product' and '1st Organic Result' to specific items in the results. The first item is a sponsored product: 'SEO for Growth: The Ultimate Guide for Marketers, Web Designers & Entrepreneurs' by John Jantch and Philip Kotler, priced at \$9.99. The second item is another sponsored product: 'SEO 2019: Learn search engine optimization with smart internet marketing strategies' by Adam Clarke, priced at \$7.99. The third item is the '1st Organic Result': 'The Art of SEO: Mastering Search Engine Optimization' by Eric Enge and Stephan Spencer, priced at \$30.99. The organic result is marked with a 'Best Seller' badge and a 5-star rating.



**RECOMMENDING
ANYTHING:**

**E-COMMERCE WITH
CONNEXITY**

**(15%+ of ex-TAC Gross
Profit as of Q4 2021)**

Connexity Acquisition

One of the largest
e-Commerce
media platforms
in the world



\$800 million Total Consideration

Including purchase price and retention incentives

Closed September 1, 2021

Primarily a cash transaction

Approximately: \$260M cash from balance sheet

\$300M committed debt financing

\$240M in Taboola stock

THE FUTURE OF THE OPEN WEB IS E-COMMERCE

- **60% of publishers** list e-commerce as a top revenue opportunity.¹
- Publishers generating revenue from e-commerce has grown over 3x in the last year.²
- There are nearly 150 Commerce Editors currently in the US - one of the fastest growing roles in the newsroom.³

(1) Source: eMarketer, Publishers and Commerce 2021

(2) Source: Di giday, Digiday Research: Commerce is now a revenue stream for a majority of publishers

(3) Source: LinkedIn



\$1b **GMS** in 2020, 47% of H1 2021 media revenue, 56% YoY growth



\$500m **GMS** in 2020, ecommerce to be 31% of revenue by 2024

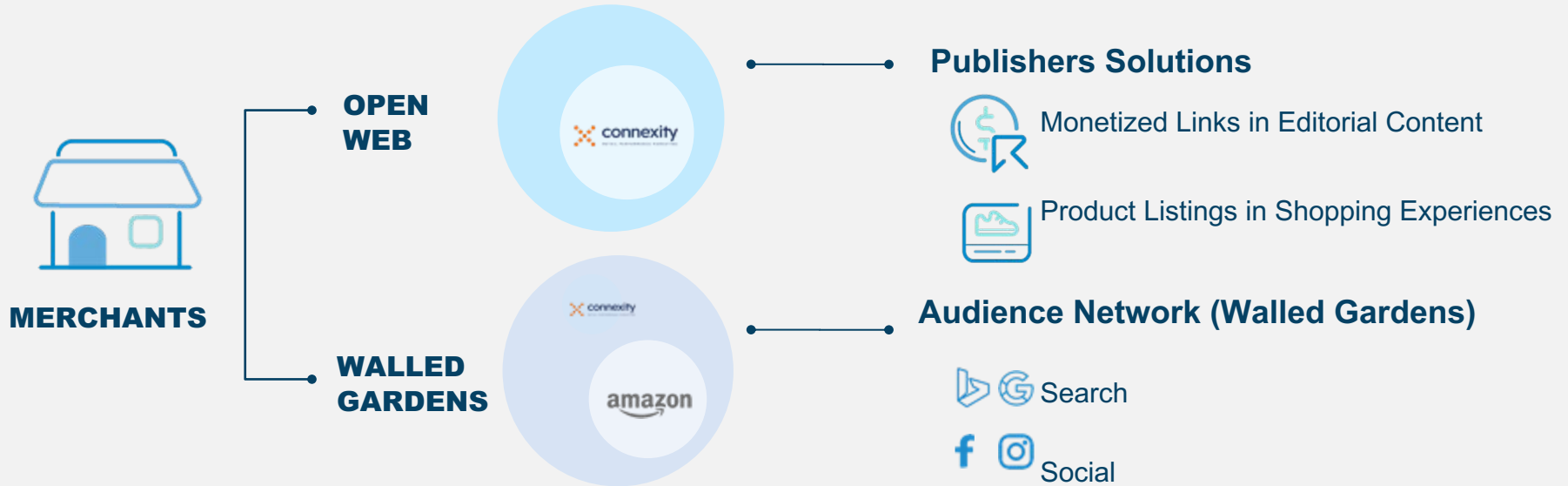


\$1b **GMS** in FY 2021, over 25% YoY growth in related revenue



Reviewed.com - 50% YoY top line growth for the last 3 years

RECOMMENDING ANYTHING: E-COMMERCE AND HOW WE SERVE MERCHANTS IN THE OPEN WEB



OTTO

overstock.

ebay

SKECHERS

★ macy's

★ wayfair

Walmart

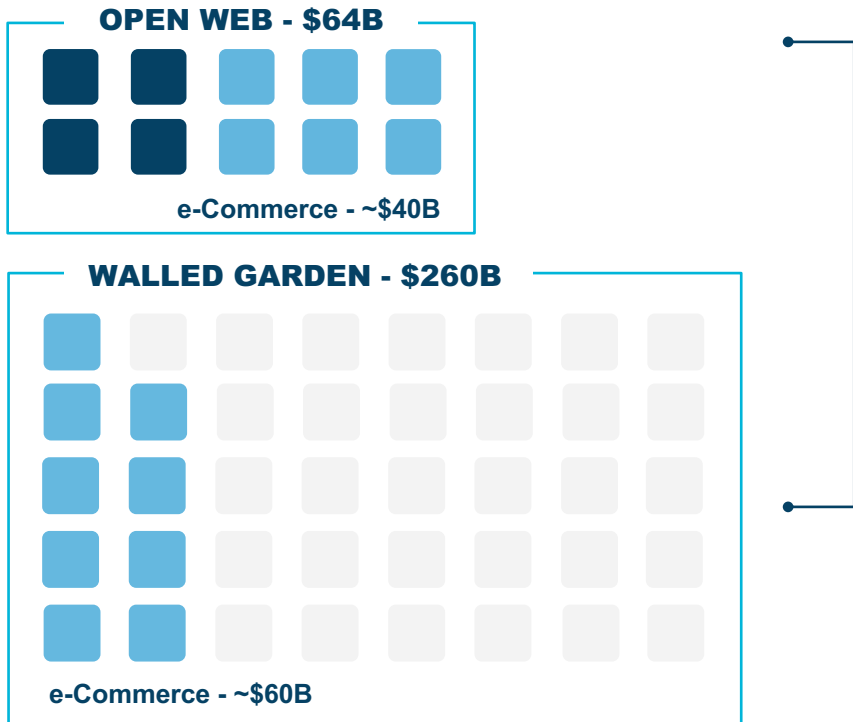
BED BATH & BEYOND

Disney

SEPHORA

EXPANDED TABOOLA TAM TO \$124B

WITH E-COMMERCE AD BUDGETS



Taboola

\$64B

+

\$60B

=

\$124
B
TAM

**MERCHANTS NEED
EFFECTIVE CHANNELS
BEYOND THE WALLED
GARDENS.**

"For advertisers seeking brand-safe, transparent partners, reputable publishers deliver exposure and qualified customers from among their audiences."

eMarketer

\$40B of the Open Web \$60B is eCommerce. With Connexity we can fully tap into it for the first time.

\$60B of Walled Garden TAM is eCommerce. With Connexity we can now tap into it.

ANTICIPATED SYNERGIES - \$100M+ ANNUAL EX-TAC IN 4 YEARS

- Connexity on Taboola Publishers - and grow publishers % of traffic with intent
- Take Connexity Global
- Connexity merchant demand on Taboola publisher supply
- Expanding Connexity's Client base by Leveraging Taboola Ad Sales
- Better personalization/yield by merging datasets - recommendations + e-commerce



STRONG INITIAL INTEGRATION MOMENTUM

- **People** - London office locations merged; NY planned in H1-2022. Complementary teams sharing info, tools, and resources.
- **Ad Sales** - Beginning global expansion of Connexity via Taboola's international ad sales teams (first in China, Brazil)
- **Publishers** - started upselling to Taboola publishers, and building a more resource-heavy list of publishers to go "all in" with them on eCommerce





**RECOMMENDING
ANYTHING:**

**BRANDS &
AGENCIES**

**(15%+ of ex-TAC Gross
Profit as of Q4 2021)**

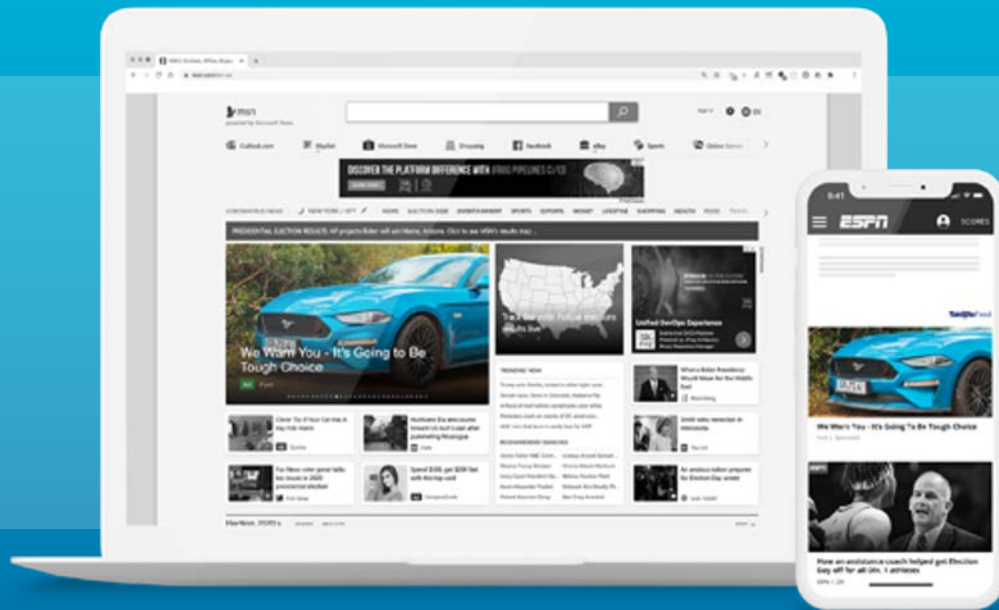
TABOOLA HIGH IMPACT

A premium solution for achieving brand awareness

Premium Ad Placements & Experiences

Brand Safety & Adjacency Control

Unique Readership Data & Insights





**RECOMMENDING
ANYWHERE:**

TABOOLA NEWS

ANYWHERE: TABOOLA NEWS

BRINGING PREMIUM CONTENT TO
PEOPLE EVERYWHERE

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

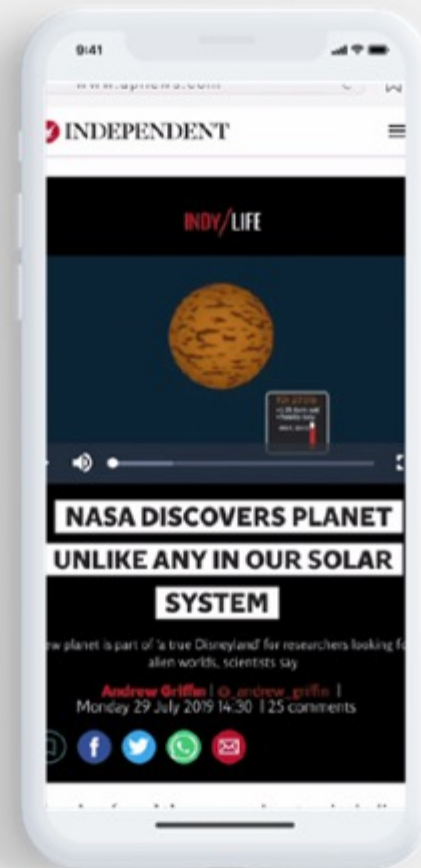
WORKING WITH THE TOP OEMS:

SAMSUNG



vivo

oppo





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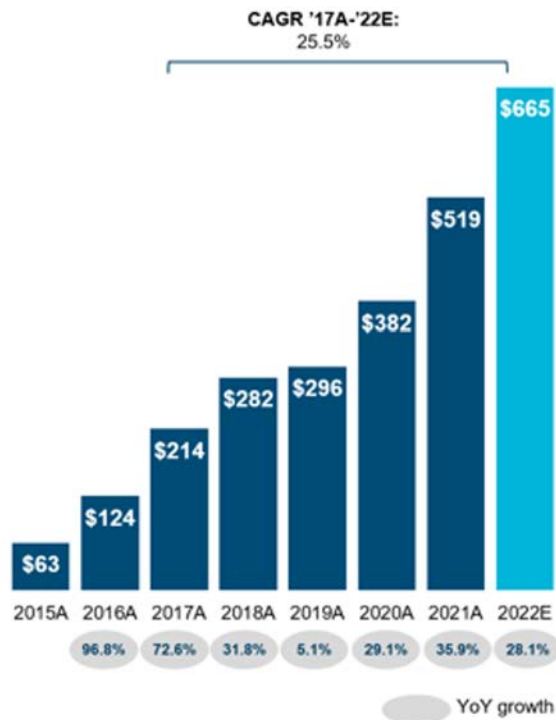
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**Strong
financial model**

TABOOLA FOCUSES ON PROFITABLE GROWTH

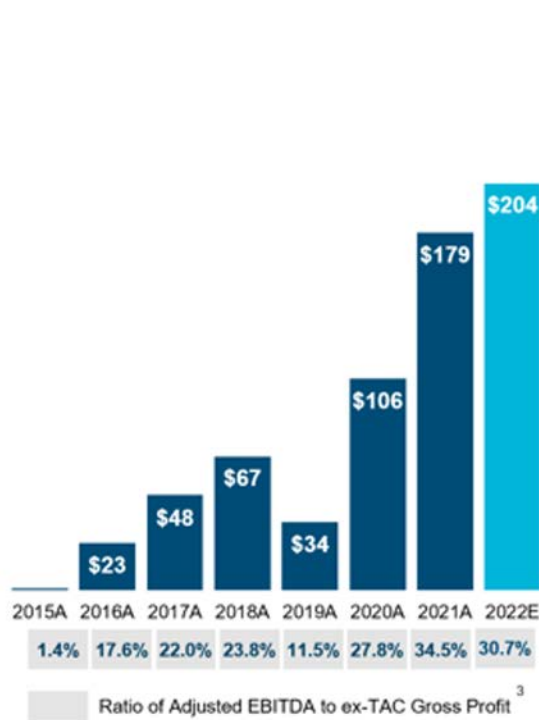
ex-TAC Gross Profit¹

(\$ in millions)



Adj. EBITDA²

(\$ in millions)



PROFITABLE GROWTH RULE OF 40 BUSINESS

Upside in our model

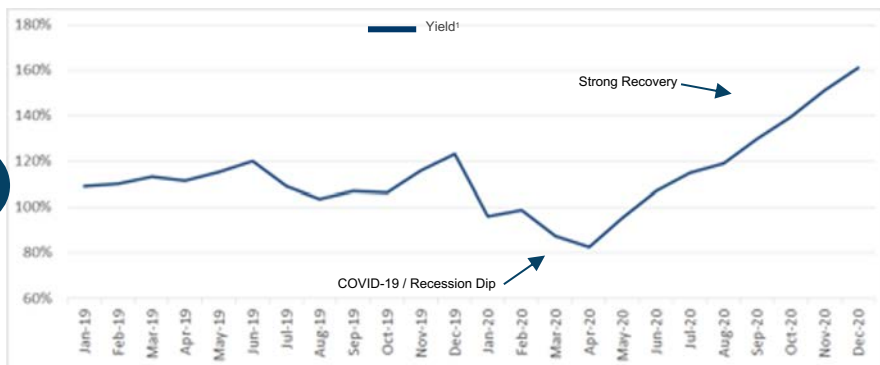
- Growth from Core Open Web business only
- Conservative growth assumed for existing base
- Additional upside from existing growth initiatives and inorganic

Long-term model

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

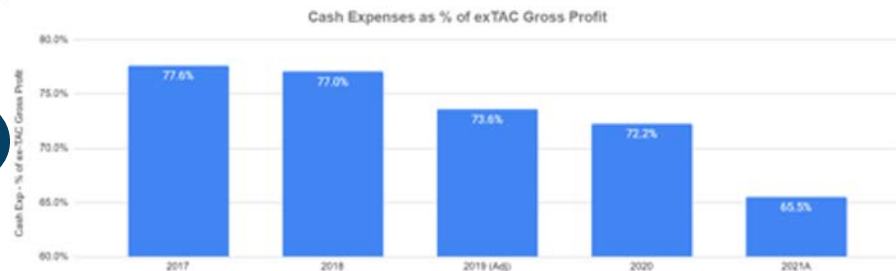
COVID-19 IN 2020 PROVED THE RESILIENCY OF OUR MODEL

1



RELENTLESS FOCUS ON YIELDS...

2



... COMBINED WITH HISTORICALLY LOW COSTS

EXITED 2020 STRONGER THAN WE ENTERED WITH SUSTAINABLY HIGHER PERFORMANCE

1

Sustainable yield increase, driving higher margins

- Worked with publisher partners to optimize for yield
- Signed more advertisers seeking consumers digitally
- Dramatic improvements in algorithms

2

Reset cost base

- Hiring freeze permanently “right sized” organization (sustainable)
- Reduced travel, real estate and overhead (partially sustainable)

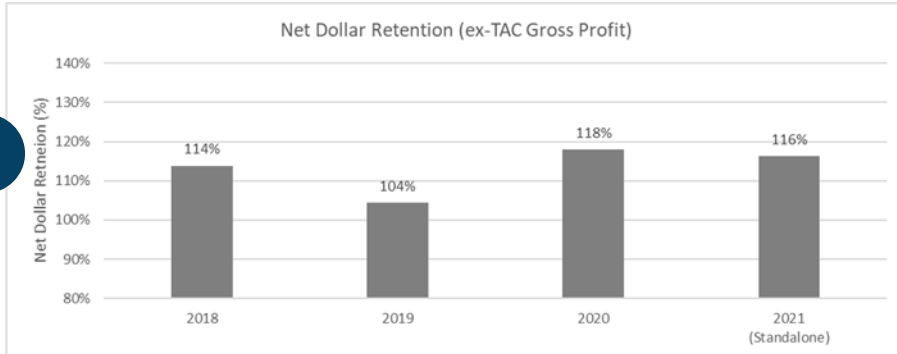
(1) Yield is a normalized measure of performance that controls for changes due to traffic shifts.
 (2) Cash Expenses is the difference between Adj. EBITDA and exTAC Gross Profit. 2019 is adjusted to reflect Ratio of Adj. EBITDA to ex-TAC Gross Profit as detailed on the preceding slide.

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 Publisher¹ ex-TAC Gross Profit

- Historically 10-15% new supply growth
- Projecting similar range going forward

2

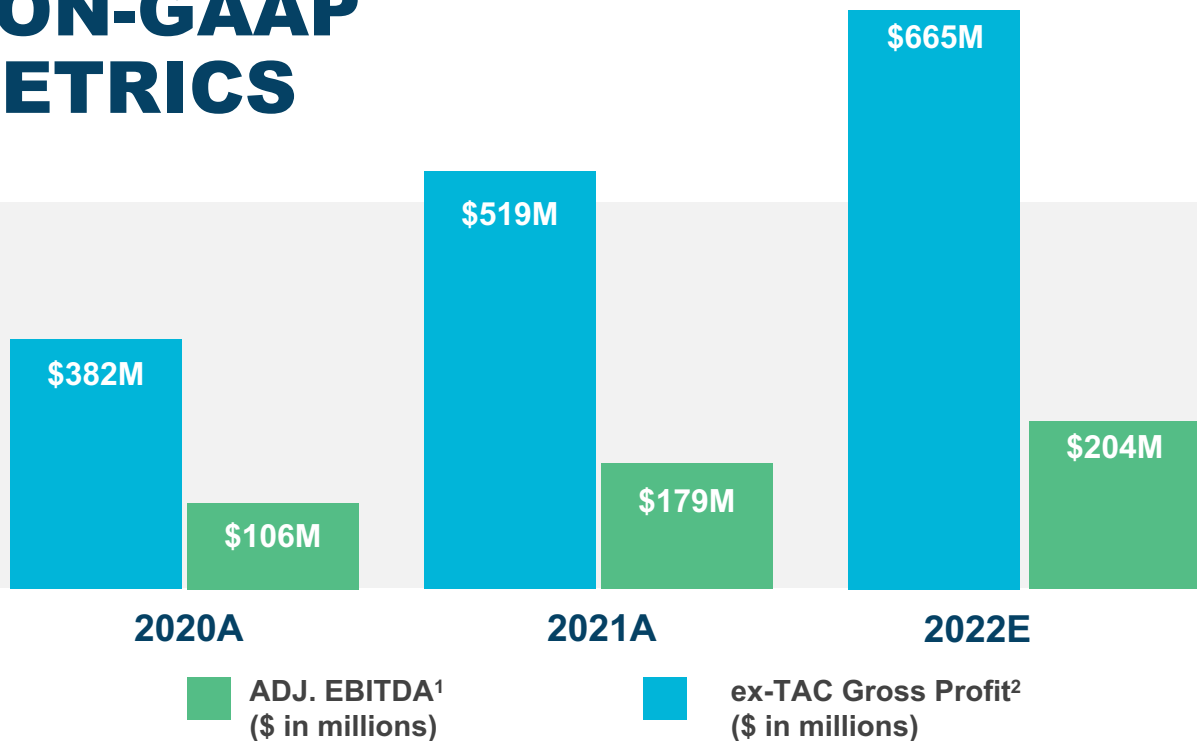
Net Dollar Retention² Growth Has Two Elements

- Improvements in yield
- More supply from existing publishers
- Historically 110-120% on average

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

(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. Excludes Connexity.

SELECTED NON-GAAP METRICS



25% - 27%

Gross Profit Growth

27% - 29%

ex-TAC Gross
Profit Growth

30% - 32%

Ratio of Adj EBITDA to
ex-TAC Gross Profit³

80%+

Adj. Gross
Profit Margin⁴

(1),(2),(3),(4) Adj. EBITDA, ex-TAC Gross Profit, and Ratio of Adj. EBITDA to ex-TAC Gross Profit, and Adj. Gross Profit Margin are Non-GAAP measures, see appendix for reconciliation to GAAP. Adj. Gross Profit Margin is projected to exceed 80% in 2021. Adj. Gross Profit Margin is calculated by dividing Gross Profit by ex-TAC Gross Profit.

Note: Growth rates reflect 2022 growth over 2021. 2022 projection reflects the mid-point of current company guidance.

Taboola

Thank you.

APPENDIX

OUR MODEL IN A NUTSHELL

Model components:	Sample inputs / financials:	Illustrative Taboola economics:
Revenues ⁽¹⁾	\$909	\$1.00 (100%)
–		
Traffic Acq Cost (Value to publishers)	(\$627)	(\$0.69)
=		
ex-TAC Gross Profit ⁽²⁾	\$282	\$0.31
–		
Cost of Revenues	(\$48)	(\$0.05)
=		
Gross profit	\$234	\$0.26
–		
R&D	(\$73)	(\$0.08)
–		
S&M	(\$110)	(\$0.12)
–		
G&A	(\$34)	(\$0.04)
=		
Operating Income	\$17	
+		
Dep, Amort, Share Based Comp, Other item	\$50	
=		
Adjusted EBITDA ⁽³⁾	\$67	
+		
Change in WC, Other items ⁽⁴⁾ + PP&E and Capitalized Platform Costs	(\$22)	
=		
Free Cash Flow ⁽³⁾	\$45	



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

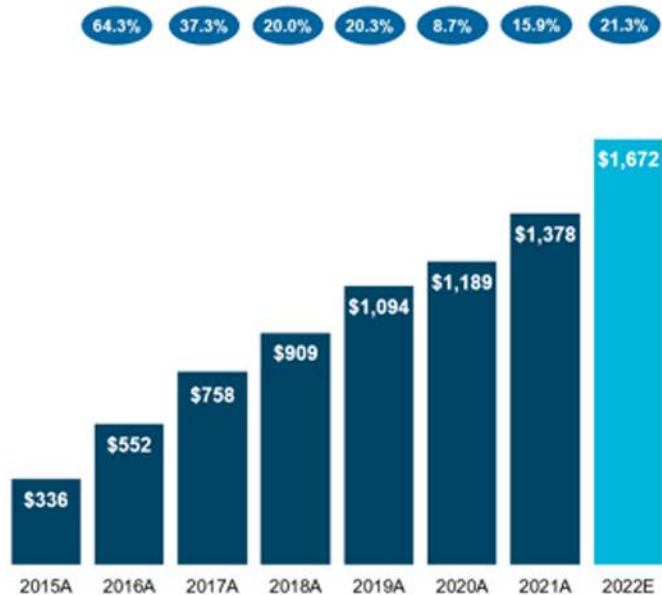
(2) Revenue to Taboola after TAC paid to Publishers. Non-GAAP measure, see appendix for reconciliation to GAAP

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

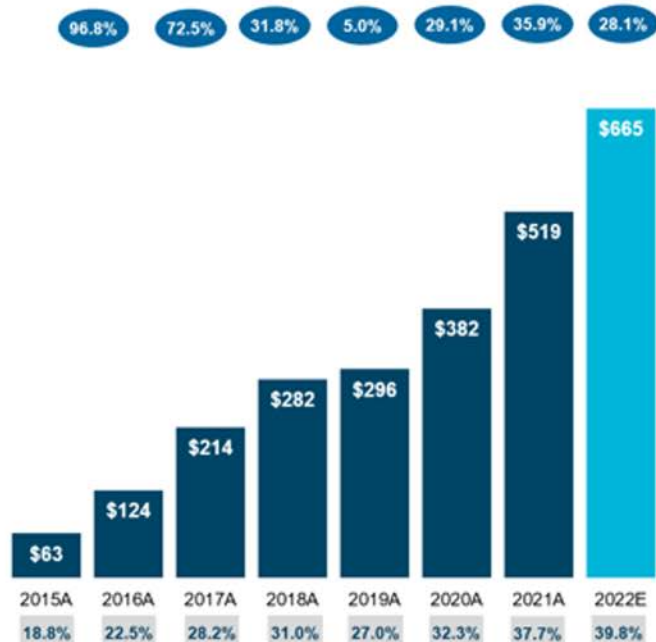
(4) Non cash charges, Cash charges excluded from Adjusted EBITDA

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

Gross Revenue



ex-TAC Gross Profit



● YoY growth ■ ex-TAC Revenue Margin

KEY 2022 MODEL ASSUMPTIONS

ex-TAC Gross Profit¹

- Historically, Taboola grew 20%+ (CAGR '17-'21)
- In 2021, Taboola generated \$519 million ex-TAC Gross Profit
- For FY 2022, the Company expects ex-TAC Gross Profit in range of \$661 - 669M

ADJUSTED EBITDA²

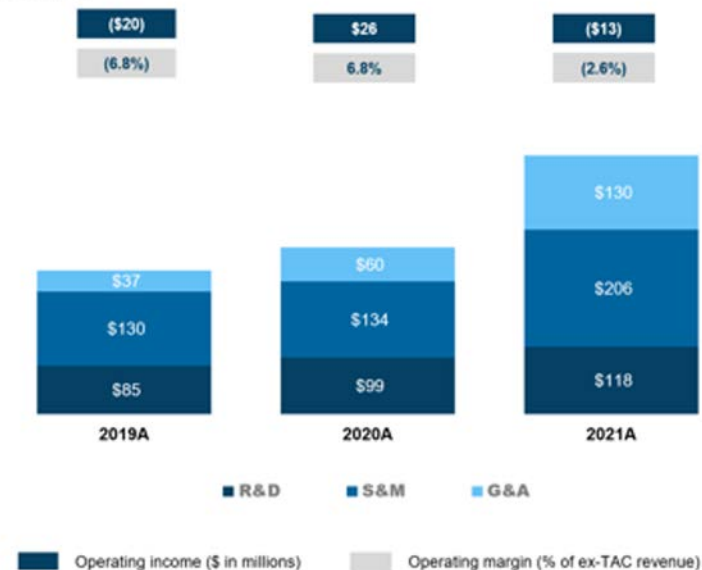
- \$179 million in 2021 and grew faster than ex-TAC Gross Profit
- For FY 2022, the Company expects Adjusted EBITDA in range of \$195 - 213M
- Rule of 40: ex-TAC growth + Ratio of Adj. EBITDA to ex-TAC Gross Profit³ always above 40%

COST ASSUMPTIONS

- Return to "normal" operations and cost basis in 2022
- Two primary costs (headcount and hardware / IT) grow commensurate with revenue growth
- Higher costs (and lower operating margin) in 2021 driven by transaction related share-based compensation expenses

Operating costs:

(\$ in millions)



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

SELECTED GAAP AND NON-GAAP METRICS

(\$ in millions, FYE)	2018A	2019A	2020A	2021A	2022E	Long-Term Model
Revenues	\$ 909	\$ 1,094	\$ 1,189	\$ 1,378	\$ 1,672	
% YoY Growth	20.0%	20.3%	8.7%	15.9%	21.3%	
ex-TAC Gross Profit	\$ 282	\$ 296	\$ 382	\$ 519	\$ 665	
% YoY Growth	31.8%	5.0%	29.2%	35.7%	28.2%	20%+
Gross Profit	\$ 234	\$ 232	\$ 319	\$ 441	\$ 556	
% Adj margin	83.1%	78.4%	83.4%	85.0%	83.6%	
% YoY Growth	31.1%	-0.9%	37.5%	38.2%	26.1%	
Adjusted EBITDA	\$ 67	\$ 34	\$ 106	\$ 179	\$ 204	
% margin	23.8%	11.5%	27.7%	34.5%	30.7%	30%+
% YoY Growth	39.6%	-49.3%	211.8%	68.9%	14.0%	

FY 2022 GUIDANCE

<i>(\$ in millions)</i>	Actual FY 2021	Guidance FY 2022	YoY%
Revenues	\$1,378	\$1,666 to \$1,678	21% to 22%
ex-TAC Gross Profit	\$519	\$661 to \$669	27% to 29%
Gross Profit	\$441	\$552 to \$560	25% to 27%
Adjusted EBITDA¹	\$179	\$195 to \$213	9% to 19%

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

ADDITIONAL MODELING ASSUMPTIONS

- Interest expense of approximately \$3.5M per quarter associated with \$300M term loan related to the Connexity acquisition
- Share based compensation of \$128M in 2021 unusually high as a result of going public triggering event, 2022 estimated at \$83M
- Depreciation & Amortization of \$53M in 2021; increase related to Connexity Purchase Price Accounting allocation, 2022 estimated at \$93M
- CAPEX estimated to be \$55M in 2022 and includes investments in property and equipment, leasehold improvements and capitalized software
- Free Cash Flow expected to be 60% of Adjusted EBITDA in long-term models

ADJUSTED EBITDA RECONCILIATION

<i>(\$ in millions)</i>	2016A	2017A	2018A	2019A	2020A	2021A
Net income (loss)	\$ (2.7)	\$ 2.8	\$ 10.7	\$ (28.0)	\$ 8.5	\$ (24.9)
<i>Adjustments:</i>						
Financial expenses (income), net	0.8	(0.3)	1.3	3.4	2.7	(11.3)
Tax expenses	4.3	5.1	5.3	5.0	14.9	23.0
Depreciation and amortization	13.3	28.2	35.3	39.4	34.0	53.1
Share-based compensation expenses	6.3	10.8	10.5	8.2	28.3	124.1
Revaluation of Contingent Liability	1.4	1.6	3.8	-	-	-
M&A costs	-	-	-	6.1	17.8	11.7
Holdback compensation expenses	-	-	-	-	-	3.7
Adjusted EBITDA	\$ 23.4	\$ 48.2	\$ 66.9	\$ 34.1	\$ 106.2	\$ 179.4

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

2021 QUARTERLY RESULTS: ADJUSTED EBITDA RECONCILIATION

<i>(\$ in millions)</i>	Q1-21A	Q2-21A	Q3-21A	Q4-21A	FY 2021
Net income (loss)	\$ 18.6	\$ (61.4)	\$ 17.3	\$ 0.6	\$ (24.9)
<i>Adjustments:</i>					
Financials expenses (income),net	0.8	0.1	(14.0)	1.8	(11.3)
Tax expenses	2.3	7.9	(3.5)	16.3	23.0
Depreciation and amortization	8.2	8.6	13.2	23.1	53.1
Share-based compensation expenses	5.1	78.5	19.9	20.6	124.1
M&A costs & Transaction cost of Going Public	(1.5)	7.1	5.9	0.2	11.7
Connexity holdback	-	-	0.8	2.9	3.7
Adjusted EBITDA	\$ 33.5	\$ 40.8	\$ 39.6	\$ 65.5	\$ 179.4

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

²Relates to the acquisition of ION Acquisition Corp. 1 Ltd. and going public.

EX-TAC GROSS PROFIT RECONCILIATION

(\$ in millions)

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

Note: 2022 projections reflect the midpoint of current company guidance.

RATIO OF ADJUSTED EBITDA TO EX-TAC GROSS PROFIT RECONCILIATION

(\$ in millions)

	2016A	2017A	2018A	2019A	2020A	2021A
Gross Profit	\$ 101	\$ 179	\$ 234	\$ 232	\$ 320	\$ 441
Net Income (loss)	(3)	3	11	(28)	8	(25)
<i>Ratio of Net income (loss) to Gross profit</i>	-3%	2%	5%	-12%	3%	-6%
ex-TAC Gross Profit	\$ 124	\$ 214	\$ 282	\$ 296	\$ 382	\$ 519
Adjusted EBITDA	23	48	67	34	106	179
<i>Ratio of Adjusted EBITDA to ex-TAC Gross Profit</i>	19%	23%	24%	11%	28%	34%

EX-TAC GROSS PROFIT MARGIN RECONCILIATION

(\$ in Millions)

	2016A	2017A	2018A	2019A	2020A	2021A
Revenues	\$ 552	\$ 758	\$ 909	\$ 1,094	\$ 1,189	\$ 1,378
Gross Profit	101	179	234	232	320	441
<i>Gross Profit Margin</i>	18%	24%	26%	21%	27%	32%
Revenues	\$ 552	\$ 758	\$ 909	\$ 1,094	\$ 1,189	\$ 1,378
ex-TAC Gross Profit	124	214	282	296	382	519
<i>ex-TAC Gross Profit Margin</i>	23%	28%	31%	27%	32%	38%

HISTORICAL & PROJECTED ADJ. GROSS PROFIT MARGIN RECONCILIATION

<i>(\$ in Millions)</i>	2020A	2021A	2022E
Revenues	\$ 1,189	\$ 1,378	\$ 1,672
Traffic Acquisition Cost (TAC)	807	859	1,007
ex-TAC Gross Profit	\$ 382	\$ 519	\$ 665
Other Cost of Revenues	63	78	109
Gross Profit	\$ 319	\$ 441	\$ 556
<i>Gross Profit Margin</i>	27%	32%	33%
<i>Adj. Gross Profit Margin</i>	84%	85%	84%

HISTORICAL FREE CASH FLOW RECONCILIATION

(\$ in Millions)

	2019A	2020A	2021A
Net cash from operating activities	\$ 18	\$ 139	\$ 64
Net cash used in the following investing activities	\$ (44)	\$ (18)	\$ (39)
Intangible assets	\$ (6)	(9)	(14)
Purchase of IT equipment (servers)	\$ (38)	(9)	(25)
Free Cash Flow	\$ (26)	\$ 121	\$ 25

(1) Adj. EBITDA Plus the change in working capital reflects the Net cash provided by operating activities. For estimated periods, Net cash from operating activities assumes 53-57 days payables outstanding and 40-45 days sales outstanding.

CONSOLIDATED BALANCE SHEET

(\$ in millions)	As of Dec 31, 2019	As of Dec 31, 2020	As of Dec 31, 2021
Cash, cash equivalents and short-term deposits	\$ 116	\$ 243	\$ 319
Total Assets	\$ 482	\$ 580	\$ 1,598
Total Liabilities & Convertible Shares	\$ 475	\$ 534	\$ 830
Accumulated Deficit	\$ (40)	\$ (31)	\$ (56)
Additional Paid-in-capital	\$ 47	\$ 78	\$ 824
Total Shareholders' Equity	\$ 7	\$ 47	\$ 768

2021 QUARTERLY RESULTS: EX-TAC GROSS PROFIT RECONCILIATION

(\$ in Millions)

	Q1-21A	Q2-21A	Q3-21A	Q4-21A
Revenues	\$ 303.0	\$ 329.1	\$ 338.8	\$ 407.7
Traffic Acquisition Cost (TAC)	197.0	212.2	211.9	238.5
Other Cost of Revenues	16.4	16.6	19.2	25.6
Gross Profit	\$ 89.6	\$ 100.3	\$ 107.7	\$ 143.6
Other Cost of Revenues	16.4	16.6	19.2	25.6
ex-TAC Gross Profit	\$ 106.0	\$ 116.9	\$ 126.9	\$ 169.2

2022 FULL YEAR GUIDANCE: EX-TAC GROSS PROFIT RECONCILIATION

(\$ in millions)	Guidance
	FY 2022
Revenues	\$1,666 - \$1,678
Traffic Acquisition Cost (TAC)	(\$1003 - \$1011)
Other Cost of Revenues	(\$106 - \$112)
Gross Profit	\$552 - \$560
Other Cost of Revenues	\$106 - \$112
ex-TAC Gross Profit	\$661 - \$669

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**THANK
YOU!**